



CITY OF
HAYWARD
HEART OF THE BAY

DATE: January 23, 2012
TO: Mayor and City Council
FROM: Assistant City Manager
SUBJECT: Agenda Item #5 – Additional Information and Attachment III

Agenda Item #5 on the January 24, 2012 Council meeting requests Council action to adopt a revised Enforceable Obligation Payment Schedule (EOPS) pursuant to the provisions of ABx1 26, the Redevelopment Dissolution Act. This memorandum provides Attachment III referenced in the staff report and outlines the highlighted changes, additions and deletions to the EOPS previously adopted by the Council and Redevelopment Agency in September 2011. While it is important to adopt revisions to this schedule prior to the dissolution of the Hayward Redevelopment Agency on January 31, 2012, staff and the Council can amend this schedule as necessary to account for additional changes. Changes to the previously adopted EOPS are highlighted in red or strikethrough mode on Attachment III.

Changes to Previously Adopted EOPS

- a) Items 1-2: Due to timing issues related to receipt of tax increment revenues, staff is reflecting both the May 2012 and September 2012 bond payments on this version of the EOPS to ensure we receive adequate funding to make the required bond payments.
- b) Item 4: The Agency previously borrowed \$3,876,516 from the Low Mod Housing Fund to make its required SERAF payments to the State. Staff is assuming a three-year payback period for these funds, starting in the remainder of this fiscal year. The previous payback of these funds was not scheduled to begin for several years.
- c) Item 5: This line item now only reflects a deposit made to the Agency's Low Mod Housing Fund in January 2012 that was subsequently granted to the Housing Authority under the Agency/Housing Authority Cooperation Agreement.
- d) Item 8: The Foothill Façade Loan program budget has been increased from \$1,108,000 to \$1,126,863 to account for the addition of project delivery costs (staff time) to facilitate completion of the project. The additional \$18,863 accounts for 10% of the Redevelopment Project Manager's time.
- e) Item 9: This item provided funding for a tenant improvement loan at Cinema Place. Unfortunately, the funding was never encumbered with a third party agreement and should be deleted from the revised EOPS
- f) Item 10: The Agency payroll line item has been amended to account for the dissolution of the Agency as of January 31, 2012. The month of January reflects a full payroll disbursement. The balance of the year reflects staff charges necessary to administer the dissolution of the Agency.

These costs will be covered by the Administrative Allowance outlined in ABx1 26 and identified as Item 25 on page 1 of the EOPS.

- g) Item 11-13: Since the Agency is dissolving, it is important to capture all of the costs associated with this action. Some of the most important cost items are the liabilities associated with former employees of the Agency. Items 11-13 identify estimated costs for leave, PERS and OPEB liabilities. For the leave liability, employees who leave the Agency will be allowed to cash out their leave balances. For employees who are staying for an additional period of time to assist with the dissolution, the value of their leave liabilities will be placed into a liability account for future disbursement. The PERS and OPEB liabilities will also need to be funded for those employees of the Agency. The numbers reflected on the EOPS are very rough estimates of these liabilities and will need to be further refined. Funding for these items will also be set aside in a future liability account.
- h) Item 16: This item reflected a small outstanding legal invoice that has been paid since preparation of the previous EOPS. Most legal expenses for the Agency are reflected in Line 15.
- i) Item 18: The Agency has a contract with Hall Alminana for preparation of the Mission Blvd specific plan and environmental review. There have been some changes in the partnership structure at the firm and staff is working with the principals to ensure that this project and the associated funding can continue.
- j) Item 20: Since the Agency will be dissolving as of 2/1/2012, the Agency will no longer need to pay the full cost allocation amount to the General Fund for administrative support services (payroll, Human Resources, etc). As such, the transfers from February through June have been deleted from the spreadsheet. Once staff has assessed the administrative support necessary and provided from the General Fund administrative departments to the Successor Agency, there may be an opportunity to reevaluate the distribution of the Administrative Allowance to the Successor Agency provided for under ABx1 26.
- k) Item 21: The Agency has been providing financial assistance to the Business Improvement Area for many years, totaling \$55,000 annually. The transfers to the BIA from February through June have been deleted from the EOPS because staff is pausing on future transfers until we have clarification on the status of the City/Agency Cooperation Agreement. Any future payments would be covered under the auspices of this Cooperation Agreement.
- l) Item 22: The Agency has also supported many community activities through the Community Promotions budget. Based on the Council's budget allocation each year, payments are made to community groups from the General Fund and the Agency reimburses the City for \$75,000 of these costs, usually paid out monthly. Since all of the payments have already been made from the General Fund this year, staff is reflecting a one-time payment in January to cover the balance of the reimbursement costs from the Agency.
- m) Item 23: Each year, the Agency has allocated \$90,000 to the Public Art/Graffiti Abatement program. The transfers to this program from February through June have been deleted from the EOPS because staff is pausing on future transfers until we have clarification on the status of the City/Agency Cooperation Agreement. Any future payments would be covered under the auspices of this Cooperation Agreement.
- n) Item 25: Under the provisions of ABx1 26, the Successor Agency is allowed an administrative allowance to cover costs associated with the dissolution of the Redevelopment Agency. Based on the calculation formula in the legislation, it appears that the City will receive the minimum allocation of \$250,000.

