

# SAN MATEO COUNTY

## COUNTYWIDE OVERSIGHT BOARD

### *Members*

*Mark Addiego*

*Aimee Armsby*

*Chuck Bernstein*

*Kevin Bultema*

*Barbara Christensen*

*Mark Leach*

*Justin Mates*

### **NOTICE AND AGENDA FOR REGULAR MEETING OF SAN MATEO COUNTY COUNTYWIDE OVERSIGHT BOARD**

**\*\*\*IN-PERSON MEETING WITH REMOTE PUBLIC PARTICIPATION AVAILABLE\*\*\***

Notice is hereby given of the time and place of a regular meeting of the San Mateo County Countywide Oversight Board (the "Board") and of the business to be transacted at said meeting. Said meeting is to be held at the time and place hereinafter set forth:

This meeting of the Board will be held at 455 County Center, Room 101, Redwood City, California 94063. Members of the public will be able to participate in person at the meeting location or remotely via the Zoom platform. For information regarding how to participate in the meeting, either in person or remotely, please refer to the instructions at the end of the agenda.

Meeting Time: 9:00 a.m.

Meeting Date: Monday, March 9, 2026

Meeting Location: 455 County Center, Room 101, Redwood City, California 94063

This meeting may be accessed remotely through the Zoom Videoconference Link:

<https://smcgov.zoom.us/j/92677122098>

Webinar ID: 926 7712 2098

The agenda of said meeting shall be as follows:

1. Call to Order
2. Roll Call
3. Public Comment  
*This is an opportunity for members of the public to address the Oversight Board on any Oversight Board-related topics that are not on the agenda. If your subject is not on the agenda, the individual chairing the meeting will recognize you at this time. Speakers are customarily limited to two minutes.*
4. Action to Set the Agenda
5. Approval of Minutes of February 9, 2026, Meeting
6. Adopt a Resolution 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
7. Continue item concerning Resolution Approving the Purchase and Sale Agreement for Redwood City Successor Agency's Assessor Parcel No. 053-182-030 to the April 13, 2026 meeting

## 8. Adjournment

A copy of the Countywide Oversight Board agenda packet is available for review from the Clerk of the Board of Supervisors, 500 County Center, 5th Floor, Monday through Thursday 7:30 a.m.-5:30 p.m. and Friday 8 a.m.-5 p.m.

### **Levine Act**

The Levine Act (California Government Code Section 84308) prohibits, in certain cases, campaign contributions to members of the Board by those who have proceedings (e.g., applications for land use and other entitlements, contracts, etc.) pending before the Board and by those who may have an interest in such proceedings (including those acting as agents for applicants or potential contractors). Moreover, the Levine Act may require disclosure of contributions by such individuals. The law is complex and this brief description is not legal advice. A 2023 version of the Levine Act and a Fair Political Practices Commission summary of it can be found here: <https://www.smcgov.org/bos/levine-act-information>

### **ADA Requests**

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Kim Boverio, Assistant Clerk of Board, at least two working days before the meeting at (650) 363-1802. Notification in advance of the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical-based products.

### **Public Participation – Written Public Comments**

- Written public comments should be emailed to [kboverio@smcgov.org](mailto:kboverio@smcgov.org) and should include the specific agenda item on which you are commenting, or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
- The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
- Written comments received by 5:00 p.m. on the day before the meeting will be distributed to the Members of the Board and made publicly available on the Board's webpage. The Clerk will make every effort to read emails received after that time but cannot guarantee such emails will be read during the meeting, although such emails will still be included in the administrative record.

### **Public Participation – Spoken Public Comments**

- Spoken public comments will be accepted during the meeting through Zoom (see Zoom link on the first page of the Agenda) or in-person.
- You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
- You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
- When the Board President or Clerk of the Board calls for the item on which you wish to speak, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.
- For any questions or concerns regarding Zoom, including troubleshooting, privacy, or security settings, please contact Zoom directly.

