CALL AND NOTICE OF SPECIAL MEETING AT 6:30 PM OF THE VALLEJO CITY COUNCIL AS GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE FORMER VALLEJO REDEVELOPMENT AGENCY DECEMBER 17, 2019

TO THE MEMBERS OF THE VALLEJO CITY COUNCIL AS GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE FORMER VALLEJO REDEVELOPMENT AGENCY:

You are hereby notified that I do hereby call the Vallejo City Council as Governing Board of the Successor Agency to the former Vallejo Redevelopment Agency in special session to consider only the matters stated on the agenda listed below.

NOTICE: Members of the public shall have the opportunity to address the Housing Authority concerning any item listed on the agenda *before or during consideration of that item. No other items may be discussed at this special meeting. No other items may be discussed at this special meeting.*

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT CALENDAR AND APPROVAL OF AGENDA

A. **APPROVAL OF MINUTES**

Recommendation: Approve the minutes for the November 12, 2019 Joint Successor Agency, Housing Authority and City Council special meeting
Contact:

B. **THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2020 THROUGH JUNE 30, 2021 ("ROPS 20-21")**

Recommendation: Adopt a Resolution approving the Recognized Obligations Payment Schedule for July 1, 2020 through June 30, 2021 ("ROPS 20-21").
Contact: Rekha Nayar, Finance Director, (707) 648-4592
Rekha.Nayar@cityofvallejo.net

4. ACTION CALENDAR

NOTICE: Members of the public wishing to address the Council on Action Calendar Items are requested to submit a completed speaker card to the City Clerk. Each speaker is limited to five minutes pursuant to Vallejo Municipal Code Section 2.02.420.

5. ADJOURNMENT

Dated: Thursday, December 12, 2019

Dawn G. Abrahamson for

Bob Sampayan, Mayor

I, Dawn Abrahamson, City Clerk, do herby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the Successor Agency, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 5:00 p.m. , Thursday, December 12, 2019.

Dated: Thursday, December 12, 2019

Dawn G. Abrahamson

Dawn G. Abrahamson, City Clerk

VALLEJO CITY COUNCIL, VALLEJO CITY COUNCIL AS GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE FORMER VALLEJO REDEVELOPMENT AGENCY AND VALLEJO HOUSING AUTHORITY
JOINT SPECIAL MEETING
ACTIONS SUMMARY
COUNCIL CHAMBERS

NOVEMBER 12, 2019

1. CALL TO ORDER

The meeting was called to order at 6:46 p.m.

2. ROLL CALL

Present: Mayor/Chair Sampayan, Vice Mayor/Vice Chair Dew, Councilmembers/Boardmembers Brown, McConnell, Miessner, Sunga, and Verder-Aliga, and Housing Authority Boardmember Verdan
Absent: None
Staff present: City Manager/Executive Director Nyhoff, City Attorney Quintana and City Clerk/Secretary Abrahamson

3. CONSENT CALENDAR AND APPROVAL OF AGENDA

Action: Moved by Vice Mayor/Vice Chair Dew and carried unanimously, unless otherwise noted, approval of the Agenda and the Consent Calendar.

A. **AWARD OF CONTRACT TO PERFORM AUDIT SERVICES**

Recommendation: Authorize the City Manager and Executive Director of the Housing Authority and Successor Agency to the Former Redevelopment Agency for the City of Vallejo to execute a professional services agreement with Lance, Soll & Lunghard, LLP ("LSL") for financial auditing services for the Fiscal Years ending June 2020-2022, with the option of two 1-year extensions, for an amount not to exceed $550,000 in total for five years of service.

Contact: Rekha Nayar, Finance Director, 707-648-4592
Rekha.Nayar@cityofvallejo.net

Action: Authorized the City Manager and Executive Director of the Housing Authority and Successor Agency to the Former Redevelopment Agency for the City of Vallejo to execute a professional services agreement with Lance, Soll &

Lunghard, LLP ("LSL") for financial auditing services for the Fiscal Years ending June 2020-2022, with the option of two 1-year extensions, for an amount not to exceed $550,000 in total for five years of service.

