REPORT TO SUCCESSOR AGENCY BOARD

DATE: FEBRUARY 22, 2012 TO: HONORABLE CHAIR AND MEMBERS OF THE SUCCESSOR AGENCY BOARD **GREG RAMIREZ, EXECUTIVE DIRECTOR** FROM: BY: **CHRISTY PINUELAS, DIRECTOR OF FINANCE** APPROVAL OF RESOLUTION NO. SA12-04; A RESOLUTION OF THE **SUBJECT:** BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY APPROVING A DRAFT RECOGNIZED **OBLIGATION PAYMENT** INITIAL **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 (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.

<u>Section 3.</u> 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.

<u>Section 4.</u> 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.

<u>Section 5.</u> 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

Name of Redevelopment Agency:

Agoura Hills Redevelopment Agency Agoura Hills TD #1 RP Area

Project Area(s)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177

				Total Outstanding	Total Due	е				Payments by month					
	Project Name / Debt Obligation	Payee	Description	Debt or	During Fiscal	Source	Jan	Feb	March	April	May	June	Total		
	r Toject Name / Debt Obligation	гауее	Description	Obligation	Year	U U	Jan	Feb	Watch	Арпі	ividy	Julie	TUIAI		
1)	2008 Tax Allocation Bonds Series A-T	Bank of New York	Bond issue to fund non-housing projects*	14.689.293	748.658	C/E				215.000		269.000	484.000		
2)	2008 Tax Allocation Bonds Series	Bank of New York	Bond issue to fund housing projects*	19,165,000	1,006,331	A/E				232,000		387,000	619,000		
3)	Auditing Services	Vavernick, Trine & Day	Auditing Services for 2010/11 and 11/12	20,000	20,000	E				15,000		5,000	20,000		
4)	Legal Services	Richard Watson & Gershon	General Legal Services	50,000	50,000	D	5,000	5,000	5,000	5,000	5,000	5,000	30,000		
5)	Employee Costs- Proj Fnd	Employees of Agency	Payroll for Employees	225,000	225,000	D	30,000	20,000	20,000	20,000	20,000	20,000	130,000		
6)	Employee Costs- Housing Fnd	Employees of Agency	Payroll for Employees	410,000	410,000	D/A	51,000	34,000	34,000	34,000	34,000	34,000	221,000		
7)	2008 Tax Allocation Bonds Series A-T	Bank of New York	Trustee Fees - non-housing projects bonds	64,000	2,000	E						2,000	2,000		
8)	2008 Tax Allocation Bonds Series	Bank of New York	Trustee Fees on housing projects bonds	64,000	2,000	A/E						2,000	2,000		
9)	Contractor	Diane Hadland	Continuing Disclosure/Pass Thru Calc	6,000	6,000	A/C		2,000		2,000		2,000	6,000		
10)	Administrative Fees	County of Los Angeles	SP 2557 Administrative Fee	3,300,000	95,000	E					2,000	4,000	6,000		
11)	Promissory Note	City of Agoura Hills	Promissory Note for 1988-2007 Advances	30,335,430	1,176,218	C/E		1,176,218					1,176,218		
12)	Administrative Fees	County of Los Angeles	AB 1924 Fee	15,000	480	E							0		
13)	Contractor	California Redev Assoc	Advising services	10,000	10,000	D/E							0		
14)	Contractor	Chandler Asset Management	Investment Services	5,000	5,000	A/C/D/E	425	425	425	425	425	425	2,550		
15)	Contractor	West Coast	Kanan and Canwood Engineering	65,000	65,000	В	65,000						65,000		
													0		
													0		
													0		
													0		
													0		
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													0		
													0		
													0		
			* Includes payment due in October 2012. Bond documents require one year's debt service										0		
			to be set aside before tax revenues can released	ide before tax revenues can released for any other purpose.									0		
													0		
													0		
													0		
			Totals - This Page	\$ 68,423,723	\$ 3,821,687		\$ 151,425	\$ 1,237,643	\$ 59,425	\$ 523,425	\$ 61,425	\$ 730,425	\$ 2,763,768		
			Totals - Page 2	\$ -	\$ -		\$-	\$ -	\$-	\$-	\$-	\$-	\$ -		
			Totals - Page 3	\$ -	\$ -		\$-	\$ -	\$ -	\$ -	\$-	\$-	\$-		
			Totals - Page 4	\$ -	\$ -		\$-	\$ -	\$-	\$-	\$-	\$-	\$ -		
			Totals - Other Obligations	\$ 115,551,000	\$ 3,592,500		\$ 3,592,500	\$ 251,000	\$ 40,000	\$ 800,000	\$ 435,000		\$ 1,746,000		
			Grand total - All Pages	\$ 183,974,723	\$ 7,414,187		\$ 3,743,925	\$ 1,488,643	\$ 99,425	\$ 1,323,425	\$ 496,425	\$ 780,425	\$ 4,509,768		

Agoura Hills TD #1 RP Area

Project Area(s)

OTHER OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177

				Total Outstanding	Total Due	Φ	Payments by month							
	Project Name / Debt Obligation	Deves	Description	Debt or	During Fiscal	Source	la a	Feb	Maurik	A	Maria	hun a	Tatal	
	Obligation	Payee	Description	Obligation	Year	S	Jan	Feb	March	April	May	June	Total	
1)	Pass Through Agreement	LA Co. Comm College Dist.	2010/11 Paymt - former CRL 33676	2,413,000	65,000	E/C							0	
	Pass Through Agreement	Las Virgenes USD	2010/11 Paymt - former CRL 33676	13,918,000	425,000								0	
	Pass Through Agreement	County of Los Angeles	2011/12 Paymt - Agreement #66684	99,145,000	3,100,000		170,000	251,000	40,000	800,000	435,000	50,000	1,746,000	
	Pass Through Agreement	W Mosquito Abatmnt. Dist.	2011/12 Paymt - former CRL 33676	75,000	2,500				,	,	,	,	0	
5)				-,	/								0	
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	Totals - Other Obligations				\$ 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													
I		Property Tax Trust Fund												
	(F) Other revenue se	ources such as rent/interest ea	irnings											