### **Public Records**

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated the office of the Clerk of the Board of Supervisors, located at 500 County Center, 5th floor, Redwood City, CA 94063, for the purpose of making those public records available for inspection. Documents and upcoming meetings are also available on the Board's website at <https://www.smcgov.org/controller/countywide-oversight-board-former-redevelopment-agencies>.

**San Mateo County Countywide Oversight Board Meeting  
Monday, February 9, 2026, 9:00 a.m.**

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**DRAFT MINUTES**

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1. Call to Order

The meeting was called to order by Chair Mark Addiego at 9:02 a.m.

2. Roll Call

**Present:**

Board Members: Mark Addiego, Aimee Armsby, Chuck Bernstein, Kevin Bultema, Barbara Christensen, and Mark Leach

**Absent:**

Board Members: Justin Mates

Staff: Brian Wong, Deputy County Counsel; Caiti Busch, Deputy County Counsel; Amanda Johnson, Controller Division Manager; Kristie Silva, Assistant Controller; Lorna Mosuela-Buehler, Management Analyst, Controller and Kim Boverio, Assistant Clerk of the Board.

3. Public Comment

*This is an opportunity for members of the public to address the Oversight Board on any Oversight Board-related topics that are not on the agenda. If your subject is not on the agenda, the individual chairing the meeting will recognize you at this time. Speakers are customarily limited to two minutes.*

No written or verbal comments.

4. Action to Set the Agenda

**RESULT:**                   **Approved**

**MOTION:**               **Barbara Christensen**

**SECOND:**               **Mark Leach**

**AYES [6]:**               Mark Addiego, Aimee Armsby, Chuck Bernstein, Kevin Bultema,

**NOES:**                   None

**ABSENT [1]:**             Justin Mates

5. Approval of Minutes of January 5, 2026 Meeting

**RESULT:**               **Approved**  
**MOTION:**           **Mark Leach**  
**SECOND:**           **Kevin Bultema**  
**AYES [6]:**           Mark Addiego, Aimee Armsby, Chuck Bernstein, Barbara Christensen  
**NOES:**               None  
**ABSTAIN:**           None  
**ABSENT [1]:**       Justin Mates

6. Adopt a Resolution Approving the Purchase and Sale Agreement for Redwood City Successor Agency's Assessor Parcel No. 053-182-030

Speaker:       Patrick Heisinger, City Manager, City of Redwood City  
                  Veronica Ramirez, City Attorney, City of Redwood City

The item was postponed to allow time for all Board Members to review Mr. Bernstein's written comments. Please see Mr. Bernstein comments below:

Date: February 9, 2026

Re.: Item 6, Proposed Disposition of Property

Summary

While I think the appraisal is well done in general, the "Extraordinary Assumptions" incorporated into the appraisal require an adjustment of the appraiser's \$900,000 valuation for the property. The appraiser himself emphasizes this option:

The reader is reminded that the conclusion above is based on the exposure time concluded above and subject to the conditions and assumptions displayed at the beginning of this appraisal report. If these were not made, the appraiser's conclusion(s) might be different. [p. 82/111]

Rather than apply the appraiser's per-square-foot value to the "usable area" of 4,469 sq. ft., it should be applied to the whole property area, at this point an uncertain 10,973 sq. ft. That increases the valuation to roughly \$2,250,000. The reasons for doing this are twofold: (a) the usable area of 4,469 sq. ft. was based on a map by the Acting City Engineer for Redwood City (p. 46/111), which represents a potential conflict of interest of interest, and (b) more importantly, the 4,469 was determined "after accounting for the City's need to maintain culvert access" (p. 62/111), meaning that the City of Redwood City took a

larger portion than the estimated “usable area” for its own use: “This easement is in favor of the City of Redwood City.... [p. 69/111]. If the City’s earlier estimate of 14,351 sq. ft. is used, the value would be over \$3,000,000.

#### Unusual Aspects of Situation

The three “Extraordinary Assumptions” [p. 46/111] in the appraisal are, indeed, extraordinary:

1. There is no title report. This is something that can normally be prepared several weeks, unless there are problems with it. Before the Oversight Board votes on this proposed sale price, it should see a preliminary title report, both to understand if there are any easements on it that should not have been granted or if there are any pending sales, leases, or easements that are in the process of being negotiated.