4. **ACTION CALENDAR –** None.

5. **ADJOURNMENT**
The meeting adjourned at 6:48 p.m.

____
BOB SAMPAYAN, MAYOR/CHAIR

ATTEST:

____
DAWN G. ABRAHAMSON
CITY CLERK/SECRETARY

City of VALLEJO California

CONSENT CALENDAR 3.B.

DATE: December 17, 2019

TO: Chair and Members of the Successor Agency

FROM: Rekha Nayar, Finance Director

SUBJECT: **THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2020 THROUGH JUNE 30, 2021 ("ROPS 20-21")**

RECOMMENDATION

Adopt a Resolution approving the Recognized Obligations Payment Schedule for July 1, 2020 through June 30, 2021 ("ROPS 20-21").

REASONS FOR RECOMMENDATION

Pursuant to State Health & Safety Code Section 34177, successor agencies to former redevelopment agencies are required to prepare and submit a Recognized Obligation Payment Schedule ("ROPS") to authorize debt service and other disbursements for the upcoming fiscal year. Successor agencies receive an allocation of available property tax increment from the County Redevelopment Property Tax Trust Fund ("RPTTF") up to the amount of approved ROPS disbursements. The proposed Resolution approves $1.1 million of RPTTF funding for the July 1, 2020 to June 30, 2021 ROPS reporting period.

Following consideration of ROPS 20-21 by the Successor Agency, ROPS 20-21 is scheduled for consideration by the Solano Consolidated Oversight Board to the Successor Agency in January 2020. The approved ROPS 20-21 is due to the State DOF by February 1, 2020.

BACKGROUND AND DISCUSSION

In 2011, the Governor signed into law AB1X 26 (the "Dissolution Act") which immediately suspended most activities of Redevelopment Agencies prior to their elimination effective October 1, 2011. Assembly Bill 1484 ("AB 1484") was signed by the Governor in 2012, adding significant new or modified actions and deadlines.The Dissolution Act was further amended by SB 107 on September 22, 2015.

The Dissolution Act requires successor agencies to prepare a ROPS which sets forth the successor agency's enforceable obligations and scheduled payments for such enforceable obligations for the upcoming ROPS reporting period. The ROPS is the base document used by the County Auditor-Controller (the "CAC") in determining how much property tax increment revenue is needed to meet current Agency obligations and administrative expenses, and if any current residual tax revenue is available to distribute among local taxing entities. The ROPS are prepared by staff and submitted for consideration of approval by the Successor Agency Board and the Oversight Board. All ROPS are further subject to approval by the State DOF and to audit by the CAC.

DOF has created a specific format for the ROPS submission and provides required ROPS templates to successor agencies for completion. ROPS 20-21 is presented as Exhibit A to the proposed Resolution

(Attachment 1).

FISCAL IMPACT

The Agency's ROPS 20-21 payment requests total $1.6 million, as detailed below. These payments will be financed from RPTTF, bond proceeds and other funds.

Bond Repayments and Fees (Items 5-6, 26, 30-31)
The Successor Agency continues annual debt service payments on two bonds issued in 1990, and 2001. These bonds paid for various infrastructure improvements, primarily along the waterfront, and other public improvements. Along with related fees, $915,913 is proposed for scheduled 2020-21 debt service payments.

Administrative Costs (Item 33)
Pursuant to HSC Section 34171 (b), effective July 1, 2016, the administrative cost allowance will be equal to: (i) up to 3% of the actual property tax received by the Successor Agency to make enforceable obligation payments during the preceding fiscal year reduced by the Successor Agency's Administrative Allowance and sponsoring entity loan repayments in the preceding fiscal year; or (ii) not less than $250,000, unless that amount is reduced by the Oversight Board or by agreement with the Successor Agency (Section 34171(b)(3)). The Administrative Allowance shall not exceed 50 percent of total Redevelopment Property Tax Trust Fund (RPTTF) distributed to pay enforceable obligations in the preceding fiscal year. This formula would allow an Administrative Allowance of approximately $444,399.

