RESOLUTION NO. 2026-09

RESOLUTION OF THE SAN MATEO COUNTY COUNTYWIDE OVERSIGHT BOARD APPROVING AMENDMENTS TO THE EAST PALO ALTO SUCCESSOR AGENCY RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS), APPROVING THE CASH DEFEASANCE OF THE SERIES 2015A TAX ALLOCATION REFUNDING BONDS, AND AUTHORIZING ACTIONS NECESSARY TO TERMINATE ENFORCEABLE OBLIGATIONS AND PROCEED TOWARD DISSOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER EAST PALO ALTO REDEVELOPMENT AGENCY

WHEREAS, the California State Legislature enacted Assembly Bill 1X 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health & Safety Code §33000 et seq.); and

WHEREAS, pursuant to Health & Safety Code §34173, the City Council of the City of East Palo Alto (the "City") elected to serve as the Successor Agency ("Successor Agency") to the former East Palo Alto Redevelopment Agency, effective February 1, 2012; and

WHEREAS, pursuant to Health & Safety Code §34177(o), the Successor Agency is required to prepare and submit a Recognized Obligation Payment Schedule ("ROPS") identifying all enforceable obligations of the Successor Agency; and

WHEREAS, the sole remaining enforceable obligation of the Successor Agency is the Series 2015A Tax Allocation Refunding Bonds ("2015A Bonds"), which are callable on or after October 1, 2025; and

WHEREAS, the Successor Agency has determined that sufficient residual Redevelopment Property Tax Trust Fund ("RPTTF") balances will be available during the FY 2026-27 A and B ROPS periods to fund a two-phase cash defeasance of the 2015A Bonds, thereby eliminating all remaining enforceable obligations of the Successor Agency; and

WHEREAS, California Health and Safety Code Section 34181(e) provides that oversight boards shall direct successor agencies to determine whether any contracts, agreements, or other arrangements between the successor agencies and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval, and that the oversight board may approve any amendments to or early termination of those agreements if it finds that amendments or early termination would be in the best interests of the taxing entities; and

WHEREAS, the San Mateo County Countywide Oversight Board has determined that it would be in the best interest of the taxing entities for the East Palo Alto Successor Agency to amend the East Palo Alto Successor Agency's ROPS to provide for defeasance of the 2015A Bonds with moneys from the East Palo Alto Successor Agency's Redevelopment Property Tax Trust Fund ("RPTTF") in fiscal year 2025-26 and 2026-27 (which amounts will be deposited by the Successor Agency in its Redevelopment Obligation Retirement Fund and immediately transferred by the Successor Agency to the 2015A Trustee for deposit in the Redemption Account of the Debt Service Funds), available moneys held by the 2015A Trustee (including amounts in the Debt Service Funds) and available cash on hand with the East Palo Alto Successor Agency because such actions would reduce the East Palo Alto's Successor Agency's liabilities, provide for accelerated termination of the East Palo Alto's Successor Agency and increase net revenues to the taxing entities; and

WHEREAS, the Oversight Board has examined the defeasance plan, amended ROPS, projected savings, available funding, and overall fiscal impacts and finds that the actions proposed will reduce long-term liabilities and increase future property-tax revenues to the taxing entities.

WHEREAS, the San Mateo County Controller has determined that the FY 2026–27 A and B RPTTF residual balances total would be more than sufficient to fund the defeasance;

WHEREAS, the Successor Agency has submitted an amended ROPS for FY 2026–27 to allocate the RPTTF resources required to defease the 2015A Bonds and terminate the Successor Agency's remaining enforceable obligations; and

NOW, THEREFORE, BE IT RESOLVED that the San Mateo County Countywide Oversight Board hereby approves the proposed defeasance of the 2015A Bonds using:

- residual RPTTF revenues from the FY 2026–27 A and B distribution periods, and
- any available Successor Agency funds that may legally be applied,
  as described in the amended ROPS and staff report.

BE IT FURTHER RESOLVED, that the Oversight Board hereby approves the amendment of the FY 2026–27 ROPS to permit allocation of the necessary RPTTF resources to redeem the 2015A Bonds in June 2026 and January 2027.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency to take all actions necessary and appropriate to implement this Resolution, including but not limited to:

- Coordination with the San Mateo County Controller and bond trustee,
- Execution of all required defeasance and redemption documents, and

- Submission of the amended ROPS and supporting materials to the California Department of Finance for review and approval.

BE IT FURTHER RESOLVED, that the Oversight Board finds that the actions approved by this Resolution are in the best interests of the taxing entities, as they reduce enforceable obligations, eliminate ongoing administrative and debt-service costs, and accelerate the distribution of property-tax revenues to the taxing entities following dissolution.