2. The second is that the adjacent developer, Elco Yards, “appears to have a temporary construction easement over, or a license to use, the subject property,” although this is denied by the City’s engineering staff [p. 46/111]. Moreover, the situation becomes more ambiguous when combined with the appraiser’s observation that “...The Elco Elco Yards project entitlement envisioned a community garden on the subject property even though it was owned by the Successor Agency and not part of the entitlement approvals” [p. 51/111]. A title report would help dispel the confusion surrounding these matters, any one of which could affect the valuation of the property.

Memo re. Item 6, Redwood City Proposed Disposition of Property, 2/9/26, p. 2

3. The third assumption pertains to the reduction of the property’s area from 10,973 sq. ft. to 4,469 sq. ft., cited in the “Summary,” above. This is due to the easement the City gave itself for maintenance access, which is used only periodically. It should also be noted that the City indicated that the property was 14,351 sq. ft. in 2015 in the unapproved LRPMP [CAC Exhibit B, p. 13/111], so there is even some uncertainty regarding the size of the whole subject property, which should and could have been resolved months or even years ago.

#### Calculation of Valuation

I do not have the expertise to understand when and for what reasons “extraordinary

assumptions” are included in an appraisal. It is not clear if the appraiser in this case does not support the assumptions or if they were simply provided to him at the beginning of the engagement and his caveats about their impact on the valuation are routine.

In any case, the first two assumptions make me nervous about what is going on with the subject property. The third one seems obvious: the appraiser is specifying that his valuation is based on the assumption that the City has taken 6,504 sq. ft. of the property for its own use before the appraiser values the remaining 4,469 sq. ft. There is no reason why the taxing agencies other than the City of Redwood City should be contributing their portion of the former RDA’s assets for the City’s use to maintain a City culvert.

If we then value the whole 10,973 sq. ft. at the same rate as the appraiser valued the 4,469 sq. ft., we get a value of \$2,209,823. The valuation was calculated as of April 30, 2025, so it will be over a year old by the time the disposition is effected, which will bring the value to close to \$2,250,000.

Alternatively, if the property is 14,351 sq. ft, the value would be over \$3,000,000. The appraiser’s report made the “extraordinary assumption” that the area was 4,469 sq. ft., and the appraiser did not discuss or verify that measurement.

No mention is made in either the appraisal or the staff reports of the taxing area included or the precise amount of property tax revenue that goes to the City. However, roughly 16% of property taxes in Redwood City go to the City itself, so a significant portion of the increase in valuation would be returned to the City.

\* \* \* \* \*

The basic flaw in the proposal before us is that the property size has been reduced by the easement the City created for its own benefit. The maintenance of the culvert should not be paid for by the other taxing agencies.

It seems obvious that the proposed price is much too low. To aid this effort, more research must be done: the property should be surveyed to determine its actual size; the easement terms and its date of execution should be included; and there should be a title report.

**RESULT:** Motion to hold item until next meeting on March 9, 2026  
**MOTION:** Mark Leach  
**SECOND:** Barbara Christensen  
**AYES [6]:** Mark Addiego, Aimee Armsby, Chuck Bernstein and Kevin Bultema  
**NOES:** None  
**ABSENT [1]:** Justin Mates

7. Defeasance of East Palo Alto Successor Agency’s Series 2015A Tax Allocation Refund Bonds (Discussion Only)

Speaker: Tomo Oku, Finance Director, City of East Palo Alto  
Jaime Trejo, EPA Consultant

**Background Information:**

The SA has provided an analysis of a potential cash defeasance of their 2015 Series A bonds, which is their only remaining enforceable obligation. The SA’s memo (attached as CAC Exhibit A) was prepared by the SA to provide information to the OB regarding the processes, timeline, financial impact and costs involved with defeasing the bonds. Among other things, the SA has determined that cash defeasance could be funded using a portion of Redevelopment Property Tax Trust Fund (RPTTF) for two apportionment periods. The County Controller’s office has prepared a fiscal analysis showing the distribution of property tax revenues both before and after dissolution of the SA, which shows that the total annual shift in property tax revenues from RPTTF to general tax is approximately \$15.4 million after dissolution of the SA (CAC Exhibit B).