- o) Item 38 (Page 2): This is an addition to the previous EOPS to account for the project delivery costs (staff project management) associated with the sale of the residual Burbank site. The \$18,863 accounts for 10% of the Redevelopment Project Manager's time.
- p) Item 47 (Page 2): The Agency received a tax increment payment at the end of December and, pursuant to the Cooperation Agreement between the Agency and the Housing Authority, transferred the 20% Low Moderate Income Housing set aside to the Housing Authority, primarily to cover the costs associated with the loan to Eden Housing for the South Hayward BART affordable housing (an enforceable obligation).
- q) Items 1-27 (Other Obligation Payment Schedule): When the original EOPS was prepared, staff had not yet calculated the pass through payment amounts due to other taxing entities for Fiscal Year 2011 (due around October 2011). The "Total Due During Fiscal Year" column has been updated to reflect the actual payments made to the taxing entities in November 2011. Since these payments have already been made, they are not reflected in the "Payments by Month" columns of the schedule.

Prepared by: Kelly McAdoo Morariu, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

- Revised Enforceable Obligation Payment Schedule (Attachment III to Agenda Item #5 on January 24, 2012 Council agenda)

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month						Total ¹
					Jan	Feb	Mar	Apr	May	Jun	
1) 2004 Tax Allocation Bonds	Wells Fargo	Bond issue to fund non-housing projects	62,788,730.00	5,054,521.50					1,684,840.50	1,684,840.50	\$ 3,369,681.00
2) 2006 Tax Allocation Bonds	Wells Fargo	Bond issue to fund non-housing projects	23,005,214.00	959,010.00					319,670.00	319,670.00	\$ 639,340.00
3) Repayment Agreement with City of Hayward	City of Hayward	To fund start-up costs of Hayward Redevelopment Project Area	7,789,843.00	800,000.00							\$ -
4) SERAF	Hayward Housing Authority	Loan for SERAF FY10 and FY11 payments	3,876,516.00	1,292,172.00		258,434.40	258,434.40	258,434.40	258,434.40	258,434.40	\$ 1,292,172.00
5) Low-Mod Housing Set Aside ²	Hayward Housing Authority	20% Low & Mod Income Housing Set Aside Required by H & S Code	25865977	944,298.16	944,298.16						\$ 944,298.16
6) Contract for Restaurant Consulting	Five Star Restaurant	One-on-one restaurant consulting/retail attraction	14,287.50	14,287.50	2,393.75	2,393.75					\$ 4,787.50
7) Contract for Foothill Façade Program	SZFM Design Studio Inc	Develop façade improvement design for two blocks on Foothill Blvd.	4,664.85	4,664.85				4,664.85			\$ 4,664.85
8) Foothill Façade Loans	Multiple Property Owners	Matching loan funds for property owners along Foothill Blvd for façade improvement program	1,126,863.00	1,126,863.00		3,772.60	3,772.60	3,772.60	1,111,772.60	3,772.60	\$ 1,126,863.00
9) Tenant Improvement Loan	TBD	Loan for tenant improvement costs in Cinema Place project	25,000.00	25,000.00							\$ -
10) Employee Costs ³	Employees of Agency	Payroll for employees	533,252.93	533,252.93	61,368.17	27,082.80	17,020.65	25,530.99	17,020.65	17,020.65	\$ 165,043.91
11) Employee Leave Liability	Employees of Agency/ Liability Fund	Leave balance payoffs/liability fund deposit for employee leave costs	49,175.00	49,175.00		49,175.00					\$ 49,175.00
12) PERS Liability	Liability Fund	Liability Fund deposit for Agency employee PERS costs	666,235.40	666,235.40		666,235.40					\$ 666,235.40
13) OPEB Liability	Liability Fund	Liability Fund deposit for Agency employee OPEB costs	177,227.20	177,227.20		177,227.20					\$ 177,227.20
14) Agency insurance costs	City of Hayward	Liability Insurance	54,042.00	54,042.00	4,503.50	4,503.50	4,503.50	4,503.50	4,503.50	4,503.50	\$ 27,021.00