RESOLUTION NUMBER: 2026 - 09

Regularly passed and adopted this 9th day of March 2026

AYES and in favor of said resolution:
Members:

MARK ADDIEGO

CHUCK BERNSTEIN

KEVIN BULTEMA

JUSTIN MATES

NOES and against said resolution:

Member(s):

Absent Member(s)

AIMEE ARMSBY

BARBARA CHRISTENSEN

MARK LEACH

Mark Addiego

Chair, San Mateo County
Countywide Oversight Board

Certificate of Delivery

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the Chair of San Mateo County Countywide Oversight Board.

Kim Borecio

Clerk of the Board of Supervisors

Recognized Obligation Payment Schedule (ROPS 26-27) - Summary

Successor Agency: East Palo Alto
County: San Mateo

	Current Period Requested Funding for Enforceable Obligations (ROPS	26-27A Total	26-27B Total	ROPS 26-27
A	**Enforceable Obligations Funded as Follows (B+C+D)**	**$ 0**	**$ 97,194**	**$ 97,194**
B	Bond Proceeds	0	0	0
C	Reserve Balance	0	0	0
D	Other Funds	0	97,194	97,194
E	**Redevelopment Property Tax Trust Fund (RPTTF) (F+G)**	**$ 173,525**	**$ 1,355,831**	**$ 1,529,356**
F	RPTTF	148,525	1,340,831	1,489,356
G	Administrative RPTTF	25,000	15,000	40,000
H	**Current Period Enforceable Obligations (A+E)**	**$ 173,525**	**$ 1,453,025**	**$ 1,626,550**

Amended Recognized Obligation Payment Schedule (ROPS 26-27) - Summary

Filed for the July 1, 2026 through June 30, 2027 Period

Successor Agency: East Palo Alto
County: San Mateo

	Current Period Requested Funding for Enforceable Obligations (ROPS	26-27A Total	26-27B Total	ROPS 26-27
A	**Enforceable Obligations Funded as Follows (B+C+D)**	**$ 0**	**$ 97,194**	**$ 97,194**
B	Bond Proceeds	0	0	0
C	Reserve Balance	0	0	0
D	Other Funds	0	97,194	97,194
E	**Redevelopment Property Tax Trust Fund (RPTTF) (F+G)**	**$ 4,926,091**	**$ 3,528,516**	**$ 8,454,607**
F	RPTTF	4,901,091	3,513,516	8,414,607
G	Administrative RPTTF	25,000	15,000	40,000
H	**Current Period Enforceable Obligations (A+E)**	**$ 4,926,091**	**$ 3,625,710**	**$ 8,551,801**

East Palo Alto
Recognized Obligation Payment Schedule (ROPS 26-27) - ROPS Detail
July 1, 2026 through June 30, 2027 Period

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 26-27 Total	ROPS 26-27A (Jul - Dec)					26-27A Total	ROPS 26-27B (Jan - Jun)					26-27B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								$11,451,531		$1,626,550	$-	$-	$-	$148,525	$25,000	$173,525	$-	$-	$97,194	$1,340,831	$15,000	$1,453,025
11	Operating Subsidy Loan	Business Incentive Agreements	05/04/2004	01/01/2026	Bay Road Housing LP	Courtyard Affordable Housing	G, UC	-	Y	$-	-	-	-	-	-	0	-	-	-	-	-	$-
12	Bank Charges for Bond Fiscal Agent Management	Fees	10/28/1999	01/01/2032	Wells Fargo Bank Trust	Trustee administrative charges	G, UC	43,500	N	$5,500	-	-	-	5,500	-	5,500	-	-	-	-	-	$-
15	Administrative Costs	Admin Costs	02/01/2012	06/30/2045	City of East Palo Alto and 3rd Party Vendors	Administrative Allowance	G, UC, R	385,000	N	$40,000	-	-	-	-	25,000	25,000	-	-	-	-	15,000	$15,000
20	2015 Tax Allocation Refunding Bonds, Series A	Bonds Issued After 12/31/10	10/28/1999	10/01/2032	Wells Fargo Bank Trust	Refunding of 1999 and 2003 Series A TABS	G, UC	11,023,031	N	$1,581,050	-	-	-	143,025	-	143,025	-	-	97,194	1,340,831	-	$1,438,025

East Palo Alto
AMENDED Recognized Obligation Payment Schedule (ROPS 26-27) - ROPS Detail
July 1, 2026 through June 30, 2027 Period

