

**STAFF REPORT**  
**City of Lancaster**  
**Lancaster Successor Agency**

JNB 1
01/26/16
MVB

Date: January 26, 2016

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

From: Barbara Boswell, Finance Director

Subject: **Loan between the City of Lancaster and the Lancaster Successor Agency and Related Amortization Schedule**

---

**City Council Recommendations:**

- a. Adopt **Resolution No. 16-04**, 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 and administrative expenses for the period January to June 2016 pursuant to Health & Safety Code Section 34173(h).
- b. Adopt **Resolution No. 16-05**, approving the loan amortization schedule for the loan from the City of Lancaster to the Lancaster Successor Agency for enforceable obligations and administrative expenses for the period January to June 2016 pursuant to H & S Code Section 34173(h) and 34191.4(b)(2).

**Successor Agency Recommendations:**

- a. Adopt **Resolution No. SA 03-16**, 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 and administrative expenses for the period January to June 2016 pursuant to Health & Safety Code Section 34173(h).
- b. Adopt **Resolution No. SA 04-16**, approving the loan amortization schedule for the loan from the City of Lancaster to the Lancaster Successor Agency for enforceable obligations and administrative expenses for the period January to June 2016 pursuant to H & S Code Section 34173(h) and 34191.4(b)(2).

**Fiscal Impact:**

The loan amount is not to exceed \$362,539, with Administrative Expenses estimated at \$273,098 and enforceable obligations \$89,441. Funds are needed to cover a shortfall in the January 4, 2016 Redevelopment Property Tax Trust Fund distribution. Only 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. Current cash flow projections indicate the loan can be repaid in July 2016.

**Background:**

Health and Safety Code Section 34173(h) provides the ability for the City to make a loan to the Agency for enforceable obligations and administrative expenses should there not be sufficient Redevelopment Property Tax Trust Funds available to cover these approved costs. 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:jt

**Attachment:**

Resolution No. 16-04

Resolution No. 16-05

Resolution No. SA 03-16

Resolution No. SA 04-16