

STAFF REPORT
City Council
Lancaster Successor Agency

Date: September 10, 2013

To: Mayor Parris City Council Members
Chair Parris and Agency Directors

From: Barbara Boswell, Finance Director

Subject: **Loan Amortization Schedule for the Loan from the City of Lancaster to the Lancaster Successor Agency for Administrative Expenses for the Period January to June 2013**

JNB 1
09/10/13
MVB

Recommendations:

City Council Recommendation:

Adopt **Resolution No. 13-52**, approving the loan amortization schedule for the loan from the City of Lancaster to the Lancaster Successor Agency for Administrative Expenses for the period January to June 2013 pursuant to H & S Code Section 34173(h) and 34191.4(b)(2).

Successor Agency Recommendation:

Adopt **Resolution No. SA 11-13**, approving the loan amortization schedule for the loan from the City of Lancaster to the Lancaster Successor Agency for Administrative Expenses for the period January to June 2013 pursuant to H & S Code Section 34173(h) and 34191.4(b)(2).

Fiscal Impact:

The promissory note was approved by City Resolution 13-03 and Successor Agency Resolution SA 01-13 for a maximum amount of \$398,219 on January 8, 2013. Actual administrative expenses for the period, and resulting loan amount, are \$130,698 for the period January – June 2013. Interest is to accrue at the Local Agency Investment Fund (LAIF) rate, and based on current cash flow projections, the earliest the loan can be repaid is July 2027.

Background:

At its regular meeting of January 8, 2013, the City Council and Successor Agency adopted Resolutions 13-03 and SA 01-13 approving a promissory note between the City of Lancaster and the Lancaster Successor Agency for administrative expenses incurred for the period January – June 2013. The loan was necessary as there were not sufficient Redevelopment Property Tax Trust Funds (RPTTF) received to provide for the administrative expenses.

Health and Safety Code Section 34173(h), provides the ability for the City to make a loan to the Agency for enforceable obligations and Section 34191.4(b)(2) sets the interest rate equivalent to the LAIF rate. The loan becomes an enforceable obligation of the Agency, and is to be included on the Recognized Obligation Payment Schedule for repayment through future RPTTF distributions. The amortization schedule estimates the future interest. Actual interest will be computed at the actual LAIF rate.

BB:te

Attachments:

City Council Resolution 13-52

Successor Agency Resolution SA 11-13

Exhibit "A" Loan Amortization Schedule