Santa Barbara Countywide Oversight Board

105 East Anapamu Street Rm. 303 ♦ Santa Barbara CA 93101 ♦ (805)568-2100
SBCOversightBoard.org ♦ SBCOversightBoardStaff@co.Santa-Barbara.ca.us

BOARD AGENDA ITEM **No. 7**

FOR AGENDA: **January 20, 2021**

TO: **MEMBERS OF THE COUNTYWIDE OVERSIGHT BOARD**

FROM: **Goleta RDA Successor Agency Staff**

SUBJECT: **Recognized Obligation Payment Schedule for July 1, 2021 to June 30, 2022 for the Successor Agency to the Redevelopment Agency of the City of Goleta**

RECOMMENDATION(S):

That the Oversight Board Approve the Recognized Obligation Payment Schedule (ROPS) for the period of **July 1, 2021 to June 30, 2022** for the Successor Agency to the Redevelopment Agency of the City of Goleta.

BACKGROUND INFORMATION:

Pursuant to the Health and Safety Code Sections 34177(l) and (o) all Successor Agencies are required to prepare a Recognized Obligation Payment Schedule (ROPS), forward looking to the next fiscal period. The Successor Agency to the Redevelopment Agency of the City of Goleta has adopted the ROPS and Administrative Budgets for all prior periods as required by law.

Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Oversight board for its approval, and pursuant to Health and Safety Code Section 34177(o)(1), upon such approval, the Successor Agency is required to submit a copy of the approved ROPS (Approved ROPS) to the Santa Barbara County Auditor-Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website;

Health and Safety Code Sections 34177(m) and (o) require that the Approved ROPS for the period **July 1, 2021 to June 30, 2022** (ROPS 2021-22) is required to be submitted to the Department of Finance and the County Auditor-Controller by February 1, 2021;

DISCUSSION:

In response to the statutory requirements pursuant to SB 107, Successor Agency staff requested and receieved approval and adoption of the ROPS 2021-22 and related proposed administrative budget for the July 1, 2021 to June 30, 2022 time period at its Successor Agency's meeting of December 15, 2020.

Pursuant to HSC Section 34177(o), the Successor Agency must submit the ROPS for the July 1, 2021 through June 30, 2022 time period to the DOF, after Oversight Board approval. If the submittal to DOF does not occur on or before February 1, 2021, the City, acting as the successor agency, shall be subject to a $10,000 per day penalty for failure to submit the ROPS in a timely fashion.

ROPS Covering July 1, 2021 through June 30, 2022

The first item is to prepare the proposed administrative budget covering the Fiscal Year 2021-22. Staff has estimated the total administrative expenditures at $132,000 ($66,000 every six months) for the indicated timeframe.

The second item is to prepare a ROPS "ROPS 21-22" to be paid by the Successor Agency. The ROPS and adopting resolution (Exhibit A) will cover the forward-looking fiscal period of July 1, 2021 through June 30, 2022. The projected amount to be paid in the Fiscal Year 2021-22 time period is $1,385,269, which includes the administrative costs above (included in Exhibit B).

Following receipt of the ROPS 21-22 the DOF has 45 days to make its determination of the enforceable obligations and notify the Successor Agency.

Litigation Settlement

As previously shared with the County Oversight Board in January of 2020, the City and Successor Agency settled litigation with DOF and the Santa Barbra County Auditor-Controller in September of 2018. The settlement resulted in the City agreeing to transfer $6,431,587.35 (pursuant to an agreed upon payment schedule) to the Successor Agency, which then will transfer the same amount to the Auditor-Controller for distribution to the taxing entities. Moreover, upon request of the Successor Agency and in compliance with all applicable laws, DOF authorized the Successor Agency to refund the 2011 Tax Allocation Bonds (TABs) in order to reduce overall debt service payments for the benefit of the Affected Taxing Entities (ATEs).