**Financial Impact:**

This item is for information and discussion only. The OB is not requested at this time to approve the cash defeasance or other actions that would have a financial impact.

8. Adjournment

The meeting was adjourned at 9:54 a.m.

# SAN MATEO COUNTY

## COUNTYWIDE OVERSIGHT BOARD

### *Members*

*Mark Addiego*

*Aimee Armsby*

*Chuck Bernstein*

*Kevin Bultema*

*Barbara Christensen*

*Mark Leach*

*Justin Mates*

Date: February 15, 2026

## Agenda Item 6

To: San Mateo County Countywide Oversight Board (OB)

From: Kristie Silva, County of San Mateo Assistant Controller

Subject: Bond Defeasance and Amendment to Last and Final ROPS  
Former RDA: East Palo Alto Redevelopment Agency

### **Background and Discussion**

At the February 9, 2026, Oversight Board (OB) meeting, the City of East Palo Alto Successor Agency (SA) staff notified the OB of their intent to defease their Series 2015A Tax Allocation Refunding Bonds. The SA is proposing to terminate its outstanding financial obligation in an effort to expedite dissolution of the SA and to generate tax increment savings for the benefit of the taxing entities, consistent with Health and Safety Code (HSC) Section 34181.

The Bond defeasance process will be paid through the available cash from Residual of the Redevelopment Property Tax Trust Funds (RPTTF). The defeasance timetable requires payments from two periods (2026-27A and 2026-27B) for a total cash requirement of \$8,506,301. The cash available from these two periods would be sufficient to fund defeasance of the Series 2015A Bonds.

Board Approval is needed for the following actions:

1. Defeasance of the Series 2015A Tax Allocation Refunding Bonds in payment period 2026-27A on June 5, 2026, in the amount of \$4,895,591, and period 2026-27B on January 8, 2027, in the amount of \$3,610,710.
2. Amendment of the FY26-27 Recognized Obligation Payment Schedule (ROPS) authorizing the use of \$4,926,091 for 2026-27A period and \$3,625,710 for 2026-27B period.
3. Authorizing the SA to take actions necessary to terminate its enforceable obligations and proceed toward dissolution of the SA

### **Fiscal Impact**

The East Palo Alto Successor Agency estimates that early defeasance of the Series 2015A Bonds would generate net savings of \$1,244,667 RPTTF dollars. The estimated RPTTF savings are generated by reduced interest payments, elimination of administrative RPTTF payments, and elimination of bond trustee and arbitrage services through 2032.

### **CAC Exhibits:**

- A. East Palo Alto Successor Agency Staff Report
- B. Board Resolution approving the Defeasance of Bond and Amendment to ROPS
- C. Amended ROPS Schedule

Date: February 10, 2026  
To: San Mateo County Countywide Oversight Board  
From: Tomohito Oku, City of East Palo Alto Finance Director  
Subject: Defeasance of Series 2015A Tax Allocation Refunding Bonds  
Former RDA: **East Palo Alto**

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### **Recommendation**

Adopt a resolution:

1. Approving the cash defeasance of the Series 2015A Tax Allocation Refunding Bonds, and
2. Approving the amended FY 2026–27 Recognized Obligations Payment Schedule (“ROPS”)
3. Authorizing the East Palo Alto Successor Agency to take actions necessary to terminate the obligation and initiate the Successor Agency dissolution.

### **Background**

The City of East Palo Alto Successor Agency is proposing to terminate the Agency’s outstanding financial obligations in an effort to expedite dissolution of the Agency and to generate tax increment savings for the benefit of the taxing entities, consistent with Health and Safety Code (HSC) Section 34181.