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 26-27 Total	ROPS 26-27A (Jul - Dec)					26-27A Total	ROPS 26-27B (Jan - Jun)					26-27B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								$11,451,531		$1,626,550	$0	$0	$0	$4,901,091	$25,000	$4,926,091	$0	$0	$97,194	$3,513,516	$15,000	$3,625,710
11	Operating Subsidy Loan	Business Incentive Agreements	05/04/2004	01/01/2026	Bay Road Housing LP	Courtyard Affordable Housing	G, UC	-	Y	$-	-	-	-	-	-	$0	-	-	-	-	-	$0
12	Bank Charges for Bond Fiscal Agent Management	Fees	10/28/1999	01/01/2032	Wells Fargo Bank Trust	Trustee administrative charges	G, UC	43,500	N	$5,500	-	-	-	5,500	-	$5,500	-	-	-	-	-	$0
15	Administrative Costs	Admin Costs	02/01/2012	06/30/2045	City of East Palo Alto and 3rd Party Vendors	Administrative Allowance	G, UC, R	385,000	N	$40,000	-	-	-	-	25,000	$25,000	-	-	-	-	15,000	$15,000
20	2015 Tax Allocation Refunding Bonds, Series A	Bonds Issued After 12/31/10	10/28/1999	10/01/2032	Wells Fargo Bank Trust	Refunding of 1999 and 2003 Series A TABS	G, UC	11,023,031	N	$1,581,050	-	-	-	4,895,591	-	$4,895,591	-	-	97,194	3,513,516	-	$3,610,710

EPA ROPS 26-27 Approved Admin Budget
Jan 5, 2026 OB Meeting

SUCCESSOR AGENCY CITY OF EAST PALO ALTO								
ADMINISTRATIVE BUDGET								
ROPS Period		**24-25**			**25-26**	**26-27**	***Please specify budget methodology (Cost Allocation, Time Study etc): Combination Time Study and Cost Allocation***	
Obligations Period		**July 2024-June 2025**			**July 2025-June 2026**	**July 2026-June 2027**		
Total Outstanding Obligations ($)								
Total Number of Outstanding Obligations								
Staff	**Description**	**Requested**	**Actual**	**Variance**	**Requested**	**Requested**	**Variance**	**Comment/Explanation for Variance**
Finance Director	ROPS, Legal, DOF, Budget	$ 7,600	$ 9,731	$ (2,131)	$ 8,100	$ 8,300	$ 200	COLA
Finance Manager	GL, Audits, Monitoring	$ 7,120	$ 9,116	$ (1,996)	$ 3,300	$ 3,400	$ 100	COLA
Other accountants	Audit, Deposits, Payments	$ 4,230	$ 5,416	$ (1,186)	$ 8,840	$ 5,050	$ (3,790)	COLA
		$ -		$ -	$ -	$ -	$ -	
Sub-Total (Personnel Costs)		**$ 18,950**	**$ 24,263**	**$ (5,313)**	**$ 20,240**	**$ 16,750**	**$ (3,490)**	
Vendor/Payee	**Description**	**Requested**	**Actual**	**Variance**	**Requested**	**Requested**	**Variance**	
Goldfarb Lipman	Legal Fees	$ 1,400	$ -	$ 1,400	$ -	$ -	$ -	
Eide Bailly	Audit	$ 4,470	$ -	$ 4,470	$ 3,916	$ 2,968	$ (948)	Due to change in audit scope
TBD	AV Analysis	$ -		$ -			$ -	
Willdan	Debt Compliance	$ 2,207	$ 2,925	$ (718)	$ 2,500	$ 2,998	$ 498	Adjusted based on FY24-25 actual
Cost Overhead	Other Costs, OH	$ 12,973	$ 12,812	$ 161	$ 13,344	$ 17,284	$ 3,940	New CAP study conducted
Sub-Total (Other Costs)		**$ 21,050**	**$ 15,737**	**$ 5,313**	**$ 19,760**	**$ 23,250**	**$ 3,490**	
Grand Total		**$ 40,000**	**$ 40,000**	**$ (0)**	**$ 40,000**	**$ 40,000**	**$ 0**	

OB Staff Note:
1. Total budgeted amount for FY 2026-27 is the same as last year ($40,000).

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Current Debt Service

Maturity	Principal		Coupon	Interest	Annual Debt Service
10/1/2025					
4/1/2026					
10/1/2026	1,250,000	*	3.000%	161,775	1,411,775
4/1/2027			3.000%	143,025	
10/1/2027	1,295,000		3.000%	143,025	1,581,050
4/1/2028			3.250%	123,600	
10/1/2028	1,325,000		3.250%	123,600	1,572,200
4/1/2029			3.375%	102,069	
10/1/2029	1,370,000		3.375%	102,069	1,574,138
4/1/2030			3.500%	78,950	
10/1/2030	1,425,000		3.500%	78,950	1,582,900
4/1/2031			3.625%	54,013	
10/1/2031	1,465,000		3.625%	54,013	1,573,025
4/1/2032			3.625%	27,459	
10/1/2032	1,515,000		3.625%	27,459	1,569,919
Total	$ 9,645,000			$ 1,220,006	$ 10,865,006

