Report to the Auburn Urban Development Authority

Action Item
Agenda Item No. 6

City Manager's Approval

To:	Chair and Board Members, Auburn Urban Development Authority
From:	Robert Richardson, Executive Director
	Andy Heath, Administrative Services Director
Date:	August 22, 2011
Subject:	Auburn Urban Development Authority Enforceable Obligation Payment Schedule – AB 1x 26

The Issue

Shall the Board of Directors authorize the Enforceable Obligation Payment Schedule prepared for the Auburn Urban Development Authority consistent with requirements outlined in AB 1x 26?

Action Requested

It is recommended that the Board of Directors, by **RESOLUTION**, adopt the Enforceable Obligation Payment Schedule attached hereto as Exhibit "A" as required by AB 1x 26.

Background

On June 28, 2011, State of California Governor Jerry Brown signed into law AB 1x 26 (the Act), effectively dissolving redevelopment agencies in California effective June 29, 2011. Consistent with this Act, the Auburn Urban Development Authority (AUDA) cannot make any payments, with the exception of those required by statute, and is prohibited from entering into any new contracts. The Act further requires all agencies to adopt by resolution an Enforceable Obligation Payment Schedule (EOPS), and submit it to the County Auditor-Controller, the State Controller, and the State of California Department of Finance within 60 days of the Act's enactment, which is August 28, 2011. The EOPS is attached with this staff report as Exhibit "A" and includes all of the enforceable payments of the Agency through the end of December 2011.

To the extent the AUDA ultimately adopts an "Opt-In" Ordinance creating a "Voluntary Alternative Redevelopment Program" as permitted by AB 1x 27, the EOPS may not be necessary. Staff is currently analyzing potential impacts of AB 1x 27 on both redevelopment and city finances and expects to bring a report with recommendations to the board sometime in September 2011.

It should also be mentioned that the California Supreme Court recently issued an order in the lawsuit filed by the California Redevelopment Association against the State, directing the parties to show cause why the relief sought in the petition for a writ of mandate should not be granted. In its stay, the court allowed AB 1x 26 to remain in effect insofar as it precludes existing redevelopment agencies from incurring new indebtedness, transferring assets, acquiring real property, entering into new contracts or modifying existing contracts, entering into new partnerships, adopting or amending redevelopment plans, etc., but it stayed enforcement of both AB 1x 26 and AB 1x 27 in all other respects. It is expected that a decision will be rendered by the court before January 15, 2012.

Alternatives Available to Council; Implications of Alternatives

1. By **RESOLUTION**, adopt the Enforceable Obligation Payment Schedule attached hereto as Exhibit "A" as required by AB 1x 26.

2. Do not adopt a resolution and provide direction to staff. It is uncertain what the ramifications may be in the event AB 1x 26 and AB 1x 27 are upheld as written and/or if any changes are implemented by the Supreme Court.

Fiscal Impact

None at this time.

RESOLUTION NO. _____

A RESOLUTION OF THE AUBURN URBAN DEVELOPMENT AUTHORITY APPROVING AND ADOPTING AN ENFORCEABLE OBLIGATION PAYMENT SCHEDULE REQURIED BY AB 1x 26

WHEREAS, AB 1x 26 (the "Act") became effective on June 29, 2011, and among other requirements the Act requires the Auburn Urban Development Authority ("Authority") to adopt an Enforceable Obligation Payment Schedule ("Schedule") within sixty (60) days after June 29, 2011; and

WHEREAS, the Schedule is to list certain information about the enforceable obligations of the Authority; and

WHEREAS, Authority and City staff have reviewed the various obligations of the Authority and determined the obligations that are enforceable obligations as defined in the Act, and have prepared the Schedule attached hereto as Exhibit "A";

NOW, THEREFORE, THE AUBURN URBAN DEVELOPMENT AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

1. The Schedule attached hereto as Exhibit "A" is hereby adopted as the Authority's Enforceable Obligation Payment Schedule required by the Act.

2. Authority staff shall monitor and review Authority obligations to ensure compliance with the Schedule and the act, and shall, if necessary, prepare an amended Schedule to be considered and adopted by the Board as necessary to comply with the Act.