The East Palo Alto Successor Agency has confirmed that the residual Redevelopment Property Tax Trust Fund (RPTTF) money available from two payment periods, the 2026-27A and 2026-27B periods, would be sufficient to fund a cash defeasance of the Series 2015A Bonds.

- Cash defeasance of the Series 2015A Bonds would generate a net savings of \$1,244,667 Redevelopment Property Tax Trust Funds (“RPTTF”), consistent with Health and Safety Code Section 34181(e).
- Cash defeasance of the Series 2015A Bonds would accelerate dissolution of the East Palo Alto Successor Agency pursuant to Health and Safety Code Section 34187.
- Dissolution of the East Palo Alto Successor Agency would result in increased general property tax revenues distributed to the taxing entities.

The East Palo Alto Successor Agency Recognized Obligations Payment Schedule (ROPS) provides for distribution of Redevelopment Property Tax Trust Funds (RPTTF) through 2032 to fund one outstanding debt obligation – the Series 2015A Tax Allocation Refunding Bonds.

On January 6, 2026, the Oversight Board Adopted a Resolution Approving the Annual Recognized Obligation Payment Schedule (ROPS 26-27) and FY 2026-27 Administrative Budget of the East Palo Alto Successor Agency.

Pursuant to Health and Safety Code (HSC) Section 34181, the Successor Agency is directed to determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency 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. HSC §34181 further provides that the Oversight Board may approve any amendments to

or early termination of successor agency agreements or obligations it finds that amendments or early termination would be in the best interests of the taxing entities.

Consistent with Health and Safety Code Section 34181, on February 9, 2026 the Successor Agency presented information to the San Mateo Countywide Oversight Board related to a bond defeasance strategy that would terminate the Agency’s enforceable financial obligations, expedite dissolution of the East Palo Alto Successor Agency, and generate tax savings and benefit for local taxing entities. The 2/9/26 staff report is included as Attachment 2. The Oversight Board provided generally positive feedback to the proposed cash defeasance strategy.

**DISCUSSION**

The East Palo Alto Successor Agency has analyzed the cash defeasance requirements, estimated savings and benefit to taxing entities, confirmed available funding sources, and prepared a timeline required for defeasance and dissolution, all of which is summarized below for Oversight Board consideration.

Cash Defeasance: The Series 2015A Bonds have a maturity date of October 1, 2032. The bond indentures of trust provide for a redemption date of October 1, 2025, after which the remaining bond principal balances could be paid off. The bonds can be redeemed on any date on or after October 1, 2025.

Estimated Available Funding: Based on historical date, the East Palo Alto Successor Agency has determined that the residual Redevelopment Property Tax Trust Fund (RPTTF) money available ROPS periods, would be sufficient to fund a cash defeasance of the Series 2015A Bonds. Additionally, the SA has \$97,194 cash on hand, which will partially fund the bond defeasance.

Estimated RPTTF Savings: The East Palo Alto Successor Agency estimates that early defeasance of the Series 2015A Bonds would generate a net savings of \$1,244,667 Redevelopment Property Tax Trust Fund (RPTTF) dollars. Upon dissolution of the Successor Agency, taxing entities would see an increase in general property tax revenues. The estimated RPTTF savings are generated by reduced interest payments, elimination of administrative RPTTF payments, and elimination of bond trustee and arbitrage services through 2032.

<b>RPTTF Summary Table</b>	June 5, 2026	January 8, 2027	
	Defeasance 1	Defeasance 2	Total
<b>Remaining RPTTF Obligations Per ROPS</b>			
Series 2015A Tax Allocation Bonds Debt Service	\$ 5,717,515	\$ 3,760,453	\$ 9,477,968
Less: Applied Debt Service Reserves	-	-	-
Net Series 2015A Tax Allocation Bonds Debt Service	\$ 5,717,515	\$ 3,760,453	\$ 9,477,968
Bond Trustee Services and Arbitrage Reports	16,500	16,500	33,000
Administrative RPTTF	120,000	120,000	240,000
<b>Total Remaining RPTTF Obligation</b>	<b>\$ 5,854,015</b>	<b>\$ 3,896,953</b>	<b>\$ 9,750,968</b>

