

STAFF REPORT
City of Lancaster
Lancaster Successor Agency

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06/25/13
MVB

Date: June 25, 2013

To: Mayor/Chairman Parris and City Council/Agency Directors

From: Barbara Boswell, Finance Director

Subject: **Loans between the Lancaster Successor Agency and the City of Lancaster for Enforceable Obligations and Administrative Expenses for the Period July - December 2013**

City Council Recommendations:

- a. Adopt **Resolution No. 13-26**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the Lancaster Successor Agency for enforceable obligations for the period July to December 2013 pursuant to H & S Code Section 34173(h).
- b. Adopt **Resolution No. 13-27**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the Lancaster Successor Agency for administrative expenses for the period July to December 2013 pursuant to H & S Code Section 34173(h).

Successor Agency Recommendations:

- a. Adopt **Resolution No. SA 06-13**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the Lancaster Successor Agency for enforceable obligations for the period July to December 2013 pursuant to H & S Code Section 34173(h).
- b. Adopt **Resolution No. SA 07-13**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the Lancaster Successor Agency for administrative expenses for the period July to December 2013 pursuant to H & S Code Section 34173(h).

Fiscal Impact:

The loan amounts are not to exceed \$1,276,713 and \$391,052, respectively. Funds are needed to cover a shortfall in the 6/3/13 Redevelopment Property Tax Trust Funds (RPTTF) payment received to fulfill enforceable obligation payments and administrative expenses. Only the amounts actually expended will be advanced to the Lancaster Successor Agency. Interest will accrue at a rate equivalent to the Local Agency Investment Fund (LAIF) rate.

Background:

AB1484, the Redevelopment Dissolution/Unwind Trailer Bill enacted as part of the state budget package on June 27, 2012, provides the ability for the City to make loans to the Agency for enforceable obligations and administrative expenses. The loans become an enforceable obligation of the Agency, and are to be included on the Recognized Obligation Payment Schedule for repayment through future property tax distributions.

Attachments:

City Council Resolution No. 13-26

City Council Resolution No. 13-27

Successor Agency Resolution No. SA 06-13

Successor Agency Resolution No. SA 07-13

BB:ps