

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 2015 (15-16A))

Date: February 5, 2015

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 2015 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 through December 2015 is due by March 3, 2015.

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 changed. The State Legislature passed AB1484, Redevelopment Dissolution/Unwind Trailer Bill, on June 27, 2012. It changed some of the reporting requirements, added back in some affordable housing provisions and instituted a timeline with penalties if the requirements were not met. Additionally, AB1484 allowed 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 and approval of the Long Range Property Management Plan from the Department of Finance. This ROPS is introducing the repayment of SERFAF loan from the former Project Area #2. There is a calculation for an annual amount that can be used and that is on the 15-16A ROPS.

Discussion:

A new entry for the City loan for the shortfall of ROPS 14-15B has been added for full re-payment. New entries for continuing disclosure on the bonds have been added to the ROPS in order to separately track those fees. This ROPS has the debt service payment for a portion of the 2005 Lease Revenue bonds that refinanced the 1995 COPs and the 2013 Tax Allocation Bonds.

By law, we are allowed a minimum of \$250,000 for Administration of the Successor Agency. We requested half of this on the 15-16A ROPS.

We are requesting a payment for the SERAF loan for Project Area #2. The Department of Finance is updating the worksheet and should have it available soon. We have put \$50,000 on the 15-16A ROPS as a placeholder. If we are allowed more than that, we can use the difference on the 15-16B 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 July-December 2015


Betsy Cooper,
Deputy Finance Director


Clay Holstine
City Manager