

REPORT TO REDEVELOPMENT AGENCY

DATE: AUGUST 24, 2011

TO: HONORABLE CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY

FROM: CRAIG STEELE, AGENCY ATTORNEY
GREG RAMIREZ, EXECUTIVE DIRECTOR

SUBJECT: ADOPTION OF ENFORCEABLE OBLIGATIONS PAYMENT SCHEDULE

AB X1 26, which was signed by the Governor of California on June, 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law. Part 1.8 immediately suspends most redevelopment agency activities and, among other things, prohibits redevelopment agencies from incurring indebtedness or entering into or modifying contracts. Part 1.85 provides that on October 1, 2011, all existing redevelopment agencies and redevelopment agency components of community development agencies are dissolved, and successor agencies are designated as successor entities to the former redevelopment agencies. Part 1.85 imposes numerous requirements on the successor agencies and subjects successor agency actions to the review of oversight boards established under Part 1.85.

AB X1 27 was signed by the Governor concurrently with AB X1 26 and added Part 1.9 to the Community Redevelopment Law. Part 1.9 establishes an Alternative Voluntary Redevelopment Program whereby a redevelopment agency will, notwithstanding Parts 1.8 and 1.85, be authorized to continue to exist and carry out the provisions of the Community Redevelopment Law. To opt into the Alternative Voluntary Redevelopment Program, a city must adopt an ordinance by which the city agrees to make specified annual payments to the county auditor-controller for allocation to special districts and educational entities.

The Council has determined not to opt into the Alternative Voluntary Redevelopment Program and has directed staff to prepare actions required by Part 1.8. A requirement set forth in Section 34169 of Part 1.8 is for the Agency to adopt an enforceable obligation payment schedule by August 28, 2011. Section 34167 of Part 1.8 provides that after August 28, 2011 the Agency cannot make a payment (except for bonds) unless the payment is listed in an adopted enforceable obligation payment schedule.

The California Redevelopment Association and League of California Cities have filed a lawsuit in the Supreme Court of California alleging that AB X1 26 and 27 are unconstitutional. On August 11, 2011, the Supreme Court of California decided to hear the case and set a briefing schedule designed to allow the Supreme Court to decide the case before January 15, 2012. On August 11, 2011, the Supreme Court also issued a stay order, which was subsequently modified on August 17, 2011. Pursuant to the modified stay order, the Supreme Court granted a stay of all

of AB X1 27 (i.e., Part 1.9), except for Health and Safety Code Section 34194(b)(2) (relating to the determination of the amount of a city's remittance for fiscal year 2011-12 under the Alternative Voluntary Redevelopment Program) and a partial stay of AB X1 26. With respect to AB X1 26, Part 1.85 was stayed in its entirety, but Part 1.8 (including Health and Safety Code Sections 34167 and 34169) was not stayed. Accordingly, the Agency desires to adopt an enforceable obligation payment schedule.

The Enforceable Obligation Payment Schedule attached to this staff report lists all of the Agency's enforceable obligations and includes certain information about each obligation, including the amount of payments obligated to be made, by month, through December 2011. As defined in Section 34167, an "enforceable obligation" includes (A) bonds issued by an agency (including debt service, reserve set-asides, and any other payments required by the bond documents); (B) loans incurred for a lawful purpose, including moneys borrowed from the Low and Moderate Income Housing Fund, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms; (C) payments required by the Federal Government, pre-existing obligations to the State, or obligations imposed by State law, or legally enforceable payments required in connection with an agency's employees, including pension payments and unemployment payments; (D) judgments or settlements entered by a court or binding arbitration decisions; (E) any legally binding and enforceable contract that is not otherwise void as violating the debt limit or public policy; and (F) contracts necessary for the administration or operation of an agency to the extent permitted by AB X1 26.

The California Department of Finance (the "DOF") and the State Controller can require the Agency to provide them with documents that are associated with the Agency's enforceable obligations. Any taxing entity, the DOF and the State Controller all will have standing to file a judicial action to prevent a violation under Part 1.8 and to obtain injunctive or other appropriate relief.

Adoption of the Enforceable Obligation Payment Schedule will authorize the Agency to pay its enforceable obligations after August 28, 2011.

RECOMMENDATION

Staff recommends that the Agency adopt Resolution No. 11-59, adopting an Enforceable Obligation Payment Schedule.

Attachment: Resolution No. 11-59

RESOLUTION NO. 11-59

A RESOLUTION OF THE AGOURA HILLS REDEVELOPMENT AGENCY ADOPTING AN ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO PART 1.8 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. The Agoura Hills Redevelopment Agency (the “Agency”) is a redevelopment agency in the City of Agoura Hills (the “City”), created pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the “Redevelopment Law”).