2020 Tax Allocation Refunding Bonds

In 2019, Goleta's Successor Agency staff engaged its financing team to assist in the issuance of the Tax Allocation Refunding Bonds, Series 2020A (the "2020 Bonds") to refinance the Former Agency's outstanding 2011 Tax Allocation Bonds. The 2020 Bonds are special obligations of the Successor Agency and are payable solely from and secured by a pledge of certain tax increment revenues of the Former Agency's Goleta Old Town Redevelopment Project. The refinancing presented an opportunity to update the legal structure to fit the post-Dissolution redevelopment world. The Successor Agency was also able to generate significant debt service savings that benefits the ATEs and reduces the amount of funds needed for applicable ROPS in the future.

In January of 2020, the Successor Agency and the Oversight Board approved the necessary actions to refund the 2011 Tax Allocation Bonds. DOF approved those actions in late February of 2020. Pricing of the bonds took place in late March of 2020, with all necessary closing completed in mid-April of 2020.

One of the highlights of the financing effort was the rating result. Since the 2011 Bonds had not been rated and there was no other City debt outstanding, the 2020 Bonds were an opportunity to establish a rating presence in the credit markets. Following a thorough presentation prepared and delivered by the Successor Agency and its financing team, the rating agency concluded with a bond rating of 'A+' for the 2020 Bonds.

The following table provides the savings accruing to the Successor Agency that will ultimately benefit the affected taxing entities, which amounts to about $565K debt service per year in most years or almost $8.875 million in net present value savings:

SAVINGS

Successor Agency to the Redevelopment Agency for the City of Goleta
2020 Refunding Tax Allocation Bonds

Final Cash Flows

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 04/16/2020 @ 2.6381501%
12/01/2020	1,335,825.00	-565,412.50	770,412.50	769,187.50	1,225.00	1,205.10
12/01/2021	1,337,500.00		1,337,500.00	773,200.00	564,300.00	544,748.67
12/01/2022	1,337,650.00		1,337,650.00	773,950.00	563,700.00	530,093.01
12/01/2023	1,340,025.00		1,340,025.00	773,950.00	566,075.00	518,524.27
12/01/2024	1,335,900.00		1,335,900.00	768,200.00	567,700.00	506,530.58
12/01/2025	1,335,650.00		1,335,650.00	771,950.00	563,700.00	489,952.90
12/01/2026	1,338,900.00		1,338,900.00	774,700.00	564,200.00	477,673.89
12/01/2027	1,340,275.00		1,340,275.00	776,450.00	563,825.00	464,981.06
12/01/2028	1,338,925.00		1,338,925.00	772,200.00	566,725.00	455,228.58
12/01/2029	1,335,637.50		1,335,637.50	772,200.00	563,437.50	440,855.48
12/01/2030	1,335,412.50		1,335,412.50	771,200.00	564,212.50	429,991.77
12/01/2031	1,337,862.50		1,337,862.50	774,200.00	563,662.50	418,411.65
12/01/2032	1,337,600.00		1,337,600.00	775,600.00	562,000.00	406,314.87
12/01/2033	1,338,400.00		1,338,400.00	776,200.00	562,200.00	395,852.66
12/01/2034	1,336,000.00		1,336,000.00	771,000.00	565,000.00	387,421.22
12/01/2035	1,340,400.00		1,340,400.00	775,200.00	565,200.00	377,423.39
12/01/2036	1,335,800.00		1,335,800.00	773,400.00	562,400.00	365,730.38
12/01/2037	1,337,600.00		1,337,600.00	770,800.00	566,800.00	358,914.59
12/01/2038	1,340,000.00		1,340,000.00	777,400.00	562,600.00	346,913.73
12/01/2039	1,337,600.00		1,337,600.00	772,800.00	564,800.00	339,105.88
12/01/2040	1,340,400.00		1,340,400.00	777,400.00	563,000.00	329,124.78
12/01/2041	1,337,600.00		1,337,600.00	770,800.00	566,800.00	322,593.87
12/01/2042	1,339,200.00		1,339,200.00	773,400.00	565,800.00	313,510.26
12/01/2043	1,339,400.00		1,339,400.00	774,800.00	564,600.00	304,554.59
12/01/2044	1,336,400.00		1,336,400.00		1,336,400.00	710,125.77
	33,445,962.50	-565,412.50	32,880,550.00	18,560,187.50	14,320,362.50	10,235,782.94

