

# *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 2015 (14-15B)

Date: September 18, 2014

### **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 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 January through June 2014 is due by October 3, 2014.

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 from the Department of Finance. The Long Range Property Management Plan has been approved and added a payment to the Low Moderate Income Housing Fund for a portion of the SERAF loan from the former Project Area #1. There is a calculation for an annual amount that can be used and that was what was on the 14-15A ROPS.

**Discussion:**

We closed on the 2013 Successor Agency Refinancing of the 1998 Housing Bonds and the 2001 Tax Allocation bonds on December 26, 2013. The first payment on the new bonds was due February 1, 2014 and was paid using what would have been the payment for the other bonds approved on the 13-14B ROPS. The new bonds have principal and interest due every six months, so it has another payment due on the 14-15A ROPS.

This ROPS also has the debt service payment for a portion of the 2005 Lease Revenue bonds that refinanced the 1995 COPs.

By law, we are allowed a minimum of \$250,000 for Administration of the Successor Agency. We requested half of this on the 14-15B ROPS.


Since adoption by the Oversight Board, the county has informed us that we needed to show the \$7,454 overpayment from the 13/14A ROPS that was considered reserve. This increases the overage on the Prior Period Adjustment which flows to the summary page. The effect of this change is that the underlying agencies will get a part of the \$7,454.

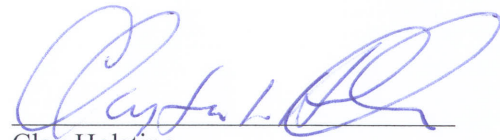
**Fiscal Impact:**

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