B. The City Council of the City (the “City Council”) adopted Ordinance No. 92-213, approving and adopting the redevelopment plan for the Agoura Hills Redevelopment Project Area, and from time to time, the City Council has amended such redevelopment plan. The Agency is undertaking a program to redevelop the Project Area.

C. AB X1 26 was signed by the Governor of California on June, 29, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code. Commencing upon the effectiveness of AB X1 26, AB X1 26 suspends most redevelopment agency activities and, among other things, prohibits redevelopment agencies from incurring indebtedness or entering into or modifying contracts. Effective October 1, 2011, AB X1 26 dissolves all existing redevelopment agencies and redevelopment agency components of community development agencies, designates successor agencies to the former redevelopment agencies, imposes numerous requirements on the successor agencies and subjects successor agency actions to the review of oversight boards established pursuant to the provisions of Part 1.85.

D. Health and Safety Code Section 34169, which is set forth in Part 1.8, requires a redevelopment agency to adopt an enforceable obligation payment schedule within 60 days of the June 29, 2011 effective date of Part 1.8. The enforceable obligation payment schedule must list all of the obligations that are enforceable within the meaning of Health and Safety Code Section 34167(d) and include specific information about each obligation.

E. Health and Safety Code Section 34167(h), which is set forth in Part 1.8, provides that a redevelopment agency shall not make a payment unless it is listed in an adopted enforceable obligation payment schedule, other than payments required to meet obligations with respect to bonded indebtedness, after the enforceable obligation payment schedule is adopted pursuant to Health and Safety Code Section 34169, or after 60 days from the effective date of Part 1.8, whichever is sooner.

F. AB X1 27 was signed by the Governor of California on June 29, 2011, adding Part 1.9 (commencing with Section 34192) to Division 24 of the California Health and Safety Code. Part 1.9 establishes an Alternative Voluntary Redevelopment Program whereby,

notwithstanding the provisions of Part 1.8 and Part 1.85, a redevelopment agency will be authorized to continue to exist and carry out the provisions of the Redevelopment Law upon the enactment, prior to the applicable deadline established in Part 1.9 (with the earliest deadline being October 1, 2011), by the city council of the city which includes that redevelopment agency of an ordinance to comply with Part 1.9. Pursuant to Health and Safety Code Section 34192, if a city participates in the Alternative Voluntary Redevelopment Program and complies with all requirements and obligations contained in Part 1.9, the redevelopment agency in that city will be exempt from Part 1.8 and Part 1.85.

G. The California Redevelopment Association and League of California Cities have filed a lawsuit in the Supreme Court of California alleging that AB X1 26 and 27 are unconstitutional. On August 11, 2011, the Supreme Court of California decided to hear the case and set a briefing schedule designed to allow the Supreme Court to decide the case before January 15, 2012. On August 11, 2011, the Supreme Court also issued a stay order, which was subsequently modified on August 17, 2011. Pursuant to the modified stay order, the Supreme Court granted a stay of all of AB X1 27 (i.e., Part 1.9), except for Health and Safety Code Section 34194(b)(2) (relating to the determination of the amount of a city's remittance for fiscal year 2011-12 under the Alternative Voluntary Redevelopment Program) and a partial stay of AB X1 26. With respect to AB X1 26, Part 1.85 was stayed in its entirety, but Part 1.8 (including Health and Safety Code Sections 34167 and 34169) was not stayed. Accordingly, the Agency desires to adopt an enforceable obligation payment schedule.

NOW, THEREFORE, THE AGOURA HILLS REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34169.

Section 3. The Agency hereby adopts the enforceable obligation payment schedule attached as Exhibit A to this Resolution and incorporated herein by reference (the "Enforceable Obligation Payment Schedule").

Section 4. The Agency Secretary is hereby authorized and directed to post the Enforceable Obligation Payment Schedule on the City's Internet Web site.

Section 5. The Enforceable Obligation Payment Schedule may be amended from time to time at any public meeting of the Agency. Amendments shall be posted to the Internet Web site described in Section 4, above, for at least three business days before a payment may be made pursuant to an amendment.

Section 6. The Agency Secretary is hereby authorized and directed to transmit a copy of the Enforceable Obligation Payment Schedule by mail or electronic means to the County Auditor-Controller, the State Controller, and the California Department of Finance (the "Department of Finance"). A notification providing the Internet Web site location of the posted Enforceable Obligation Payment Schedule and notifications of any amendments will suffice.

