

City of Brisbane as Successor Agency

Agenda Report

To: City Council via City Manager
From: Financial Services Director
Subject: Recognized Obligation Payment Schedule for July through December 2012
Date: May 7, 2012

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 2012 ROPS (Recognized Obligation Payment Schedule)

Background:

The State of California adopted ABx 1 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 2012 is due by May 11, 2012.

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. There are currently several bills introduced in the State Legislature which may change the repayment status of these obligations. Senator Yee was at the last Council meeting and commented on the process of these bills.

The State Department of Finance has also reviewed our initial ROPS and provided similar comments that the County Auditor did; these obligations should not be placed on an Enforceable Obligation Payment Schedule. Staff replied to the Department of Finance stating the direction the Oversight Board provided. We have not heard back from them yet.

Discussion:

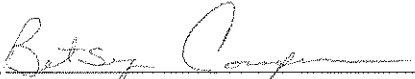
Our ROPS is primarily the debt service payments due on the 1998 Housing Bonds, the 2001A Refunding bonds and a portion of the 2005 Lease Revenue bonds that refinanced the 1995 COPs. By law, the Successor Agency is entitled to a minimum administration fee of \$250,000 per year.

Fiscal Impact:

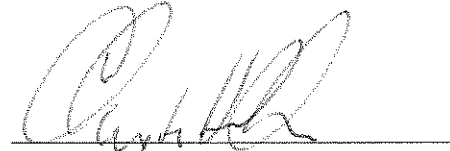
This is how we can access property tax (formerly tax increment) to pay for the bonds issued for redevelopment. Without the ROPS, we will not receive any funding.

Attachments:

Recognized Obligation Payment Schedule for July-December 2012



Betsy Cooper,
Financial Services Manager



Clay Holsine,
City Manager

Name of Redevelopment Agency: Briarhane Redevelopment Agency
 Project Area(s): All

Recognized Obligation Payment Schedule

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Trust Due During Fiscal Year	Funding Source	Payments by month					Total	
						July	August	September	October	November		December
Project Area #1												
1. 2001 Tax Allocation Bond	Briarhane Financing Authority	Non-housing projects	27,845,700.00	1,832,200.00	A					768,600.00		\$ 768,600.00
2. Completion of 2001 Marina Refinancing	City of Briarhane	Development of Marina	2,525,062.00		A							\$ -
3. 2001 Tax Allocation Bond	Bank of New York	Trustee Costs for processing bond issue	53,200.00	3,800.00	A							\$ -
4. 2001 Tax Allocation Bond	NBS Government Finance	Confining Disclosure Costs & 1915 Act Administration	34,300.00	2,450.00	A					1,700.00		\$ 1,700.00
5. Due to Housing Fund	City of Briarhane (Housing Successor agency)	Deferred Housing Set-aside	4,693,936.00		D							\$ -
Project Area #2												
6. 2005 Lease Revenue Bond	Briarhane Financing Authority	Non-housing projects	1,318,221.00	217,240.96	A				21,247.73			\$ 21,247.73
7. 2005 Lease Revenue Bond	Bank of New York	Trustee Costs for processing bond issue	15,000.00	2,500.00	A							\$ -
8. 1998 Tax Allocation Bond	Bank of New York	Housing projects	1,895,044.00	117,780.00	A			84,590.00				\$ 84,590.00
9. 1998 Tax Allocation Bond	Bank of New York	Trustee Costs for processing bond issue	33,920.00	2,120.00	A							\$ -
10. RDA 2 Revenue Shortfall	City of Briarhane	Housing Fund Payments	1,964,534.00		A							\$ -