The proposed administrative budget is presented as Attachment 2 and estimated to be $190,000 which is less than what the Dissolution Law allows. The City, as administrator of the Successor Agency, continues to incur significant work effort to unwind the affairs of the former Redevelopment Agency and claims $190,000 to reimburse the City for its administrative support. The Agency will continue to evaluate its eligible administrative allowance and underlying work effort to support this draw on an annual basis.

Repayment of City Advances (Item 8)
ROPS 20-21 continues repayment of City/Agency post-1990 loans. Interest accrues at 3% simple interest, as provided in SB 107. The annual allowable loan repayment under the Dissolution Act is 50% of the growth in surplus tax increment since the 2012-13 base year. $475,000 is proposed for City loan repayments in the 2020-21 ROPS cycle.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Attachment 1 - Resolution Approving ROPS 19-20 CAO Stamp
2.	Exhibit A - ROPS 20-21 Schedules
3.	Attachment 2 - ROPS 20-21 Administrative Budget

CONTACT

Rekha Nayar, Finance Director, (707) 648-4592
Rekha.Nayar@cityofvallejo.net

Approved as to form:
By: [signature]
Claudia Quintana
City Attorney

SUCCESSOR AGENCY RESOLUTION NO. _____

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF VALLEJO APPROVING THE RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021 (ROPS 20-21)

WHEREAS, pursuant to AB 1X 26, enacted June 28, 2011 (as found constitutional and as partially reformed by the California Supreme Court in its decision in *California Redevelopment Association v. Matosantos* on December 29, 2011), and as amended by AB 1484, enacted June 27, 2012 (the "Dissolution Act"), the Vallejo Redevelopment Agency, along with all other redevelopment agencies in the State, was dissolved as of February 1, 2012; and

WHEREAS, pursuant to the authority provided in Health and Safety Code Section 34173, as enacted by AB 1X 26, the City Council of the City of Vallejo ("City") elected and determined that the City shall become the "successor agency" to the former Redevelopment Agency, and upon dissolution of the Redevelopment Agency under AB 1X 26, all authorities, rights, powers, duties and obligations previously vested with the former Redevelopment Agency, under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), were vested in the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), added by AB 1484, the Successor Agency has been designated as a separate public entity from the City; and

WHEREAS, pursuant to the Dissolution Act, an Oversight Board has been selected to oversee, direct and approve specified actions of the Successor Agency; and

WHEREAS, also pursuant to the Dissolution Act, Successor Agency staff is required to prepare a "recognized obligation payment schedule" ("ROPS"), listing outstanding obligations of the Agency to be paid in the time period July 1, 2020 through June 30, 2021 ("ROPS 20-21"), submit it for approval by the Solano Consolidated Oversight Board, and submit an electronic copy to the State Department of Finance ("DOF") by February 1, 2020;

NOW, THEREFORE, THE SUCCESSOR AGENCY OF THE CITY OF VALLEJO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The approval of the ROPS through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. The Successor Agency hereby approves and adopts the July 1, 2020 through June 30, 2021 ROPS (ROPS 20-21), in substantially the form attached to this Resolution as Exhibit A, authorizes staff to submit this information in the DOF-approved electronic format as required under the Dissolution Act, and to seek approval of this action by the Solano Consolidated Oversight Board.