**Funding Required Cash Defeasance**

Total Funds Required for Cash Defeasance	\$ 4,855,591	\$ 3,600,710	\$ 8,456,301
Cost of Bond Defeasance	40,000	10,000	50,000

Cash on hand with Successor Agency	-	-	-
<b>Net Required RPTTF needed for Defeasance</b>	<b>\$ 4,895,591</b>	<b>\$ 3,610,710</b>	<b>\$ 8,506,301</b>
<b>Calculated RPTTF Net Savings</b>	<b>\$ 958,424</b>	<b>\$ 286,243</b>	<b>\$ 1,244,667</b>

Note: This calculation excludes 10/1/2026 debt service payment which is not part of the bond defeasance.

Amended ROPS

To facilitate a cash defeasance of the 2015A Series Bonds, East Palo Alto Successor Agency staff has prepared an Amended ROPS (Attachment 3) which reflects a two allocation of RPTTF in the ROPS 26-27A period (June 2026) and ROPS 26-27B period (January 2027). Once the cash defeasance escrow has been funded, all remaining obligations of the Agency would be discharged, accelerating dissolution of the East Palo Alto Successor Agency pursuant to Health and Safety Code 34187. The following actions are required to amend the ROPS 26-27.

1. East Palo Alto Successor Agency Approval/East Palo Alto City Council (2/24/20026)
2. San Mateo Countywide Oversight Board Approval (tentatively 3/9/2026)
3. California Department of Finance Review and Approval (Expedited review)

A resolution has been prepared (Attachment 1) approving amendments to the Bond Series 2015A Recognized Obligations Payment Schedule, and approving actions to proceed with dissolution of the Successor Agency.

Timeline for Defeasance and Dissolution: **Early defeasance of the bonds would expedite final dissolution of the Agency pursuant to HSC §34187.** The following is a summary of the actions required to complete the bond defeasance and dissolve the East Palo Alto Successor Agency:

February 9, 2026	OB Consideration of Proposed Bond Defeasance
March 9, 2026	OB Approves Bond Defeasance and Amendments to ROPS 26-27
March 10, 2026	SA submits expedited request to CA DOF to Approve OB Action
April 15, 2026	DOF to Review and Issue Determination Letters for Annual ROPS
April 20, 2026	SA Filing of Meet and Confer Request with DOF to Amend ROPS 26-27. DOF to subsequently issue a revised Determination Letter
May 29 2026	Distribution of ROPS 26-27A RPTTF
June 5, 2026	Partial Defeasance of Series 2015A Bonds
Winter 2027	Distribution of ROPS 26-27B RPTTF
Winter 2027	Complete Defeasance of Series 2015A Bonds
February 2027	OB Staff Due Diligence Review Related to SA Dissolution
Feb/March	OB Consideration of Request to Dissolve Successor Agency
April 2027	DOF Determination on Request to Dissolve Successor Agency
June 2027	Distribution of Increased Property Tax to Taxing Entities

**CONCLUSION**

The East Palo Alto Successor Agency believes that implementation of this defeasance plan complies with Health and Safety Code Section 34171(d)(1)(E), which states that the Successor Agency, with approval or

at the direction of the Oversight Board, is permitted to terminate any existing agreements or obligations and provide any necessary and required compensation or remediation for such termination.

The defeasance plan complies with HSC §34181 which provides that the Oversight Board may approve any amendments to or early termination of successor agency agreements or obligations it finds that amendments or early termination would be in the best interests of the taxing entities.

- Early defeasance of the Series 2015A Bonds would generate net savings of RPTTF required to fully dissolve the Agency (\$1.25 million).
- Early defeasance of the bonds would facilitate earlier dissolution of the East Palo Alto Successor Agency pursuant to HSC §34187.
- Dissolution of the Successor Agency would result in increased residual tax receipts, or increased property tax revenues distributed to the taxing entities.

