

City of Brisbane as Successor Agency

Agenda Report

To: City Council via City Manager
From: Deputy Finance Director
Subject: Recognized Obligation Payment Schedule for January – June 2014
Date: September 3, 2013

Purpose:

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

Recommendation:

Adopt the January through June 2014 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 January through June 2014 is due by October 1, 2013.

The Successor Agency adopted its first ROPS for the period January through June 2012, on February 21, 2012 and had lines for the loans between the RDA and the City and the loans between the Low Mod Housing and the Project Areas. At that time the law was unclear that these loans should be repaid. The Oversight Board concluded 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 reporting requirements, added back in some affordable housing provisions and instituted a timeline with penalties if the requirements are not met. Additionally, AB1484 will allow consideration of the loans between the City and the Agency once the new requirements have been met and the Certificate of Completion is issued by the Department of Finance.

We have received our Certificate of Completion from the Department of Finance. We will be submitting the Long Range Property Management Plan by October 1, 2013 also. Once that is finalized, we may begin paying back the Low Moderate Income Housing Fund and then the City.

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.

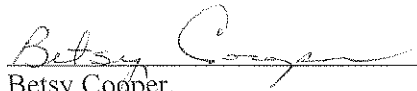
A note has been added for the potential refinancing of all the bonds into a single debt. The Successor Agency approved the issuance of bond June 17, 2013 and we are working with the Department of Finance for their approval to move forward on this. Should refinancing occur, then the amount needed for debt service will change from what is presented in this ROPS.

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 January – June 2014.



Betsy Cooper,
Deputy Finance Director



Clay Holstine,
City Manager