

CITY OF  
**HAYWARD**  
HEART OF THE BAY

# **Redevelopment Update and Approval of Agreements**

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# Presentation Overview

- 1) Litigation and Legislative Update
- 2) Review of Redevelopment Dissolution/Voluntary Program Actions Taken Since Early August
- 3) Transfer Payment Agreement
- 4) Conditional Amendment to Cooperation and Funding Agreement
- 5) Council/Agency Board questions and discussion



# Status of CRA Lawsuit and Recent Legislation



# Review of Actions Taken Since Early August

- August 2, 2011:** Council adopts redevelopment opt-in ordinance
- August 15, 2011:** Staff submits remittance payment appeal letter to State Department of Finance
- August 30, 2011:** Agency Executive Director administratively approves Enforceable Obligations Payment Schedule (EOPS)
- September 13, 2011:** Agency Board approves EOPS
- August/September:** Staff preparing Statement of Indebtedness and Pass Through Payment Calculations



# What is the Statement of Indebtedness (SOI)?

- The SOI is a document required to be filed annually with the County Auditor-Controller by October 1.
  - Mechanism that allows Agency to receive its annual tax increment revenues for the upcoming year.
  - All indebtedness must be incurred or be associated with agreements executed prior to October 1.
  - Under the Voluntary Redevelopment Program, 2011 SOI takes on more significance.



# Transfer Payment Agreement

- Major new agreement that should appear on 2011 SOI.
- Under Voluntary Redevelopment Program legislation, the City is legal entity required to make remittance payments.
- Agency can enter into an agreement with City to transfer tax increment to enable City to make required remittance payment.
- Agreement becomes an obligation of the Agency (totaling \$4.1 million) and should therefore be listed on SOI.



# Possible options for funding FY2012 remittance payment

**Estimated FY2012 Remittance Payment = \$4.1 million (due in two installments: ½ due in January and ½ due in May 2012)**

- Withhold FY2012 TI deposit to Low/Mod Housing Fund (est. \$2.2M)
- Estimated Agency TI cash balance (est. \$500K)
- Proceeds from sale of residual Burbank Site (est. \$3.5M - \$4M)
- Borrow funds from General Fund reserves (not recommended)



# Amendment to Cooperation and Funding Agreement

- Cooperation and Funding Agreement between City and Agency approved on January 25, 2011 along with similar agreement between Agency and Housing Authority.
- Intent: to pledge available tax increment revenues to accomplish activities outlined in Five Year Implementation Plan in an amount not to exceed \$30 million.
- Amend agreement to increase future flexibility of Council and Agency Board to shift funds to other priority Redevelopment projects within \$30 million.
- No specific projects would be able to move forward without further Council/Agency Board action and specific funding allocations.



# Recommendation

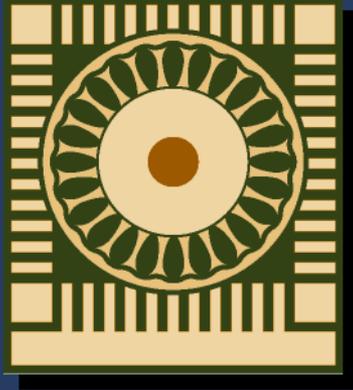
- Conditionally Approve Transfer Payment Agreement between City and RDA
  - Modifications to Resolutions
- Approve Conditional Amendment to Cooperation and Funding Agreement between City and RDA



# Next Steps

- If agreements approved, staff will execute and include on the SOI to be filed by October 1.
- Make Pass Through Payments to other taxing entities by October 1.
- Monitor litigation and legislation over the next few months.
- Return to Council/Agency Board in late November/early December to determine remittance payment options, if necessary.





# Questions/Discussion

