

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. SA12-02 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY CREATING A REDEVELOPMENT OBLIGATION RETIREMENT FUND PURSUANT TO HEALTH AND SAFETY CODE SECTION 34170.5 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 34170.5, each successor agency to a former redevelopment agency shall create, within its treasury, a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

Creation of the Redevelopment Obligation Retirement Fund will allow the Successor Agency to the Agoura Hills Redevelopment Agency to receive funds from the County Auditor-Controller 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. SA12-02, creating the Redevelopment Obligation Retirement Fund.

Attachment: Resolution No. SA12-02

RESOLUTION NO. SA12-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY CREATING A REDEVELOPMENT OBLIGATION RETIREMENT FUND PURSUANT TO HEALTH AND SAFETY CODE SECTION 34170.5 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 34170.5 provides that each successor agency shall create within its treasury a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

H. Accordingly, the Board desires to adopt this Resolution creating a Redevelopment Obligation Retirement Fund within the treasury of the Successor Agency.

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 34170.5.

Section 3. The Executive Director and the Finance Officer are hereby authorized and directed to create within the treasury of the Successor Agency a Redevelopment Obligation Retirement Fund to be administered by the Successor Agency.

Section 4. The Secretary is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor-Controller.

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, 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