This resolution was adopted by those present and voting at a regular meeting of the Successor Agency of the City of Vallejo held on December 17, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

____
BOB SAMPAYAN, Chairperson

ATTEST: ____
DAWN G. ABRAHAMSON, Secretary

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

Successor Agency: Vallejo
County: Solano

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)	**$ 446,143**	**$ -**	**$ 446,143**
B Bond Proceeds	426,858	-	426,858
C Reserve Balance	-	-	-
D Other Funds	19,285	-	19,285
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	**$ 468,920**	**$ 665,850**	**$ 1,134,770**
F RPTTF	373,920	570,850	944,770
G Administrative RPTTF	95,000	95,000	190,000
H Current Period Enforceable Obligations (A+E)	**$ 915,063**	**$ 665,850**	**$ 1,580,913**

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

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

A	B	D	F	I	K	L	N	O	P	Q	R	T	U	V	W
Item #	Project Name	Agreement Execution Date	Payee	Total Outstanding Obligation	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec) Fund Sources				20-21A Total	ROPS 20-21B (Jan - Jun) Fund Sources				20-21B Total
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	
				$13,244,426	$1,580,913	$426,858	$19,285	$373,920	$95,000	$915,063	$-	$-	$570,850	$95,000	$665,850
6	1990 Tax Allocation Bonds	08/01/1990	Wells Fargo Bank	492,813	$492,813	426,858	19,285	46,670	-	$492,813	-	-	-	-	$-
8	Advances from City	02/01/2015	City of Vallejo General Fund	5,082,309	$475,000	-	-	-	-	$-	-	-	475,000	-	$475,000
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	10/20/2000	Bondlogistix LLC, Wells Fargo	5,400	$5,400	-	-	3,600	-	$3,600	-	-	1,800	-	$1,800
30	2001 Vallejo Housing Set-aside	10/20/2000	Bondligistix, Wells Fargo Bank	5,900	$5,900	-	-	3,900	-	$3,900	-	-	2,000	-	$2,000
31	2001 Vallejo Housing Set-aside	08/06/2001	Wells Fargo Bank	4,113,850	$411,800	-	-	319,750	-	$319,750	-	-	92,050	-	$92,050
33	Administration	07/01/2016	City of Vallejo	250,000	$190,000	-	-	-	95,000	$95,000	-	-	-	95,000	$95,000
47	Advances from City	01/01/2016	City of Vallejo	3,294,154	$-	-	-	-	-	$-	-	-	-	-	$-

Vallejo
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2018 through June 30, 2019
(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 18-19 Cash Balances (07/01/18 - 06/30/19)	**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 07/01/18)** RPTTF amount should exclude "A" period distribution amount.	1,105,382			125,591	151,116	
2	**Revenue/Income (Actual 06/30/19)** RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller	9,518			44,406	1,707,215	
3	**Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)**	39,106			56,600	1,667,990	SA used $39,106 to pay ROPS item# 31.
4	**Retention of Available Cash Balance (Actual 06/30/19)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	1,075,794					Retention of bond proceeds equals to total restricted reserve fund account balances (required by indenture).
5	**ROPS 18-19 RPTTF Prior Period Adjustment** RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC		No entry required			150,891	SA used $150,891 to pay ROPS 18-19 enforceable obligations.
6	**Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)**	**$-**	**$-**	**$-**	**$113,397**	**$39,450**	**SA used $108,991 to pay ROPS 18-19 enforceable obligations.**

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

Item #	Notes/Comments
6	
8	
26	
30	
31	
33	
47	

FY 2020/21 Vallejo Successor Agency - Administrative Budget

Type of Admin Costs 1/	Jul - Dec 2020	Jan - Jun 2021
Direct Administrative Costs:		
Legal Expenses	5,000	5,000
Property Maintenance & Appraisal	5,000	5,000
Other (audit, consultants, postage, utilities, training, travel, office supplies, printing, etc.)	10,000	10,000
Indirect City Support Services 2/	75,000	75,000
Total Administrative Expenses	95,000	95,000
Total Administrative Expenses Funded by RPTTF		190,000

Notes:

1/ Activities may be added, revised, or deleted from the listing as necessary and appropriate during the course of the the Successor Agency wind-down process. Costs shown for each category are estimates only. Actual costs required for each category may be higher or lower than the amount shown, not to exceed the aggregate total amount.

2/ Indirect cost recovery for administrative and financial activities will be charged based on the City's Indirect Cost plan developed by third-party consultant.