

STAFF REPORT
Lancaster Successor Agency

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03/27/12
MVB

Date: March 27, 2012

To: Chairman Parris and Successor Agency Members

From: Barbara Boswell, Finance Director

Subject: **Approve Appropriation of Funds to Replenish Bond Reserves**

Recommendation:

Acting as the Successor Agency to the Lancaster Redevelopment Agency, approve appropriation in the amount of \$3,107,601.00 to account number 991-4540251 from tax increment revenues previously received to replenish bond reserves.

Fiscal Impact:

The previous Redevelopment Agency received tax increment revenues November – January from Los Angeles County. A portion of these funds were being held to remit to pass-through agencies. Based on direction from the Los Angeles County Auditor-Controller these funds can be released to replenish bond reserves.

Background:

AB x 1 26 dissolved the Lancaster Redevelopment Agency effective February 1, 2012. As a result of the dissolution all tax increment revenues that would normally have been received by the Agency for the months beginning February 1, 2012 were discontinued and the Agency did not have sufficient funds available from tax increment revenues alone to make debt service payments due in February 2011. The required debt service payments were made by utilizing reserves held by the Lancaster Financing Authority and the trustee of the bonds.

At a meeting held by the Los Angeles County Auditor-Controller staff was advised that pass-through payments to other taxing entities that would have been the responsibility of the Agency, and for which funds were being held, would be calculated and remitted by the Auditor-Controller. This direction allows the funds being held to be used to replenish the required bond reserves.

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