Savings Summary

Dated Date	04/16/2020
Delivery Date	04/16/2020
PV of savings from cash flow	10,235,782.94
Less: Prior funds on hand	-1,362,596.33
Plus: Refunding funds on hand	1,648.29
Net PV Savings	8,874,834.90

ATTACHMENT(S): ☒

Exhibit A Resolution
Exhibit B Recognized Obligation Payment Schedules (ROPS) 21-22

SBCOB Counsel Concurrence: Yes

Exhibit A

RESOLUTION OF THE SANTA BARBARA COUNTYWIDE OVERSIGHT BOARD

IN THE MATTER OF APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2021 TO JUNE 30, 2022, FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF GOLETA	)))))))	RESOLUTION NO. 21-3

WHEREAS, Health and Safety Code Sections 34177(l) and (o) require the Successor Agency to prepare a "Recognized Obligation Payment Schedule" (ROPS), forward looking to the next fiscal period; and

WHEREAS, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Goleta has adopted the ROPS and Administrative Budgets for all prior periods as required by law; and

WHEREAS, Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its consideration and approval, and pursuant to Health and Safety Code Section 34177(o)(1), upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Santa Barbara County Auditor-Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

WHEREAS, Pursuant to the Health and Safety Code Section 34179(j) on July 1, 2018 the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Goleta dissolved and was succeeded by the Countywide Oversight Board of the County of Santa Barbara; and

WHEREAS, Health and Safety Code Sections 34177(m) and (o) require that the Approved ROPS for the period July 1, 2021 to June 30, 2022 ("ROPS 21-22") is required to be submitted to the Department of Finance and the County Auditor-Controller by February 1, 2021 ; and

NOW, THEREFORE, BE IT RESOLVED by the Santa Barbara Countywide Oversight Board that:

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

SECTION 2. The Oversight Board hereby approves and adopts the ROPS 21-22, for the period of July 1, 2021 through June 30, 2022 in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177.

SECTION 3. The Oversight Board hereby directs the Successor Agency to the Redevelopment Agency of the City of Goleta to submit copies of the ROPS 21-22 approved by the Oversight Board to the County of Santa Barbara Auditor-Controller and the State of California Department of Finance.

SECTION 4. The Oversight Board directs the staff of Successor Agency to the Redevelopment Agency of the City of Goleta to post the ROPS 21-22 on its Successor Agency web site.

SECTION 5. The approval of the ROPS through this Resolution does not commit the Oversight Board 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 6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the Santa Barbara Countywide Oversight Board, this 20th day of January 2021.

AYES: Board Members Frapwell, Geyer, Rioux, Tedeschi and Van Sande

NOES: None

ABSTAIN: None

ABSENT: Board Member Maas

Jeff R. Frapwell, Chair,
Santa Barbara Countywide Oversight Board

ATTEST:
Oversight Board Secretary

By: Jacqueline Alexander

APPROVED AS TO FORM:
Oversight Board Legal Counsel

By:

Exhibit B

Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period

Successor Agency: Goleta

County: Santa Barbara

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	21-22A Total (July - December)	21-22B Total (January - June)	ROPS 21-22 Total
A Enforceable Obligations Funded as Follows (B+C+D)	**$ -**	**$ -**	**$ -**
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	**$ 766,172**	**$ 619,097**	**$ 1,385,269**
F RPTTF	700,172	553,097	1,253,269
G Administrative RPTTF	66,000	66,000	132,000
H Current Period Enforceable Obligations (A+E)	**$ 766,172**	**$ 619,097**	**$ 1,385,269**

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.