*10/1/2/26 payment is not included in the defeasance

Proposed 6/5/2026 Defeasance

Maturity	Principal	Coupon	Interest	Annual Debt Service
10/1/2025				
6/5/2026				
10/1/2026	0	3.000%	$ 55,446	$ 55,446
4/1/2027		3.000%	$ 86,038	
10/1/2027	0	3.000%	$ 86,038	$ 172,075
4/1/2028		3.250%	$ 86,038	
10/1/2028	0	3.250%	$ 86,038	$ 172,075
4/1/2029		3.375%	$ 86,038	
10/1/2029	420,000	3.375%	$ 86,038	$ 592,075
4/1/2030		3.500%	$ 78,950	
10/1/2030	1,425,000	3.500%	$ 78,950	$ 1,582,900
4/1/2031		3.625%	$ 54,013	
10/1/2031	1,465,000	3.625%	$ 54,013	$ 1,573,025
4/1/2032		3.625%	$ 27,459	
10/1/2032	1,515,000	3.625%	$ 27,459	$ 1,569,919
Total	$ 4,825,000		$ 892,515	$ 5,717,515

Proposed 6/5/2026 Defeasance Requirement

Maturity	Principal	Coupon	Interest	
4/1/2026				
6/5/2026			**$ 30,591**	
10/1/2026	0	3.000%	$ 55,446	
4/1/2027		3.000%	$ 86,038	
10/1/2027	0	3.000%	$ 86,038	
4/1/2028		3.250%	$ 86,038	
10/1/2028	0	3.250%	$ 86,038	
4/1/2029		3.375%	$ 86,038	
10/1/2029	**420,000**	3.375%	$ 86,038	
4/1/2030		3.500%	$ 78,950	
10/1/2030	**1,425,000**	3.500%	$ 78,950	
4/1/2031		3.625%	$ 54,013	
10/1/2031	**1,465,000**	3.625%	$ 54,013	
4/1/2032		3.625%	$ 27,459	
10/1/2032	**1,515,000**	3.625%	$ 27,459	
Total	$ 4,825,000		$ 30,591	$ 4,855,591

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Debt Service After 6/5/2026 Defeasance

Maturity	Principal	Coupon	Interest	Annual Debt Service
10/1/2025				
4/1/2026				
10/1/2026	1,250,000	3.000%	75,738	1,325,738
4/1/2027		3.000%	56,988	
10/1/2027	1,295,000	3.000%	56,988	1,408,975
4/1/2028		3.250%	37,563	
10/1/2028	1,325,000	3.250%	37,563	1,400,125
4/1/2029		3.375%	16,031	
10/1/2029	950,000	3.375%	16,031	982,063
4/1/2030		3.500%	-	
10/1/2030		3.500%	-	-
4/1/2031		3.625%	-	
10/1/2031		3.625%	-	-
4/1/2032		3.625%	-	
10/1/2032		3.625%	-	-
Total	$ 4,820,000		$ 296,900	$ 5,116,900

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Proposed 1/8/2027 Defeasance

Maturity	Principal	Coupon	Interest	Annual Debt Service
10/1/2025				
4/1/2026				
1/8/2027				
4/1/2027		3.000%	26,278	
10/1/2027	1,295,000	3.000%	56,988	1,378,265
4/1/2028		3.250%	37,563	
10/1/2028	1,325,000	3.250%	37,563	1,400,125
4/1/2029		3.375%	16,031	
10/1/2029	950,000	3.375%	16,031	982,063
4/1/2030		3.500%	-	
10/1/2030		3.500%	-	-
4/1/2031		3.625%	-	
10/1/2031		3.625%	-	-
4/1/2032		3.625%	-	
10/1/2032		3.625%	-	-
Total	$ 3,570,000		$ 190,453	$ 3,760,453

Proposed 1/8/2027 Defeasance Requirement

Maturity	Principal	Coupon	Interest	
10/1/2026				
1/8/2027			**30,710**	
4/1/2027		3.000%	26,278	
10/1/2027	1,295,000	3.000%	56,988	
4/1/2028		3.250%	37,563	
10/1/2028	1,325,000	3.250%	37,563	
4/1/2029		3.375%	16,031	
10/1/2029	950,000	3.375%	16,031	
4/1/2030		3.500%	-	
10/1/2030		3.500%	-	-
4/1/2031		3.625%	-	
10/1/2031		3.625%	-	-
4/1/2032		3.625%	-	
10/1/2032		3.625%	-	-
Total	$ 3,570,000		$ 30,710	$ 3,600,710