15) Legal fees	Goldfarb Lipman LLP	Outside legal counsel	66,880.48	66,880.48	5,573.37	5,573.37	5,573.37	5,573.37	5,573.37	5,573.37	\$ 33,440.24
16) Legal fees	Goldfarb Lipman LLP	Outside legal counsel	137.79	137.79							\$ -
17) Contract for South Hayward Form Based Code	Hall Alminana, Inc	Consultant to prepare new form-based code for South Hayward BART/Mission Blvd. Area	2,313.47	2,313.47							\$ -
18) Contract for Mission Blvd Specific Plan	Hall Alminana, Inc	Consultant to prepare specific plan for Mission Blvd corridor	213,649.44	213,649.44	30,539.22	30,539.22	30,539.22	30,539.22	30,539.22	30,539.22	\$ 183,235.33
19) Contract for Form Based Code EIR	Lamphier-Gregory	Consultant to prepare Supplemental Environmental Impact Report for South Hayward Form Based Code	5,653.17	5,653.17		815.87					\$ 815.87
20) Cost Allocation	City of Hayward	Payment for Administrative services (payroll, HR, etc) and overhead expenses	238,008.19	238,008.19	34,001.17						\$ 34,001.17
21) BIA Support	Hayward Business Improvement Association	Financial assistance to Downtown Business Association	55,000.00	55,000.00	4,583.33						\$ 4,583.33
22) Community Promotions	Various	Support to local non-profit organizations	75,000.00	75,000.00	37,500.00						\$ 37,500.00
23) Public Art	City of Hayward	Financial support for public art/graffiti abatement program in RDA project area	90,000.00	90,000.00	7,500.00						\$ 7,500.00
25) Successor Agency Admin Allowance	City of Hayward	Per ABx1 26, to cover administrative costs of Successor Agency	250,000.00	250,000.00		50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	\$ 250,000.00
26) Contract for Security Services	ABC Security Services	Security Patrol Services for Cinema Place garage	64,160.20	64,160.20	5,346.68	5,346.68	5,346.68	5,346.68	5,346.68	5,346.68	\$ 32,080.08
27) Contract for Security Alarm	ADT Security Services	Alarm Service for Cinema Place garage	2,093.81	2,093.81	174.48	174.48	174.48	174.48	174.48	174.48	\$ 1,046.88
28) Contract for Elevator Maint and Repair	Mitsubishi Electric	Cinema Place Elevator	6,206.74	6,206.74				6,206.74			\$ 6,206.74
29) Contract for Sweeping	Montgomery Sweeping Service	Cinema Place Garage Sweeping	9,360.00	9,360.00	780.00	780.00	780.00	780.00	780.00	780.00	\$ 4,680.00
30) Utilities	PGE	Cinema Place Garage Utilities	24,500.00	24,500.00	2,041.67	2,041.67	2,041.67	2,041.67	2,041.67	2,041.67	\$ 12,250.02
31) Utilities	City of Hayward	Cinema Place Water Utilities	500.00	500.00	41.67	41.67	41.67	41.67	41.67	41.67	\$ 250.02
32) Contract for Env Remediation Work	AEDIS Architecture & Planning	Burbank School Env Remediation Work	6,504.54	6,504.54		6,504.54					\$ 6,504.54
33) Contract for Env Remediation Work	TRC	Burbank School Env Remediation Work	20,000.00	20,000.00	5,208.96	5,208.96	5,208.96				\$ 15,626.87
34) Contract for Mural	Andrew Kong Knight	Cinema Place Mural	11,643.53	11,643.53	1,513.35	1,513.35	1,513.35	1,513.35	1,513.35	1,513.35	\$ 9,080.08
35) Contract for Eng Services	FBA, Inc	Engineering Services - deconstruct Centennial Hall	4,800.00	4,800.00		4,800.00					\$ 4,800.00
											\$ -
Totals - This Page			\$ 101,257,462.24	\$ 12,847,160.90	\$ 1,147,367.48	\$ 1,302,164.46	\$ 384,950.55	\$ 392,916.78	\$ 3,498,458.83	\$ 2,384,252.09	\$ 9,110,110.19
Totals - Page 2			\$ 67,695,458.42	\$ 2,282,019.58	\$ 969,696.33	\$ 53,357.39	\$ 48,389.39	\$ 45,815.78	\$ 45,815.78	\$ 21,521.53	\$ 1,178,087.41
Totals - Other Obligations			\$ -	\$ 984,936.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages			\$ 168,952,920.66	\$ 16,114,117.38	\$ 2,117,063.81	\$ 1,355,521.85	\$ 433,339.94	\$ 438,732.57	\$ 3,544,274.62	\$ 2,405,773.62	\$ 10,288,197.60

