

Escondido
Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail
July 1, 2022 through June 30, 2023

A	B	C	D	E	F	G	H	I	J	K	N	Q
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)	22-23A Total
											Fund Sources	
											Other Funds	
								\$959,515		\$150,000	\$150,000	\$150,000
7	Loan Repayment to Traffic Impact Fund	City/County Loan (Prior 06/28/11), Other	08/15/1994	12/31/2035	City of Escondido	Capital Improvement-Nordahl bridge improvements	Esc. Redev.	959,515	N	\$150,000	150,000	\$150,000
10	Employee Costs-Admin. Fee	Admin Costs	07/01/2011	06/30/2021	Employees of City of Escondido	Administration	Esc. Redev.	-	N	\$-	-	\$-
29	Reinstatement of loans made by the City to the former RDA	City/County Loan (Prior 06/28/11), Cash exchange	04/26/2017	06/30/2023	City of Escondido	Repayment of loans made to former RDA by the City of Escondido		-	Y	\$-	-	\$-

Escondido
Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances
July 1, 2019 through June 30, 2020
(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
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	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	Comments
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.			127,148	1,101,561		Reserve Balance = \$111,002 used to pay obligations on ROPS19-20; \$12,889 used to pay obligations on ROPS20-21 and \$3,256 used to pay obligations on ROPS21-22
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller				269,759	3,461,324	Income is due to interest earnings on available cash balances and the repayment of housing loans
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)			111,002	-	3,458,199	\$111,002 PPA used to pay obligations on ROPS19-20
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			16,146	1,117,561		Reserve Balance = \$12,889 is used to pay enforceable obligations on ROPS20-21 and \$3,256 used to pay obligations on ROPS21-22. Other Funds = \$1,066,000 used to pay obligations on ROPS20-21 and \$51,561 used to pay obligations on ROPS21-22

Pursuant to Health and Safety Code section 34177 (I), 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 19-20 Cash Balances (07/01/19 - 06/30/20)	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	
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC		No entry required			3,125	Bond expense and Administrative cost savings in fiscal year 2019-2020
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$253,759	\$-	

Escondido
Recognized Obligation Payment Schedule (ROPS 22-23) - Notes
July 1, 2022 through June 30, 2023

Item #	Notes/Comments
7	
10	Health and Safety Code Section 34171(b)(3) limits the fiscal year Administrative Cost Allowance to three percent of actual Redevelopment Property Tax Trust Fund (RPTTF) distributed in the preceding fiscal year reduced by the Successor Agency's administrative cost allowance and loan repayments made to the City. The remaining enforceable obligations listed on the ROPS Schedule are for the repayments of City loans. As a result, the Agency's maximum Administrative Cost Allowance is \$0.
29	The final loan repayment was made in FY2021/22 with the funding approved on ROPS21-22. The obligation has been paid in full.



COUNTY OF SAN DIEGO

COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

BRIAN HAGERTY
WILLIAM BABER
MARK BAKER
SCOTT BUXBAUM
DR. BONNIE DOWD
SAMUEL MERRILL
VICTORIA WHITE

AGENDA ITEM

COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

DATE: January 20, 2022

05

TO: Countywide Redevelopment Successor Agency Oversight Board

SUBJECT: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO FOR JULY 1, 2022 – JUNE 30, 2023 (ROPS 22-23)

SUMMARY:

Overview

Pursuant to redevelopment agency dissolution law, successor agencies must submit their annual Recognized Obligation Payment Schedules (ROPS) and administrative budgets to their countywide oversight boards for review and approval. Once the ROPS is approved by the oversight board, the successor agency submits the ROPS to the State Department of Finance (DOF) for final review and funding authorization.

Today's action requests approval of the ROPS for July 1, 2022 - June 30, 2023 (ROPS 22-23) and the related administrative budget for the same period. Total enforceable obligations of \$150,000 are eligible to be funded, including an administrative budget of \$0.

Recommendation(s)

1. Adopt the resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD RELATED TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET THE SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO FOR THE PERIOD OF JULY 1, 2022 – JUNE 30, 2023
2. Authorize staff to make non-substantive changes to the Recognized Obligation Payment Schedule to meet the Department of Finance formatting and submittal requirements and, subject to approval of Oversight Board counsel, to make changes

SUBJECT: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO FOR JULY 1, 2022 - JUNE 30, 2023 (ROPS 22-23)

needed to comply with new legislation, any administrative direction from the Department of Finance, or court decisions.

Fiscal Impact

Funding of the obligations listed in the ROPS and the expenses listed in the administrative budget will be subject to approval by the State of California Department of Finance, and dependent upon the availability of sufficient redevelopment property tax revenues, as determined by the County's Auditor & Controller.

