

City of Brisbane as Successor Agency

Agenda Report

To: City Council via City Manager

From: Financial Services Manager

Subject: Recognized Obligation Payment Schedule for July 2016 - June 2017 (ROPS 16-17)

Date: January 21, 2016

Purpose:

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

Recommendation:

Adopt the July 2016 through June 2017 (16-17A and 16-17B) 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, now annually instead of bi-annually. The ROPS for July 2016 through June 2017 is due by February 1, 2016.

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.

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.

This ROPS is introducing the repayment of Supplemental Education Relief Fund (SERAF) Deferred Setaside owed to the Low and Moderate Income Housing Fund for the former Project Area #1. There is a calculation for an annual amount that can be used and that is on the 16-17 ROPS.

Discussion:

Our ROPS is primarily the debt service payments due on the following:

- 2013 Tax Allocation Bonds that refinanced the 2001 Series A bonds
- 2005 Lease Revenue bonds that refinance the 1995 COPs (portion)
- SERAF loans to the Low and Moderate Income Housing Fund for Project #1
- SERAF loans to the Low and Moderate Income Housing Fund for Project #2

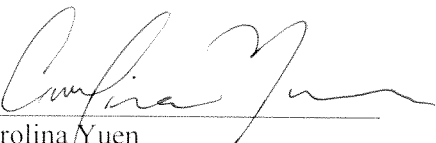
We are requesting a payment for the SERAF Deferred Setaside owed to the Low and Moderate Income Housing Fund for Project Area #1 due to the Housing Authority. We have put \$200,000 on the 16-17 ROPS as a placeholder. If we are allowed more than that, we can adjust accordingly on future ROPS.

Fiscal Impact:

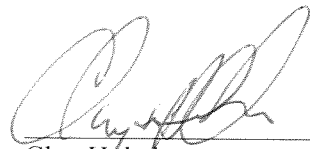
Based on past tax increment there is enough funds generated within the Successor Agency to make all the payments requested on the ROPS.

Attachments:

Recognized Obligation Payment Schedule for July 2016 - June 2017 (ROPS 16-17)



Carolina Yuen
Financial Services Manager



Clay Holstine
City Manager