

## REPORT TO SUCCESSOR AGENCY BOARD

**DATE:** OCTOBER 26, 2022

**TO:** BOARD CHAIR AND MEMBERS OF THE SUCCESSOR AGENCY BOARD

**FROM:** NATHAN HAMBURGER, EXECUTIVE DIRECTOR

**BY:** CHRISTY TRUELSEN, DIRECTOR OF FINANCE

**SUBJECT:** ADOPT RESOLUTION NO. SA22-18; APPROVING THE LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.6 AND TAKING CERTAIN RELATED ACTIONS

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On December 29, 2011, the California Supreme Court upheld AB 1X26 that provided for the dissolution of all redevelopment agencies in the State of California. With this action, the City Council elected to become the Successor Agency for the former redevelopment agency.

Successor agencies are only allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations as approved by the Successor Agency Oversight Board ("Oversight Board") and the California Department of Finance ("DOF). The Successor Agency to the Agoura Hills Redevelopment Agency ("Successor Agency") has obligations for two bond payments, and related trustee and reporting costs, administrative costs for City of Agoura Hills ("City") staff, numerous agreements with other agencies within the taxing authority of the Successor Agency and a consolidated loan with the City. Each year staff prepares a Recognized Obligation Payment Schedule ("ROPS") and presents it to the Successor Agency and Oversight Board with final approval by the DOF. In addition, the Successor Agency must document after the fact that the expenses were actually spent to both the Oversight Board and the DOF. The Oversight Board and the DOF increasingly require staff to spend substantial time and effort to submit the various documents required just so the Successor Agency can pay its bills. They are also critical of the amount of the Successor Agency's administrative costs. Most of these tasks and disputes would not be necessary with a Last and Final ROPS in place.

Redevelopment agencies were formed to provide improvements within their boundaries. Because they initially had no money of their own (and only received tax increment to pay indebtedness), many agencies had to borrow the money from their host city, and then repay it over time. Between 1987 and 2006, the City loaned \$16.4 million to the Successor Agency for improvements provided.

When the Successor Agency was dissolved, the State approved the consolidated loan between the City and the Successor Agency at 3% simple interest. Through June 30, 2022, the loan is now at \$25,202,139 including principal and interest. The repayment of the loan is complex and is based on a formula tied to 50% of the growth in the assessed valuation in the current year and the 2012/13 base year. Approval of a Last and Final ROPS allows for the City to recalculate the loan at 4% simple interest and would restate the total principal and interest of the consolidated loan to \$27,699,255. It is anticipated that the loan would be repaid by 2045.

The primary downside to submitting a Last and Final ROPS is that the loan repayment can only be restated twice during the term of the repayment and the restatement must be approved by the DOF. Because the repayment of the City's loan is based on the anticipated growth in assessed valuation, we have relied on the expertise of HdL, Coren and Cone, who we contract to consult on property taxes. They have utilized an anticipated growth of 3% in the assessed valuation. If the assessed valuation grows faster, the City will only receive the repayment calculated. On the positive side, the loan will also earn a consistent 4%. If the assessed valuation grows slower, and there is not enough money to make the full loan repayment in a given year, the administrative costs and then the loan repayment will be reduced. The loan will ultimately be repaid, but it could take more years than anticipated.

Additionally, the Last and Final ROPS will probably be approved with a reduced administrative allowance than the City is currently receiving. Although the allowance is capped at \$250,000, the City has only been authorized to receive \$193,900 in recent years. The reduction in the administrative allowance should be offset by increased loan repayments and additional property tax revenue to the City.

When the loan is finally repaid and all enforceable obligations of the Successor Agency are met, then the Successor Agency will be dissolved and the City will begin receiving the full property tax it is due, and this growth will replace some of the loan obligations.

## **RECOMMENDATION**

Staff respectfully requests that the Successor Agency to the Agoura Hills Redevelopment Agency adopt Resolution SA22-18, approving a Last and Final Recognized Obligation Payment Schedule pursuant to Health and Safety Code Section 34191.6 and taking certain related actions.

Attachments: Successor Agency Resolution SA22-18 with Exhibit A (ROPS)

## RESOLUTION NO. SA22-18

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY APPROVING A LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.6 AND TAKING CERTAIN RELATED ACTIONS

**WHEREAS**, pursuant to Health and Safety Code Section 34191.6(a), the Successor Agency to the Agoura Hills Redevelopment Agency (the "Successor Agency") may prepare a proposed Last and Final Recognized Obligation Payment Schedule ("LFROPS") and submit such LFROPS to the Los Angeles County Third Supervisorial District Consolidated Oversight Board (the "Oversight Board") for approval if certain conditions are met; and

**WHEREAS**, pursuant to Health and Safety Code Section 34191.6(b), the Successor Agency may then submit the Oversight Board-approved LFROPS to the State Department of Finance ("DOF") for review and approval. A copy of the Oversight Board-approved LFROPS must also be submitted to the County Administrative Officer and the County Auditor-Controller, and posted to the Successor Agency's internet website; and

**WHEREAS**, pursuant to Health and Safety Code Section 34191.6(c), the DOF shall have 100 days to review the LFROPS submitted pursuant to subdivision (b) of Health and Safety Code Section 34191.6; and

