

REPORT TO SUCCESSOR AGENCY BOARD

DATE: FEBRUARY 22, 2012

TO: HONORABLE CHAIR AND MEMBERS OF THE SUCCESSOR AGENCY BOARD

FROM: GREG RAMIREZ, EXECUTIVE DIRECTOR

BY: CHRISTY PINUELAS, DIRECTOR OF FINANCE

SUBJECT: APPROVAL OF RESOLUTION NO. SA12-04; A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY APPROVING A DRAFT INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

This agenda item addresses an outcome of the California Supreme Court's decision in *California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861), the litigation challenging AB X1 26 ("AB 26") and AB X1 27 ("AB 27"). AB 26 and AB 27, which were signed by the Governor of California on June 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law.

The Supreme Court largely upheld AB 26 (which provides for the wind-up and dissolution of redevelopment agencies), invalidated AB 27 (which provided for an alternative voluntary redevelopment program), and held that AB 26 may be severed from AB 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 (the dissolution provisions) arising before May 1, 2012, to take effect four months later. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved, and cities do not have the option of making remittance payments to enable the continued operation of redevelopment agencies. The City is the successor agency for the Agoura Hills Redevelopment Agency Redevelopment Agency (the "Successor Agency") and the board of the Successor Agency (the "Board") consists of the members of the City Council.

Pursuant to Health and Safety Code Section 34177, successor agencies are required to prepare a draft initial Recognized Obligation Payment Schedule by March 1, 2012. Preparation of a draft initial Recognized Obligation Payment Schedule is in furtherance of allowing the Successor Agency to pay enforceable obligations of the former redevelopment agency.

RECOMMENDATION

Staff recommends the Board of Directors of the Successor Agency to the Agoura Hills Redevelopment Agency adopt Resolution No. SA12-04, approving the initial draft Recognized Obligation Payment Schedule.

RESOLUTION NO. SA12-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY APPROVING A DRAFT INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the “Redevelopment Law”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”).

B. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the Matosantos case largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

C. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later.

D. As a result of the Supreme Court’s decision, the Agoura Hills Redevelopment Agency (the “Redevelopment Agency”), a redevelopment agency in the City of Agoura Hills (the “City”), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012.

E. By its Resolution No. 11-1644, adopted on August 10, 2011, the City Council of the City made an election to serve as the successor agency for the Redevelopment Agency under Part 1.85 (the “Successor Agency”).

F. By its Resolution No. 12-1661, adopted on February 22, 2012, the City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors (the “Board”) consisting of the members of the City Council of the City.

G. Health and Safety Code Section 34177(l), as modified by the California Supreme Court, provides that by March 1, 2012, the Successor Agency must prepare a draft initial Recognized Obligation Payment Schedule for the enforceable obligations of the former Redevelopment Agency, in accordance with the requirements of paragraph (l). The draft

schedule must be reviewed and certified, as to its accuracy, by an external auditor designated at the county auditor-controller's direction, pursuant to Health and Safety Code Section 34182. The certified Recognized Obligation Payment Schedule must be submitted to and approved by the oversight board. Finally, after approval by the oversight board, a copy of the approved Recognized Obligation Payment Schedule must be submitted to the county auditor-controller, the State Controller, and the State Department of Finance ("DOF"), and be posted on the Successor Agency's web site. The first Recognized Obligation Payment Schedule submitted to the State Controller and the DOF will be for payments for the period of January 1, 2012, to June 30, 2012, inclusive.

H. Accordingly, the Board desires to adopt this Resolution approving a draft initial Recognized Obligation Payment Schedule in accordance with Paragraph G.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO 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 34177.

Section 3. The Board hereby approves the draft 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 Successor Agency, in consultation with the Successor Agency's legal counsel, may modify the ROPS as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable.

Section 4. The Board hereby designates the Director of Finance as the official to whom the DOF may make requests for review in connection with the ROPS and who shall provide the DOF with the telephone number and e-mail contact information for the purpose of communicating with the DOF.

Section 5. The officers and staff of the Successor 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 submitting the certified Recognized Obligation Payment Schedule to the oversight board for approval, and any such actions previously taken by such officers are hereby ratified and confirmed.

PASSED, APPROVED, AND ADOPTED this 22nd day of February, 2012, by the following vote to wit:

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

John M. Edelston, Chair

ATTEST:

Kimberly M. Rodrigues, Secretary

EXHIBIT A

DRAFT INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Project Area(s) Agoura Hills TD #1 RP Area

OTHER OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177

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/C							0
2) Pass Through Agreement	Las Virgenes USD	2010/11 Paymt - former CRL 33676	13,918,000	425,000	E/C							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 Abatmt. Dist.	2011/12 Paymt - former CRL 33676	75,000	2,500	E							0
5)												0
6)												0
7)												0
8)												0
9)												0
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22)												0
23)												0
24)												0
25)												0
Totals - Other Obligations			\$ 115,551,000	\$ 3,592,500		\$ 170,000	\$ 251,000	\$ 40,000	\$ 800,000	\$ 435,000	\$ 50,000	\$ 1,746,000
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												