

SUCCESSOR AGENCY
RESOLUTION NO. _____

**A RESOLUTION OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY OF THE CITY OF
SAN JOSE APPROVING THE AMENDED
ADMINISTRATIVE BUDGET FOR JULY 1, 2017
THROUGH JUNE 30, 2018**

WHEREAS, AB X1 26 required the Successor Agency to the Redevelopment Agency of the City of San José (“Successor Agency”) to prepare an administrative budget, which includes Successor Agency personnel and non-personal costs and City support services including rent, for each six-month period and submit it to its Oversight Board for approval; and

WHEREAS, on September 22, 2015, the Governor signed SB 107 which revised the timeline for the preparation of the Administrative Budget from a bi-annual process to an annual process for the fiscal period beginning July 1, 2016; and

WHEREAS, on January 12, 2017, the Oversight Board adopted Resolution No. 2017-01-1134, and on June 13, 2017, the Successor Agency Board adopted Resolution No. 7063, approving the Administrative Budget for the period of July 1, 2017 through June 30, 2018; and

WHEREAS, on October 19, 2017, a copy of an Informational Memo submitted to the Oversight Board was distributed to the Successor Agency Board, which provided a status update on the sale and issuance of the Tax Allocation Refunding Bonds; and

WHEREAS, due to the complexity of the tax analysis, additional Successor Agency staff time and services provided by two non-benefited, specially assigned employees are required, and the approved 2017-2018 Administrative Budget for Successor Agency Direct Administrative Costs did not include funding for these additional personnel costs and services; and

WHEREAS, Successor Agency staff recommends an increase of \$130,000 in the Bond Proceeds Column for Recognized Obligation Payment Schedule (ROPS) Line Item 117, Successor Agency Personnel; and

WHEREAS, Health and Safety Code Section 34171(b)(3) requires that the Successor Agency's administrative costs not exceed three percent (3%) of the actual property tax distributed to the Successor Agency by the County Auditor-Controller in the preceding fiscal year for payment of approved enforceable obligations; and

WHEREAS, the Successor Agency's maximum allowable administrative costs are approximately \$6 million for the period of July 1, 2017 through June 30, 2018 based on actual and estimated Redevelopment Property Tax Trust Fund ("RPTTF"), formerly tax increment, net of County administrative fees and County Pass-Through Payments. The Successor Agency's proposed Amended Administrative Budget for the period of July 1, 2017 through June 30, 2018 reflects estimated expenditures of \$2,245,306, 40.7% of the maximum administrative allowance; and

WHEREAS, the source of funding for the Administrative Budget is intended to be the RPTTF, but tax increment receipts are projected to fall short of all the obligations of the former Redevelopment Agency; and

WHEREAS, it is anticipated that the City's General Fund will continue to provide financial support to the Successor Agency for the Administrative Budget from July 1, 2017 through June 30, 2018; and

WHEREAS, the additional costs for Successor Agency personnel costs and specially assigned employee services required for the tax analysis work will be repaid to the City from the proceeds of the Tax Allocation Refunding Bonds as cost of issuance;

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE that:

The Amended Administrative Budget of the Successor Agency for the period July 1, 2017 through June 30, 2018, attached hereto, which sets forth Successor Agency personnel and non-personal costs, and City Support Services, is hereby approved.

ADOPTED this _____ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Chairperson

ATTEST:

TONI J. TABER, CMC
Secretary

RD:TDM:CER
12-7-2017

AMENDED ADMINISTRATIVE BUDGET
[to be attached]