Jeff Frapwell — Name

Board Chairman — Title

/s/ — Signature

1/21/21 — Date

Goleta
Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail
July 1, 2021 through June 30, 2022

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								$19,846,227		$1,385,269	$-	$-	$-	$700,172	$66,000	$766,172	$-	$-	$-	$553,097	$66,000	$619,097
1	Sumida Gardens Project	OPA/DDA/ Construction	11/19/ 2007	02/13/2063	Sumida Gardens, L.P.	Subsidy of Affordable Housing Project	Old Town	2,059,327	N	$332,244	-	-	-	166,122	-	$166,122	-	-	-	166,122	-	$166,122
2	Debt Service	Bonds Issued After 12/31/10	03/08/ 2011	06/01/2044	Bank of New York	2011 Tax Allocation Bonds	Old Town	-	Y	$-	-	-	-	-	-	$-	-	-	-	-	-	$-
3	Bond Trustee Services	Fees	03/08/ 2011	06/01/2043	Bank of New York	Trustee Services	Old Town	-	Y	$-	-	-	-	-	-	$-	-	-	-	-	-	$-
5	Successor Agency Admin	Admin Costs	02/01/ 2012	06/30/2022	City of Goleta	Admin Expenses for Successor Agency	Old Town	132,000	N	$132,000	-	-	-	-	66,000	$66,000	-	-	-	-	66,000	$66,000
23	Debt Service-2020 Refunding	Refunding Bonds Issued After 6/27/12	04/16/ 2020	12/01/2043	Bank of New York Mellon	2020 Tax Allocation Refunding Bonds (retired 2011 TABs)	Old Town	17,546,900	N	$916,075	-	-	-	529,100	-	$529,100	-	-	-	386,975	-	$386,975
24	Dissemination Agent Services	Professional Services	03/06/ 2020	12/01/2043	Urban Futures, Inc.	Continuing Disclosure & Dissemination Agent	Old Town	60,000	N	$2,950	-	-	-	2,950	-	$2,950	-	-	-	-	-	$-
25	Bond Rating-2020 Refunding	Fees	07/01/ 2020	12/01/2043	Standard & Poor's	Bond Rating Fee for 2020 Tax Allocation Bonds (refunding 2011 TABs)	Old Town	-	Y	$-	-	-	-	-	-	$-	-	-	-	-	-	$-
27	Bond Trustee Services	Fees	04/16/ 2020	12/01/2043	Bank of New York Mellon	Trustee Services 2020 Refunding TABs	Old Town	48,000	N	$2,000	-	-	-	2,000	-	$2,000	-	-	-	-	-	$-

Goleta
Recognized Obligation Payment Schedule (ROPS 21-22) - 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.		1,351,971		26,595	17,876	
2	**Revenue/Income (Actual 06/30/19)** RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller		29,700		21,309	1,899,317	
3	**Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)**		23,268		-	1,835,598	
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)		1,358,403				
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				
6	**Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)**	**$-**	**$-**	**$-**	**$47,904**	**$81,595**	

Goleta
Recognized Obligation Payment Schedule (ROPS 21-22) - Notes
July 1, 2021 through June 30, 2022

Item #	Notes/Comments
1	Outstanding balance as of end of FY 20-21 = beginning balance as of FY 21-22
2	RETIRED: 2020 Refunding Bonds took place in April of 2020, retiring the 2011 TABs
3	RETIRED: 2020 Refunding Bonds took place in April of 2020, retiring the 2011 TABs
5	Contract termination date entered as ROPS 21-22 period ending date as per ROPS instructions
23	4/16/2020 actual closing date of 2020 refunding bonds. Previous contract execution date listed was an estimate of 7/1/2020.
24	7/1/2020 previous date was used as beginning of FY 20-21 for ROPS 20-21. Actual March 6, 2020 effective date as UFI was engaged as dissemination agent services and annual reporting services for the 2020 Refunding TABs
25	RETIRED: N/A as expenses were covered in the cost of issuance of the 2020 Refunding TABs.
27	$2000 per year times 24 years = $48,000