BACKGROUND:

The Recognized Obligation Payment Schedule for July 2022 through June 2023 lists one enforceable obligation of the Redevelopment Agency:

ROPS21-22 Item #7 – Loan Repayment to Traffic Impact Fund: \$150,000

California Health and Safety Code Section 33445 authorized a redevelopment agency to enter into agreements with the host city to borrow money and accept financial assistance from the city for redevelopment projects located within the agency's jurisdiction. Because newly formed agency funding was limited to a future, expected stream of tax increment, cities often loaned agencies both staff and funding to get redevelopment projects started. Agreements to borrow funds from cities constituted an indebtedness of the agency and this indebtedness could be paid out of taxes levied in the project area and allocated to the agency under subdivision (b) of Health and Safety Code Section 33670 or out of any other available funds.

By Escondido Community Development Commission ("CDC") Resolution 1985-07, the Traffic Impact Fund loaned the Redevelopment Agency \$200,000 for certain Nordahl Bridge improvements. Per HSC Section 34171(d)(2), loan agreements entered into between the RDA and the City within two years of the date of the creation of the RDA may be deemed to be enforceable obligations. The Escondido Commission was formed in 1984 by Resolution No. 84-213. The Loan Agreement under Community Development Commission Resolution No. 85-7 was entered into with the first two years of the date of creation in 1985 and the funds were advanced within the first two years of creation. Therefore, on December 18, 2012, this Loan was recognized by the Department of Finance to be an enforceable obligation of the Successor Agency. Under Section 5 of Resolution No. CDC 85-7, the Commission agreed to reimburse the City for the advance from whatever revenue the Commission is entitled to and to pay interest at the rate of twelve percent (12%) per annum.

The Loan Repayment to the Traffic Impact Fund is the final enforceable obligation of the Escondido Successor Agency. When all enforceable obligations of a successor agency are retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, a successor agency will formally dissolve. Dissolution of the Successor Agency would result in additional property tax revenue to the City of approximately \$1.3 million annually.

The City requested and was approved to repay this loan using available "Other Funds" held by the Successor Agency on ROPS19-20 under City Council Resolution No. 2018-186 and County OB

SUBJECT: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO FOR JULY 1, 2022 - JUNE 30, 2023 (ROPS 22-23)

Resolution No. OB-2019-005. After the ROPS19-20 had been approved and submitted to the Department of Finance, the School Districts contacted the County Oversight Board to voice their concerns regarding the requested repayment of the Traffic Impact loan given their claim to an anticipated revenue stream derived from a settlement of claims in 2009 (the “2009 Settlement Agreement” or “Agreement”).

The 2009 Settlement Agreement was entered into among the CDC, the City of Escondido, the Escondido Union School District, the Escondido Union High School District, and San Diego County Superintendent of Schools. It was intended to resolve a dispute between these parties regarding the previously anticipated tax revenue payments to the School Districts. To resolve the dispute between the parties, the 2009 Settlement Agreement adjusted the formulas and manner in which the School Districts were to receive tax increment revenue from the CDC. This Agreement projected that the School Districts would receive tax-sharing payments from the CDC until Fiscal Year 2035/36. This date was based on tax increment projections which estimated when the CDC would be able to pay off all debt owed by it which, in 2009, included Community Development Commission Bonds, the Traffic Impact Loan, Housing Set Aside Loan, and the City Loan to the General Fund. Of course, at that time, none of the parties knew that redevelopment agencies like the CDC would be dissolved pursuant to state law and all of the issues that have arisen with the wind-down of these complicated entities.

The School Districts contend that the Successor Agency's payment in full of the Traffic Impact Loan would result in an early termination of the School Districts' pass-through payments that were “promised” through Fiscal Year 2035/36 under the Agreement. The payment in full of the Traffic Loan required by the Department of Finance would have the unintended consequence of changing the end date of School District pass-through payments from FY 2035/36, reducing the tax revenue that the School Districts would receive under the 2009 Settlement Agreement. At this time, the School Districts continue to receive contractual pass-through payments from the County Auditor-Controller based on the 2009 Settlement Agreement.

To allow time for both the City and the School Districts to find a long-term solution to this issue, the City and the Successor Agency entered into an Interim Settlement Agreement with the School Districts and City staff have delayed the full repayment of the Traffic Impact Loan. Listed in ROPS22-23 is a request for payment of \$150,000, which will result in an ending loan balance of \$959,515 including accrued interest. This will allow City staff to continue to work with the School Districts on a solution for the distribution of tax increment revenue to both entities.