3. Nothing contained herein shall prohibit the Authority from making other lawful payments which do not appear on the attached Schedule.

* * * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Auburn Urban Development Authority, Placer County, California, at a meeting thereof, held on the 22nd_day August 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Chairman

ATTEST:

_____
Secretary

Name of Redevelopment Agency: **Auburn Urban Development Authority**

Project Area(s) **Auburn Redevelopment Area**

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ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

EXHIBIT A

Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					
						Aug**	Sept	Oct	Nov	Dec	Total
1)	2008 Tax Allocation Bonds	Wells Fargo Bank	Bond issue to fund non-housing projects	9,080,142.00	338,342.50			129,172.00			$ 129,172.00
2)	Streetscape - Const. Contract	Foothill & Associates	Design / Review / Construction mgmt.	75,623.00	53,525.00	4,525.00	10,000.00	12,000.00	12,000.00	15,000.00	$ 53,525.00
3)	Streetscape - Const. Contract	Hanson	Construction	625,248.00	605,000.00	150,000.00	150,000.00	190,000.00	80,000.00	35,000.00	$ 605,000.00
4)	Streetscape - Const. Contract	Gularte	Construction	10,000.00	10,000.00	6,422.00	1,250.00	1,250.00	578.00	500.00	$ 10,000.00
5)	Streetscape - Employee Costs	Employees of Agency	Payroll for Employees - Project	14,000.00	14,000.00	2,250.00	4,500.00	4,500.00	2,000.00	750.00	$ 14,000.00
6)	Old City Hall - Const. Contract	Gabe Mendez	Construction	35,906.00	35,906.00	33,903.00	2,003.00				$ 35,906.00
7)	Old City Hall - Const. Contract	KMC - Ken Magee	Construction	40,252.00	40,252.00	5,000.00	20,000.00	7,626.00	7,626.00		$ 40,252.00
8)	Old City Hall - Const. Contract	JM Environmental	Construction	900.00	900.00	900.00					$ 900.00
9)	Old City Hall - Const. Contract	Lee Buckingham	Construction	4,000.00	4,000.00	1,350.00	1,350.00	1,300.00			$ 4,000.00
10)	Old City Hall - Employee Costs	Employees of Agency	Payroll for Employees - Project	3,000.00	3,000.00	1,200.00	1,200.00	300.00	300.00		$ 3,000.00
11)	Old Town Firehouse - Const. Contract	Capital Improvement	Construction	21,588.00	21,588.00		21,588.00				$ 21,588.00
12)	Old Town Firehouse - Employee Costs	Employees of Agency	Payroll for Employees - Project	800.00	800.00	300.00	300.00	200.00			$ 800.00
13)	Employee Costs - Administration	Employees of Agency	Payroll for Employees - Administration	135,888.00	135,888.00		33,972.00			33,972.00	$ 67,944.00
14)	Other Admin Costs	City	Repay City for other admin costs	18,000.00	18,000.00		4,500.00			4,500.00	$ 9,000.00
15)											$ -
16)											$ -
17)											$ -
18)											$ -
19)											$ -
20)											$ -
21)											$ -
22)											$ -
23)											$ -
24)											$ -
25)											$ -
26)											$ -
27)											$ -
28)											$ -
29)											$ -
30)											$ -
											$ -
	Totals - This Page			$ 10,065,347.00	$ 1,281,201.50	$ 205,850.00	$ 250,663.00	$ 346,348.00	$ 102,504.00	$ 89,722.00	$ 995,087.00
	Totals - Page 2			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Totals - Page 3			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Totals - Page 4			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Totals - Other Obligations			$ 14,739,000.00	$ 249,200.00	$ -	$ -	$ -	$ -	$ 124,600.00	$ 124,600.00
	Grand total - All Pages			$ 24,804,347.00	$ 1,530,401.50	$ 205,850.00	$ 250,663.00	$ 346,348.00	$ 102,504.00	$ 214,322.00	$ 1,119,687.00

*** This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is valid through 12/31/11. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.) If an agency adopts a continuation ordinance per ABX1 27, this EOPS will not be valid and there is no need to prepare a ROPS.**