Section 7. The officers and staff of the Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including providing documents associated with the Statement of Enforceable Obligations to the Department of Finance and the State Controller in the manner of their choosing, and any such actions previously taken by such officers are hereby ratified and confirmed. The Agency hereby designates the Director of Finance as the official to whom the Department of Finance may make requests for review in connection with the Enforceable Obligation Payment Schedule.

Section 8. The adoption of the Enforceable Obligation Payment Schedule is not intended and shall not constitute a waiver by the Agency of any rights the Agency may have to challenge the legality of all or any portion of AB X1 26 or AB X1 27 through administrative or judicial proceedings.

Section 9. At such time as the Agency becomes exempt from Parts 1.8 and 1.85, the Agency shall no longer be bound by the Enforceable Obligation Payment Schedule.

Section 10. This Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the “Guidelines”), and the Agency’s environmental guidelines. The Agency has determined that this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment. (Guidelines Section 15378(b) (5)).

PASSED, APPROVED, and ADOPTED this 24th day of August, 2011, by the following vote, to wit:

AYES: (0)
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

Dan Kuperberg, Agency Chair

ATTEST:

Kimberly M. Rodrigues, Agency Secretary

APPROVED AS TO FORM:

Craig A. Steele, Agency Attorney

EXHIBIT A

ENFORCEABLE 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) 2008 Tax Allocation Bonds Series A-	Bank of New York	Bond issue to fund non-housing projects	14,689,293	479,658		280,000				
2) 2008 Tax Allocation Bonds Series	Bank of New York	Bond issue to fund housing projects	19,165,000	619,331		390,000				390,000
3) Contractor	West Coast Public Works	Construction - Kanan/Canwood Median	140,000	140,000			140,000			140,000
4) Auditing Services	Vavernick, Trine & Day	Auditing Services for 2010/11	5,000	5,000					5,000	5,000
5) Legal Services	Richard Watson & Gershon	General Legal Services	50,000	50,000		5,000	5,000	5,000	5,000	20,000
6) Employee Costs- Proj Fnd	Employees of Agency	Payroll for Employees	225,000	225,000	10,000	20,000	20,000	20,000	20,000	90,000
7) Employee Costs- Housing Fnd	Employees of Agency	Payroll for Employees	410,000	410,000	15,000	34,000	34,000	34,000	34,000	151,000
8) 2008 Tax Allocation Bonds Series A-	Bank of New York	Trustee Fees on non-housing projects bonds	64,000	2,000						0
9) 2008 Tax Allocation Bonds Series	Bank of New York	Trustee Fees on housing projects bonds	64,000	2,000						0
10) Contractor	Diane Hadland	Continuing Disclosure/Pass Thru Calculations	4,000	4,000	1,000	1,000			1,000	3,000
11) Administrative Fees	County of Los Angeles	SP 2557 Administrative Fee	3,300,000	95,000				2,000	85,000	87,000
12) Promissory Note	City of Agoura Hills	Promissory Note for 1988-2007 Advances	30,335,430	1,176,218						0
13) Administrative Fees	County of Los Angeles	AB 1924 Fee	15,000	480					480	480
14)										0
15)										0
16)										0
17)										0
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28)										0
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30)										0
Totals - This Page			\$ 68,466,723	\$ 3,208,687	\$ 26,000	\$ 730,000	\$ 199,000	\$ 61,000	\$ 150,480	\$ 886,480
Totals - Page 2			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 3			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 4			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Other Obligations			\$ 115,551,000	\$ 3,592,500	\$ 13,000	\$ 490,000	\$ -	\$ 315,750	\$ 1,700,750	\$ 2,519,500
Grand total - All Pages			\$ 184,017,723	\$ 6,801,187	\$ 39,000	\$ 1,220,000	\$ 199,000	\$ 376,750	\$ 1,851,230	\$ 3,405,980

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)	Pass Through Agreement	LA Co. Comm College Dist.	2010/11 Paymt - former CRL 33676	2,413,000	65,000		65,000				65,000
2)	Pass Through Agreement	Las Virgenes USD	2010/11 Paymt - former CRL 33676	13,918,000	425,000		425,000				425,000
3)	Pass Through Agreement	County of Los Angeles	2010 - 12 Paymt - Agreement #66684	99,145,000	3,100,000	12,000			315,000	1,700,000	2,027,000
4)	Pass Through Agreement	W Mosquito Abatmnt. Dist.	2010-12 Paymt - former CRL 33676	75,000	2,500	1,000			750	750	2,500
5)											0
6)											0
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28)											0
Totals - Other Obligations				\$ 115,551,000	\$ 3,592,500	\$ 13,000	\$ 490,000	\$ -	\$ 315,750	\$ 1,700,750	\$ 2,519,500