

RESOLUTION NO. SA 02-18

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY, AS  
SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY,  
APPROVING THE MID-YEAR FINANCIAL STATUS REPORT**

**NOW, THEREFORE, BE IT RESOLVED** that the City Council, as the Board of the Successor Agency of the Oakley Redevelopment Agency, approves the Mid-Year Financial Status Report attached hereto as Exhibit A.

PASSED, APPROVED AND ADOPTED this 13<sup>th</sup> day of February, 2018 by the following vote:


AYES: Alaura, Higgins, Pope, Romick

NOES:


ABSTENTIONS:

ABSENT: Hardcastle

APPROVED:

  
\_\_\_\_\_  
Randy Pope, Chair

ATTEST:

  
\_\_\_\_\_  
Libby Vreonis, Secretary

14 FEB 18  
\_\_\_\_\_  
Date

**City of Oakley, as Successor Agency to the Oakley  
Redevelopment Agency  
Midyear Financial Status Report  
Fiscal Year 2017-18**

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Redevelopment Agency

Presented to the City Council on February 13, 2018

## **Executive Summary**

The details outlined in the report below provide an update on the financial status of the Successor Agency to the Oakley Redevelopment Agency (the Successor Agency) at mid-year.

In the separate sections below, our intent is to clearly provide information regarding the assets currently held by the Successor Agency, and its obligations.

Expenditures in the second half of the year are expected to include only those for debt service, administration, bond related reporting services, audit costs, and contractual obligations related to completing capital projects.

Funding for these expenditures will come from receipts of property taxes allowed by the Department of Finance, and from bond funds, predominantly those made available from the final sale of Agency property originally purchased using bond proceeds.

## **Summary of Agency Assets**

The Successor Agency had on hand at December 31, 2017, the following assets:

### **Cash held to meet Bond Covenants:**

<b>Asset Held:</b>	<b>Restricted Assets</b>	<b>Unrestricted Assets</b>
Cash Reserves for its 2008 and 2015 Bonds, held by its Trustee	\$2,031,876	
Cash Pledged for upcoming 2008 and 2015 Bond Debt Service payments, held by the Trustee		
Totals	<u>\$2,031,876</u>	<u>\$ -0-</u>

**Bond Proceeds and Assets having been acquired with Bond Proceeds:**

Asset Held:	Restricted Assets	Unrestricted Assets
Real Property held by the City, purchased with Bond Proceeds (carried at lower of cost or estimated market value)	\$-0-	
Totals	<u>\$-0-</u>	<u>\$ -0-</u>

*(The above restricted amounts are restricted to uses authorized by bond covenants. In addition, cash sale proceeds for any property acquired using tax-exempt bond proceeds, must be reinvested in a qualifying public project – typically infrastructure- within two years of the sale, or must be deposited into an escrow to pay off future bonds, as early as permitted by the bond documents. Using the funds for other purposes voids the bond's tax-exempt status.)*

*Note that infrastructure assets constructed by the Agency, not held for redevelopment or sale, have been excluded from the above.*

**Assets Not Restricted by Bond Covenants:**

<b>Asset Held:</b>	<b>Restricted Assets</b>	<b>Unrestricted Assets</b>
Cash and Investments*	\$10,000	\$ 761,706
Land purchased originally by the RDA**		\$0
Other Real Property, constructed by the RDA		\$0
Long-Term Notes Receivable		\$ 0
<b>Totals</b>	<b><u>\$ 10,000</u></b>	<b><u>\$761,706</u></b>

*\*Restricted Cash and Investments include tenant deposits, and amounts for outstanding checks and interfund charges billed, but not yet transferred. Unrestricted cash and investments are all committed towards paying expenditures in the 15-16B ROPS and 16-17 ROPS.*

*\*\*Most of the land originally held by the Successor Agency has been either sold or transferred to the City per the Department of Finance approved Long Range Property Management Plan. There is currently one parcel of land remaining in the Successor Agency which has no book value.*

## **Summary of Debts, Project and Administrative Obligations**

At December 31, 2017, the Successor Agency had the following Debts:

<b>Debts:</b>	<b>Amount Outstanding</b>
Outstanding Principal on the Agency's 2015 Bonds	\$5,710,000
Outstanding Principal on the Agency's 2008 Tax-Exempt Bonds	\$22,650,000
Total	<u>\$28,360,000</u>

### **Project Obligations**

The Successor Agency has the following project related obligations at December 31, 2017 (known and estimated). Funding for both is from bond proceeds.

<b>Project Obligations</b>	<b>Estimated Amount</b>
Estimated Staff Costs for processing and overseeing previously completed projects	\$144,021*
Frontage Improvements on Main Street between the Raley's Shopping Center and Shurgard Storage Center	\$880,000**
Total	<u>\$1,024,021</u>

\*The amount remains unpaid due to a lack of funds in the bond accounts.

\*\* Project has been stopped or deferred until funds are available.

**Pursuant to AB 1x26, at December 31, 2016, the Successor Agency had the following Administrative/Other Obligations:**

**Other Financial Obligations:**

Local agency pass-throughs obligations have been transferred to the County Auditor Controller. They are paid after bond debt service, so long as and to the extent tax increment is sufficient. Any amounts the County is unable to pay become future obligations, also administered by the County Auditor Controller. As of December 31, 2017, all accumulated, unpaid pass-through obligations have been paid.

Under the new law, the Successor Agency receives tax revenues only in amounts necessary to pay recognized, enforceable obligations, which means the Agency does, and will continue, to exist in survival mode financially speaking. Its financial position is never expected to again become "strong", and it will require vigilance to ensure cash flows requested far in advance, as mandated by DOF, remain sufficient to meet upcoming obligations.

The Agency has a financial obligation to pay the City amounts for administering and staffing the Successor Agency. The amount is 3% of the tax increment, but no less than \$250,000 per year, and is subordinated to both debt service and pass-through obligations.



***Performance Obligations:***

The Successor Agency is obligated to perform the following activities:

- Coordinate with the County Auditor Controller regarding the administration of Tax Increment, and the repayment of the Agency's debts, including pass-throughs to other local agencies.
- Administer the Agency's funds and resources to preserve the maximum value for local agencies; including the continued maintenance and management of properties until they are sold.
- Satisfy all outstanding enforceable obligations of the Agency timely, including bond covenants, using the resources of the Successor Agency and those provided by the County Auditor pursuant to AB 1x26 and AB 1484, as approved by the Department of Finance. This means the Agency must meet both the financial obligations of the Agency, as well as the performance obligations, including projects as well as debt and administration related obligations.
- To prepare Recognized Obligations Payment Schedules for each fiscal year, as required by State law, for approval by the Oversight Board and Department of Finance.
- Arrange for the external audit of the Successor Agency, as required to meet bond covenants for the June 30, 2017 audit and each year thereafter until the Agency is terminated.