ROCKLIN
CALIFORNIA

City Council Regular Meeting
Staff Report

Subject: Successor Agency to the Former Rocklin Redevelopment Agency Recognized Obligation Payment Schedule (ROPS) for Fiscal Year 2023/24

Date: January 24, 2023

Submitted By: Angela Doyle, Senior Accountant
Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:
Acting as the Successor Agency for the former Rocklin Redevelopment Agency:

Adopt a Resolution of the Successor Agency for the Former Rocklin Redevelopment Agency, Approving the Successor Agency's Recognized Obligation Payment Schedule for Fiscal Year 2023/24, and Authorizing Successor Agency Staff to Submit the ROPS to the Placer County Consolidated Oversight Board.

Background:
Pursuant to Assembly Bills 1X26 and 1484 (Bills), all redevelopment agencies in the State of California were dissolved on February 1, 2012. The Bills authorized certain local agencies, such as a city or county, to become the Successor Agency. On January 1, 2012, the City Council elected to become the Successor Agency for the former Rocklin Redevelopment Agency. The Successor Agency is responsible for winding down the affairs of the former redevelopment agency, which includes making payments due for enforceable obligations, disposition of the assets of the former redevelopment agency. The thee-acre parcel of the former Big Gun Quarry is the last remaining property owned by the former Rocklin Redevelopment Agency. Staff is currently working on the disposition of the property.

Health and Safety Code (HSC) Section 34177(l)(1) requires Successor Agencies to prepare a Recognized Obligation Payment Schedule (ROPS) before the applicable fiscal period, that includes the nature, amount, and source(s) of payment of all enforceable obligations of the dissolved Rocklin Redevelopment Agency.

On September 22, 2015, Senate Bill 107 was passed which amended HSC section 34177(o)(1) to require agencies to submit an Oversight Board-approved annual ROPS to the California Department of Finance and the County Auditor Controller by February 1, 2016 and each February 1 thereafter.

Upon direction from the City Council acting as the Successor Agency, staff will submit the ROPS 2023/24 to the Placer County Consolidated Oversight Board for approval on January 26, 2023. Approval of the ROPS by the Oversight Board is required before submission to the Department of Finance by February 1, 2023.

The ROPS for July 1, 2023 through June 30, 2024 requests a total of $1,611,575 to pay current obligations of: Tax Allocation Bond Debt Service, audit fees, bank fees, property maintenance and administrative costs. The Successor Agency has other funds on hand of $152,443 from a land sale and interest earned, that must be used towards these obligations. The remaining $1,459,132 is requested from Redevelopment Property Tax Trust Fund (RPTTF) moneys.

The Current Period Enforceable Obligations for ROPS 2022/23 was $1,596,775. The increase to $1,611,575 for ROPS 2023/24 is due to a $10,000 increase in administration costs and payments required by the Bond debt service payment schedule.

Administrative obligations have increased from $60,000 on prior ROPS 2022/23 to $70,000 on current ROPS 2023/24 due to the need for outside consultants related to the disposition of the Big Gun property. Consultants will be needed to (i) conduct special studies to support the difficulty of development of the site due to underlaying bedrock conditions, (ii) update the appraisal reflecting the extraordinary soil conditions, (iii) retain a qualified commercial real estate broker with national reach to market the property to qualified buyers, and (iv) develop a purchase and sale agreement that will govern the sales transaction. City staff will work with the broker to evaluate all offers and certify only those that have the capability to close escrow.

Administration also consists of staff costs for salary and benefits for employees that perform services directly for the Successor Agency. These services include accounting and audit functions, management of the long range property management plan, debt management, report preparation including the ROPS, budget, disclosures, correspondence, public information, contract preparation, review, legislative analysis, legal services, Oversight Board meeting preparation, meeting attendance, and document management. Once the last property owned by the former Rocklin Redevelopment Agency is sold, Successor Agency staff costs will be reduced.

Fiscal Impact:
The ROPS for July 1, 2023 through June 30, 2024 is requesting a total of $1,611,575, which include Administrative Costs of $70,000. Funding is requested as follows: $1,459,132 from RPTTF and $152,443 from Other Funds on hand at the City.

As authorized pursuant to Health and Safety Code Section 34183(a)(3), the proposed source of payment for the administrative cost allowance is the RPTTF established and maintained by the County Auditor-Controller pursuant to Health and Safety Code Section 34170.5(b).

ATTACHMENTS:
1. Successor Agency Resolution
2. ROPS 2023-24.pdf