

City of Brisbane as Successor Agency

Agenda Report

To: City Council via City Manager

From: Deputy Finance Director

Subject: Recognized Obligation Payment Schedule for July-December 2013

Date: February 4, 2013

Purpose:

To ensure the Successor Agency receives enough funds to make its required payments including bond payments and administrative costs.

Recommendation:

Adopt the July through December 2013 ROPS (Recognized Obligation Payment Schedule)

Background:

The State of California adopted AB X1 26 on June 28, 2011 and the California Supreme Court upheld that law on December 28, 2011, effectively dissolving all Redevelopment Agencies in the state as of January 31, 2012. This law requires that recognized obligations be approved by the Successor Agency and by the Oversight Board bi-annually. The ROPS for July – December 2013 is due by March 1, 2013.

The Successor Agency adopted its first ROPS for the period January through June 2012, on February 21, 2012. The ROPS was reviewed and commented upon by auditors hired by the County. The auditors commented given the current law there was not a clear indication that the loans between the RDA and the City should be repaid or the loan between the RDA and the Low/Mod Housing Fund. The Oversight Board reviewed the ROPS and the County Auditor's comments and concluded that the obligations in fact did exist between these entities and the RDA but current law did not provide for their repayment. The Oversight Board decided to leave the obligations on the ROPS but to not provide for repayment until such time as the law changes. The State Legislature passed AB1484, Redevelopment Dissolution/Unwind Trailer Bill, on June 27, 2012. It changes some of the requirements, adds a section on affordable housing, and institutes a timeline with penalties if not met. Additionally, it will allow consideration of the loans between the City and the Agency once the new requirements have been met.

The Successor Agency returned the tax increment paid to us in December 2011 and processed the January through June 2012 debt service with existing cash. This included cash that was transferred from the Low & Moderate Income Housing Fund as directed by AB x1 26.

The tax increment available for the July – December 2012 was not enough to cover the entire requested and approved administration fee. That difference has been added to this request in addition to the ongoing fees.

AB1484 required a new procedure for reviewing the available cash assets of the Dissolved RDA (the Review) by a licensed accountant with experience and expertise in local government accounting. Both the review of the Housing Assets and the Non-housing assets have been completed. We are waiting for DOF's certificate of completion.

Discussion:

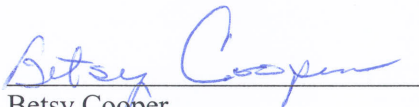
Our ROPS is primarily the debt service payments due on the 1998 Housing Bonds, the 2001A Refunding bonds and a portion of the 2005 Lease Revenue bonds that refinanced the 1995 COPs. By law, the Successor Agency is entitled to a minimum administration fee of \$250,000 per year.

Fiscal Impact:

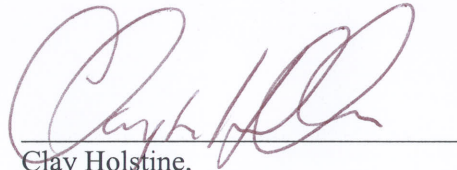
This is how we can access property tax (formerly tax increment) to pay for the bonds issued for redevelopment. Without the ROPS, we will not receive any funding.

Attachments:

Recognized Obligation Payment Schedule for July – December 2013.



Betsy Cooper,
Deputy Finance Director



Clay Holstine,
City Manager

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **BRISBANE (SAN MATEO)**

Outstanding Debt or Obligation

Total Outstanding Debt or Obligation

Total
\$0

Current Period Outstanding Debt or Obligation

Six-Month Total

| | | |
|---|---|---------------|
| A | Available Revenues Other Than Anticipated RPTTF Funding | \$0 |
| B | Enforceable Obligations Funded with RPTTF | \$847,796 |
| C | Administrative Allowance Funded with RPTTF | \$157,000 |
| D | Total RPTTF Funded (B + C = D) | \$1,004,796 |
| E | Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i> | \$1,004,796 |
| F | Enter Total Six-Month Anticipated RPTTF Funding | \$0 |
| G | Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i> | (\$1,004,796) |

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))

| | | |
|---|---|-------------|
| H | Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i> | \$985,137 |
| I | Enter Actual Obligations Paid with RPTTF | \$885,900 |
| J | Enter Actual Administrative Expenses Paid with RPTTF | \$109,000 |
| K | Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K) | \$0 |
| L | Adjustment to RPTTF (D - K = L) | \$1,004,796 |

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code,

I hereby certify that the above is a true and accurate Recognized

Obligation Payment Schedule for the above named agency.

_____/s/_____
Signature Date

