

## **REPORT TO REDEVELOPMENT AGENCY**

**DATE:           SEPTEMBER 21, 2011**

**TO:             HONORABLE CHAIR AND MEMBERS OF THE REDEVELOPMENT  
AGENCY**

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

**SUBJECT:       APPROVAL OF A PRELIMINARY DRAFT OF AN INITIAL RECOGNIZED  
OBLIGATION PAYMENT SCHEDULE**

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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. Section 34169 of Part 1.8 requires an agency to prepare a preliminary draft of an initial recognized obligation payment schedule by September 30<sup>th</sup>, and provide it to the successor agency, if a successor agency is established pursuant to 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 (the "AVRP") 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 California Redevelopment Association and League of California Cities have filed a lawsuit in the Supreme Court of California alleging that AB X1 26 and AB X1 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, except for Health and Safety Code Section 34194(b)(2) (relating to the determination of cities' fiscal year 2011-12 remittance amounts for participating in the AVRP) 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 Section 34169) was not stayed.

At its meeting on August 10, 2011, The City Council determined that the City and Agency will not participate in the AVR. On August 24, 2011, the City Council adopted its Resolution No. 11-1644 electing the City to serve as the successor agency under Part 1.85 in the event that the Agency is dissolved pursuant to Part 1.85. Staff recommends that the Agency approve a preliminary draft of a recognized obligation payment schedule and direct the Agency Secretary to transmit a copy to the City as required by Section 34169.

**RECOMMENDATION:** Staff recommends the Agency adopt Resolution No. 11-60, approving a preliminary draft of an initial recognized obligation payment schedule.

Attachment: Resolution No. 11-60

## RESOLUTION NO. 11-60

### **A RESOLUTION OF THE AGOURA HILLS REDEVELOPMENT AGENCY APPROVING A PRELIMINARY DRAFT OF AN INITIAL RECOGNIZED 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. 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 AB X1 27, its companion legislation that created an Alternative Voluntary Redevelopment Program (“AVRP”), 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, except for Health and Safety Code Section 34194(b)(2) (relating to the determination of cities’ fiscal year 2011-12 remittance amounts to participate in the AVRP) 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 Section 34169) was not stayed.

E. Health and Safety Code Section 34169 (h), which is set forth in Part 1.8, requires a redevelopment agency to prepare a preliminary draft of an initial recognized obligation

payment schedule by no later than September 30, 2011, and provide it to the successor agency, if a successor agency is established pursuant to Part 1.85. The initial recognized obligation payment schedule must set forth the minimum payment amounts and due dates of payments required by enforceable obligations for the six-month period from January 1, 2012 through June 30, 2012.

F. The City Council of the City of Agoura Hills adopted its Resolution No. 11-1644 electing the City of Agoura Hills (the “City”) to serve as a successor agency under Part 1.85 in the event that the Agency is dissolved pursuant to Part 1.85.

G. The Agency desires to approve a preliminary draft of an initial recognized obligation payment schedule as required by Section 34169 (h).

**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 approves the preliminary draft of the initial recognized obligation payment schedule substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference (the “ROPS”). The Executive Director of the Agency, in consultation with the Agency’s legal counsel, may modify the ROPS as the Executive Director or the Agency’s legal counsel deems necessary or advisable.

Section 4. The Agency Secretary is hereby authorized and directed to transmit a copy of the ROPS to the City.

Section 5. 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 ROPS and who shall provide the Department of Finance with the telephone number and e-mail contact information for the purpose of communicating with the Department of Finance.

Section 6. 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, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 7. The approval of the ROPS 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 8. 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 27<sup>th</sup> day of September, 2011 by the following vote to wit:

**AYES:** ( )  
**NOES:** ( )  
**ABSTAIN:** ( )  
**ABSENT:** ( )

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DAN KUPERBERG, Agency Chair

ATTEST:

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KIMBERLY M RODRIGES, Agency Secretary

APPROVED AS TO FORM:

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CRAIG A STEELE, Agency Attorney

**EXHIBIT A**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
Per AB 26 - Section 34169

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Source	Payments by month						Total
							Jan	Feb	March	April	May	June	
1)	Pass Through Agreement	LA Co. Comm College Dist.	2010/11 Paymt - former CRL 33676	2,413,000	65,000	E							0
2)	Pass Through Agreement	Las Virgenes USD	2010/11 Paymt - former CRL 33676	13,918,000	425,000	E							0
3)	Pass Through Agreement	County of Los Angeles	2011/12 Paymt - Agreement #66684	99,145,000	3,100,000	E	170,000	251,000	40,000	800,000	435,000	50,000	1,746,000
4)	Pass Through Agreement	W Mosquito Abatmnt. Dist.	2011/12 Paymt - former CRL 33676	75,000	2,500	E							0
5)													0
6)													0
7)													0
8)													0
9)													0
10)													0
11)													0
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20)													0
21)													0
22)													0
23)													0
24)													0
25)													0
<b>Totals - Other Obligations</b>				<b>\$ 115,551,000</b>	<b>\$ 3,592,500</b>		<b>\$ 170,000</b>	<b>\$ 251,000</b>	<b>\$ 40,000</b>	<b>\$ 800,000</b>	<b>\$ 435,000</b>	<b>\$ 50,000</b>	<b>\$ 1,746,000</b>
Source: (A) Low and Moderate Income Housing Fund (B) Bond proceeds (C) Reserve balances (D) Administrative Cost Allowance (E) Redevelopment Property Tax Trust Fund (F) Other revenue sources such as rent/interest earnings													