Note 1: This total only reflects payments required between 1/1/2012 and 6/30/2012 and not the total outstanding obligation.

Note 2: This line item only reflects a deposit made to the Agency's Low Mod Housing Fund that was subsequently granted to the Housing Authority under the Agency/Authority Cooperation Agreement.

Note 3: Eventually, employee costs after Agency dissolution will be covered under the Administrative Allowance once the budget for said allowance is approved by the Oversight Board.

47f)	Purchase, Rehab, and Sale of Foreclosed Homes (one-time)		891,000.00										\$ -
47g)	237 Units Promised under 238 Settlement Agreement (one-time)		15,642,000.00										\$ -
47h)	Rehab of Existing Rental Housing Developments (annual)		1,650,000.00										\$ -
47i)	First-time Homebuyer Program (annual)		5,500,000.00										\$ -
47j)	Project Independence (Rental Assistance to Emancipated Youth) (annual)		330,000.00										\$ -
47k)	Housing Rehab Loan and Minor Home Repair Programs (annual)		550,000.00										\$ -
47l)	Monitoring and Enforcement for existing affordable housing projects and programs (annual)		3,000,000.00										\$ -
48)	First-time Homebuyer Program for 238 Settlement Agreement		1,000,000.00	1,000,000.00									\$ -
													\$ -
													\$ -
Totals - This Page			\$ 67,695,458.42	\$ 2,282,019.58	\$ 969,696.33	\$ 53,357.39	\$ 48,389.39	\$ 45,815.78	\$ 39,306.99	\$ 21,521.53	\$ 1,178,087.41		

Note 1: This total only reflects payments required between 1/1/2012 and 6/30/2012 and not the total outstanding obligation.

OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year ¹	Payments by month						Total ²
						Jan	Feb	Mar	Apr	May	Jun	
1)	Pass Through Obligation	County General Fund	Pass Through Obligation	0.00	268,613.55							\$ -
2)	Pass Through Obligation	Chabot-Las Positas Comm Coll	Pass Through Obligation	0.00	56,279.42							\$ -
3)	Pass Through Obligation	Hayward U.S.D.	Pass Through Obligation	0.00	195,997.63							\$ -
4)	Pass Through Obligation	New Haven U.S.D.	Pass Through Obligation	0.00	2,278.44							\$ -
5)	Pass Through Obligation	County Sch TMR 1887	Pass Through Obligation	0.00	13.54							\$ -
6)	Pass Through Obligation	County Sch PHY HDCP	Pass Through Obligation	0.00	50.43							\$ -
7)	Pass Through Obligation	County Sch TMR PH CAP	Pass Through Obligation	0.00	1.13							\$ -
8)	Pass Through Obligation	County Sch TMR PH TUIT	Pass Through Obligation	0.00	6.81							\$ -
9)	Pass Through Obligation	County Supt Instr Pupils	Pass Through Obligation	0.00	3,694.93							\$ -
10)	Pass Through Obligation	County Supt Juv Hall Ed	Pass Through Obligation	0.00	764.71							\$ -
11)	Pass Through Obligation	County Supt Service	Pass Through Obligation	0.00	2,296.65							\$ -
12)	Pass Through Obligation	County Supt Capital	Pass Through Obligation	0.00	1,769.59							\$ -
13)	Pass Through Obligation	County Supt Dev Center	Pass Through Obligation	0.00	2,148.39							\$ -
14)	Pass Through Obligation	County Supt Audio Vis Cap	Pass Through Obligation	0.00	460.40							\$ -
15)	Pass Through Obligation	Flood Control	Pass Through Obligation	0.00	1,801.61							\$ -
16)	Pass Through Obligation	Flood Control Zone 2	Pass Through Obligation	0.00	15,047.66							\$ -
17)	Pass Through Obligation	Flood Control Zone 3A	Pass Through Obligation	0.00	11,829.75							\$ -
18)	Pass Through Obligation	Flood Control Zone 4	Pass Through Obligation	0.00	610.46							\$ -
19)	Pass Through Obligation	B.A. Air Quality Mgmt	Pass Through Obligation	0.00	2,498.10							\$ -
20)	Pass Through Obligation	Mosq. Abatement	Pass Through Obligation	0.00	2,389.17							\$ -
21)	Pass Through Obligation	AC Transit Sp Dist 1	Pass Through Obligation	0.00	62,127.40							\$ -
22)	Pass Through Obligation	BART	Pass Through Obligation	0.00	8,502.36							\$ -
23)	Pass Through Obligation	HARD	Pass Through Obligation	0.00	81,161.38							\$ -
24)	Pass Through Obligation	E.B. Regional Park	Pass Through Obligation	0.00	45,665.95							\$ -
25)	Pass Through Obligation	EBMUD	Pass Through Obligation	0.00	924.50							\$ -
26)	Pass Through Obligation	City of Hayward	Pass Through Obligation	0.00	218,002.94							\$ -
27)	ERAF Payment	County/State of CA	Statutory requirement	0.00	0.00							\$ -
28)												\$ -
Totals - Other Obligations				\$ -	\$ 984,936.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 1: These are the 2011 payment amounts that were paid to taxing entities in November 2011.
 Note 2: This total only reflects payments required between 1/1/2012 and 6/30/2012 and not the total outstanding obligation.