Name of Redevelopment Agency: Auburn Urban Development Authority

Project Area(s) Auburn Redevelopment Area

OTHER OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					
						Aug**	Sept	Oct	Nov	Dec	Total
1)	Section 33676 Payments	Placer County	Payments per former CRL 33676	3,143,000.00	63,000.00					31,500.00	$ 31,500.00
2)	Section 33676 Payments	Auburn Cemetery	Payments per former CRL 33676	163,000.00	3,300.00					1,650.00	$ 1,650.00
3)	Section 33676 Payments	Auburn Park	Payments per former CRL 33676	636,000.00	12,800.00					6,400.00	$ 6,400.00
4)	Section 33676 Payments	Auburn Elementary	Payments per former CRL 33676	2,284,000.00	45,800.00					22,900.00	$ 22,900.00
5)	Section 33676 Payments	Placer High	Payments per former CRL 33676	1,995,000.00	16,300.00					8,150.00	$ 8,150.00
6)	Section 33676 Payments	Sierra College	Payments per former CRL 33676	813,000.00	16,000.00					8,000.00	$ 8,000.00
7)	Section 33401 Payments	Placer County	Payments per former CRL 33401	2,480,000.00	69,000.00					34,500.00	$ 34,500.00
8)	Section 33401 Payments	County Library	Payments per former CRL 33401	202,000.00	5,000.00					2,500.00	$ 2,500.00
9)	Section 33401 Payments	Auburn Cemetery	Payments per former CRL 33401	134,000.00	4,000.00					2,000.00	$ 2,000.00
10)	Section 33401 Payments	Auburn Park	Payments per former CRL 33401	526,000.00	14,000.00					7,000.00	$ 7,000.00
11)	Statutory Payments	Placer County	Payments per CRL 33607.5 and .7	1,812,000.00	0.00					0.00	$ -
12)	Statutory Payments	County Library	Payments per CRL 33607.5 and .7	90,000.00	0.00					0.00	$ -
13)	Statutory Payments	Auburn Cemetery	Payments per CRL 33607.5 and .7	94,000.00	0.00					0.00	$ -
14)	Statutory Payments	Auburn Park	Payments per CRL 33607.5 and .7	367,000.00	0.00					0.00	$ -
15)	Statutory Payments	Placer Resource Consv	Payments per CRL 33607.5 and .7	6,000.00	200.00					100.00	$ 100.00
16)	Statutory Payments	Auburn Elementary	Payments per CRL 33607.5 and .7	1,910,000.00	1,000.00					500.00	$ 500.00
17)	Statutory Payments	Placer High	Payments per CRL 33607.5 and .7	1,668,000.00	1,000.00					500.00	$ 500.00
18)	Statutory Payments	Sierra College	Payments per CRL 33607.5 and .7	680,000.00	200.00					100.00	$ 100.00
19)	Statutory Payments	Office of Ed	Payments per CRL 33607.5 and .7	1,118,000.00	1,000.00					500.00	$ 500.00
20)	Statutory Payments	City of Auburn	Payments per CRL 33607.5 and .7	362,000.00	1,000.00					500.00	$ 500.00
21)	Statutory Payments	Placer Water	Payments per CRL 33607.5 and .7	6,000.00	100.00					50.00	$ 50.00
22)	SB 2557 Collection Costs	County of Placer	Taxroll Collection Costs (estimated)	700,000.00	12,125.00					6,062.50	$ 6,062.50
23)	20% Low/Mod Housing Transfer	Auburn Housing Fund	20% Transfer to Low/Mod Housing Fund	8,400,000.00	142,652.00					71,326.00	$ 71,326.00
24)											$ -
25)											$ -
26)											$ -
27)											$ -
28)											$ -
	Totals - Other Obligations			**$ 14,739,000.00**	**$ 249,200.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 124,600.00**	**$ 124,600.00**

*** This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is valid through 12/31/11. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.) If an agency adopts a continuation ordinance per ABX1 27, this EOPS will not be valid and there is no need to prepare a ROPS.**

**** Include only payments to be made after the adoption of the EOPS.**

***** All payment amounts are estimates**