### **Attachments**

1. Draft Resolution Approving the Defeasance of Series 2015A Tax Allocation Bonds and Amended ROPS 26-27
2. 2/9/26 SA Staff Report: Defeasance of Series 2015A Tax Allocation Refunding Bonds
3. Amended Recognized Obligation Payment Schedule 26-27

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**

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**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.

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

**Successor Agency:** East Palo Alto  
**County:** San Mateo

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

**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

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

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

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 26-27 Total	ROPS 26-27A (Jul - Dec)					Q 26-27A Total	ROPS 26-27B (Jan - Jun)					W 26-27B Total
											Fund Sources						Fund Sources					
											L Bond Proceeds	M Reserve Balance	N Other Funds	O RPTTF	P Admin RPTTF		R Bond Proceeds	S Reserve Balance	T Other Funds	U RPTTF	V 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 Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 26-27 Total	ROPS 26-27A (Jul - Dec)					Q 26-27A Total	ROPS 26-27B (Jan - Jun)					W 26-27B Total
											Fund Sources						Fund Sources					
											L Bond Proceeds	M Reserve Balance	N Other Funds	O RPTTF	P Admin RPTTF		R Bond Proceeds	S Reserve Balance	T Other Funds	U RPTTF	V 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 <u>CITY OF EAST PALO ALTO</u>								
ADMINISTRATIVE BUDGET								
ROPS Period		24-25			25-26		26-27	
Obligations Period		July 2024-June 2025			July 2025-June 2026		July 2026-June 2027	
Total Outstanding Obligations (\$)								
Total Number of Outstanding Obligations								
<i>Please specify budget methodology (Cost Allocation, Time Study etc): <u>Combination Time Study and Cost Allocation</u></i>								
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
		\$ -		\$ -	\$ -	\$ -	\$ -	
<b>Sub-Total (Personnel Costs)</b>		<b>\$ 18,950</b>	<b>\$ 24,263</b>	<b>\$ (5,313)</b>	<b>\$ 20,240</b>	<b>\$ 16,750</b>	<b>\$ (3,490)</b>	
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
<b>Sub-Total (Other Costs)</b>		<b>\$ 21,050</b>	<b>\$ 15,737</b>	<b>\$ 5,313</b>	<b>\$ 19,760</b>	<b>\$ 23,250</b>	<b>\$ 3,490</b>	
<b>Grand Total</b>		<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ (0)</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 0</b>	

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
<b>Total</b>	<b>\$ 9,645,000</b>		<b>\$ 1,220,006</b>	<b>\$ 10,865,006</b>

\*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
<b>Total</b>	<b>\$ 4,825,000</b>		<b>\$ 892,515</b>	<b>\$ 5,717,515</b>

Proposed 6/5/2026 Defeasance Requirement

Maturity	Principal	Coupon	Interest
4/1/2026			
<b>6/5/2026</b>			<b>\$ 30,591</b>
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	<b>420,000</b>	3.375%	\$ 86,038
4/1/2030		3.500%	\$ 78,950
10/1/2030	<b>1,425,000</b>	3.500%	\$ 78,950
4/1/2031		3.625%	\$ 54,013
10/1/2031	<b>1,465,000</b>	3.625%	\$ 54,013
4/1/2032		3.625%	\$ 27,459
10/1/2032	<b>1,515,000</b>	3.625%	\$ 27,459
<b>Total</b>	<b>\$ 4,825,000</b>		<b>\$ 30,591</b>

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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%	-	-
<b>Total</b>	<b>\$ 4,820,000</b>		<b>\$ 296,900</b>	<b>\$ 5,116,900</b>

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%	-	-
<b>Total</b>	<b>\$ 3,570,000</b>		<b>\$ 190,453</b>	<b>\$ 3,760,453</b>

Proposed 1/8/2027 Defeasance Requirement

Maturity	Principal	Coupon	Interest
10/1/2026			
1/8/2027			<b>30,710</b>
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%	-
<b>Total</b>	<b>\$ 3,570,000</b>		<b>\$ 30,710</b>