SUBJECT: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO FOR JULY 1, 2022 - JUNE 30, 2023 (ROPS 22-23)

Respectfully submitted,



ARDEE APOSTOL
Assistant Finance Director, HHSA-FSSD

ATTACHMENT(S)

A - Resolution No. OB-2022-006

B - SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO ROPS 22-23

C – SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO Administrative Budget Detail

D - SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO ROPS 22-23

ESCONDIDO CITY COUNCIL RESOLUTION NO. 2021-167

SUBJECT: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE CITY OF ESCONDIDO FOR JULY 1, 2022 - JUNE 30, 2023 (ROPS 22-23)

AGENDA ITEM INFORMATION SHEET

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

MANDATORY COMPLIANCE:

N/A

CONTACT PERSON(S):

Max Endoso

Name

619-455-0261

Phone

Max.Endoso@sdcounty.ca.gov

E-mail

Ardee Apostol

Name

619-338-2100

Phone

Ardee.Apostol@sdcounty.ca.gov

E-mail

Resolution No. OB-2022-006

Meeting Date: January 20, 2022

A RESOLUTION OF THE SAN DIEGO COUNTYWIDE
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD
APPROVING THE RECOGNIZED OBLIGATION PAYMENT
SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE SUCCESSOR
AGENCY TO THE CITY OF ESCONDIDO FOR THE PERIOD OF JULY
1, 2022 - JUNE 30, 2023

WHEREAS, the Successor Agency to the City of Escondido prepared the recognized obligation payment schedule for the period of July 1, 2022 through June 30, 2023 (ROPS 22-23) pursuant to Health and Safety Code section 34177(l); and

WHEREAS, pursuant to Health and Safety Code section 34171(h), the recognized obligation payment schedule lists the minimum amounts and due dates of payments to be made by the Successor Agency as required by enforceable obligations during the twelve-month period covered by the recognized obligation payment schedule; and

WHEREAS, pursuant to Health and Safety Code section 34177(o), the ROPS 22-23 must be approved by the San Diego Countywide Redevelopment Successor Agency Oversight Board and submitted to the State Department of Finance and County Auditor-Controller no later than February 1, 2022; and

WHEREAS, the Successor Agency to the City of Escondido prepared the proposed administrative budget for July 1, 2022 through June 30, 2023, pursuant to Health and Safety Code section 34177(j); and

WHEREAS, pursuant to Health and Safety Code section 34177(j), the Successor Agency to the City of Escondido submitted the proposed administrative budget to the Oversight Board for its approval.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the ROPS 22-23 is approved.

IT IS FURTHER RESOLVED that the approved ROPS 22-23 shall be submitted to the State Department of Finance and County Auditor-Controller no later than February 1, 2022.

Resolution No. OB-2022-006

Meeting Date: January 20, 2022

IT IS FURTHER RESOLVED that Successor Agency staff may make non-substantive changes to the ROPS 22-23, and, subject to approval of Oversight Board Counsel, make changes needed to comply with new legislation, any administrative direction from the Department of Finance, or court decisions.

IT IS FURTHER RESOLVED that the administrative budget is approved.

Approved as to Form and Legality
By Steven Mattas, Oversight Board Counsel



Brian Hagerty
Chair, Oversight Board

RESOLUTION NO. 2021-167

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AS THE SUCCESSOR AGENCY TO THE ESCONDIDO REDEVELOPMENT AGENCY ADOPTING A RECOGNIZED SCHEDULE OF ENFORCEABLE OBLIGATIONS FOR THE PERIOD OF JULY 2022 THRU JUNE 2023 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

WHEREAS, pursuant to authorizing Resolution No. 2012-16, the City Council of the City of Escondido elected to serve as the Successor Agency and Successor Housing Agency to the Escondido Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34177, successor agencies are required to make payments due for enforceable obligations and adopt a Recognized Obligation Payment Schedule (“ROPS”); and

WHEREAS, pursuant to Health and Safety Code Section 34177, a ROPS must be adopted that lists all of the enforceable obligations within the meaning of Health and Safety Code Section 34167(d), and must thereafter be reviewed by other entities, updated, and published in a specific manner; and

WHEREAS, it is the intention of the City Council of the City of Escondido as the Successor Agency to the Escondido Redevelopment Agency to adopt the ROPS so that the Successor Agency may continue to make payments due for enforceable obligations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council, as the Successor Agency to the Escondido Redevelopment Agency, hereby adopts the ROPS for the period of July 2022 to June 2023, which is attached hereto as Exhibit "A" and incorporated by this reference.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof the 15th day of December, 2021 by the following vote to wit:

AYE : Councilmembers: GARCIA, INSCOE, MORASCO, MARTINEZ, MCNAMARA

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:

DocuSigned by:
Paul McNamara
CAACE20782954D3
PAUL MCNAMARA, Mayor of the
City of Escondido, California

ATTEST:

DocuSigned by:
Zack Beck
A59535D0BDC1430
ZACK BECK, City Clerk of the
City of Escondido, California

RESOLUTION NO. 2021-167