**WHEREAS**, the Successor Agency has prepared a LFROPS listing the payment schedules through 2045 for the Successor Agency's administrative expenses and enforceable obligations, including repayment for outstanding bonds and loans from the City of Agoura Hills to the former Agoura Hills Redevelopment Agency (which were re-established pursuant to Health and Safety Code Section 34191.4, and approved per Oversight Board Resolution No. OB14-23, adopted on February 13, 2014, and approved by the DOF on April 18, 2014); and

**WHEREAS**, Pursuant to the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"), the Successor Agency Board evaluated the action of approving the LFROPS. The Successor Agency Board's approval of the LFROPS does not approve any new development or construction of buildings, nor does it authorize any new land uses. For this reason, it can be seen with certainty that approving the LFROPS will not result in any significant adverse impact on the environment. Thus, said Successor Agency Board approval is exempt from the CEQA environmental review requirements pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations; and

**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 the provisions of Health and Safety Code Section 34191.6.

Section 3. The Board hereby finds and determines that the Successor Agency has met the conditions for submitting a LFROPS because of the following:

- a) The remaining debt of the Successor Agency is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules; and
- b) All remaining obligations have been previously listed on a Recognized Obligation Payment Schedule and approved for payment by the DOF; and
- c) The Successor Agency is not a party to outstanding or unresolved litigation.

Section 4. The Board hereby approves the LFROPS, substantially in the form attached hereto as Exhibit "A". The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify the LFROPS as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable. The Executive Director, in consultation with the Successor Agency's legal counsel, is hereby authorized to execute, for and in the name (or on behalf) of the Successor Agency, agreements with the DOF regarding amendments or changes to the LFROPS pursuant to HSC Section 34191.6(c).

Section 5. Staff is hereby authorized and directed to submit a copy of the LFROPS to the Oversight Board for approval.

Section 6. Staff is hereby authorized and directed to submit a copy of Oversight Board-approved LFROPS to the DOF in the manner provided by the DOF, the County Administrative Officer, the County Auditor-Controller, and the Office of the State Controller.

Section 7. Staff is hereby authorized and directed to post a copy of the Oversight Board-approved LFROPS on the Successor Agency's Internet website (being a page on the Internet website of the City of Agoura Hills).

Section 8. The officers and the 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 requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

**PASSED, APPROVED AND ADOPTED** this 26<sup>th</sup> day of October, 2022, by the following vote to wit:

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

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Deborah Klein Lopez, Chair

ATTEST:

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Kimberly M. Rodrigues, Agency Secretary

EXHIBIT A

*[Please see attached]*

**Agoura Hills Last & Final ROPS**

Period	Non-RPTTF		RPTTF		Admin RPTTF	RPTTF Total	Total Obligations
	Bond Proceeds	Other Funds Total	RPTTF	RPTTF			
23-24A	-	352,757	979,600	-	979,600	1,332,357	
23-24B	-	-	637,122	-	637,122	637,122	
24-25A	-	357,886	1,029,675	-	1,029,675	1,387,561	
24-25B	-	-	636,206	-	636,206	636,206	
25-26A	-	362,428	929,754	-	929,754	1,292,182	
25-26B	-	-	634,680	-	634,680	634,680	
26-27A	-	366,665	1,029,836	-	1,029,836	1,396,501	
26-27B	-	-	637,928	-	637,928	637,928	
27-28A	-	375,539	1,083,673	-	1,083,673	1,459,212	
27-28B	-	-	639,704	-	639,704	639,704	
28-29A	-	383,927	1,080,014	-	1,080,014	1,463,941	
28-29B	-	-	635,392	-	635,392	635,392	
29-30A	-	386,771	1,180,110	-	1,180,110	1,566,881	
29-30B	-	-	639,636	-	639,636	639,636	
30-31A	-	398,893	1,230,211	-	1,230,211	1,629,104	
30-31B	-	-	637,484	-	637,484	637,484	
31-32A	-	405,317	1,280,316	-	1,280,316	1,685,633	
31-32B	-	-	639,686	-	639,686	639,686	
32-33A	-	416,168	1,334,177	-	1,334,177	1,750,345	
32-33B	-	-	639,992	-	639,992	639,992	
33-34A	-	426,321	1,380,543	-	1,380,543	1,806,864	
33-34B	-	-	638,770	-	638,770	638,770	
34-35A	-	435,710	1,430,666	-	1,430,666	1,866,376	
34-35B	-	-	636,150	-	636,150	636,150	
35-36A	-	444,400	1,530,794	-	1,530,794	1,975,194	
35-36B	-	-	641,442	-	641,442	641,442	
36-37A	-	462,046	1,580,928	-	1,580,928	2,042,974	
36-37B	-	-	635,024	-	635,024	635,024	
37-38A	-	468,587	1,634,820	-	1,634,820	2,103,407	
37-38B	-	-	641,538	-	641,538	641,538	
38-39A	-	489,344	1,731,218	-	1,731,218	2,220,562	
38-39B	-	-	640,448	-	640,448	640,448	

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**Agoura Hills Last & Final ROPS**

Period	Non-RPTTF		RPTTF		Admin RPTTF		Total Obligations
	Bond Proceeds	Other Funds Total	RPTTF	Total	RPTTF	Total	
39-40A	-	503,899	1,781,374	1,781,374	-	-	2,285,273
39-40B	-	-	637,150	637,150	-	-	637,150
40-41A	-	517,150	1,831,538	1,831,538	-	-	2,348,688
40-41B	-	-	641,496	641,496	-	-	641,496
41-42A	-	539,323	1,935,460	1,935,460	-	-	2,474,783
41-42B	-	-	82,850	82,850	-	-	82,850
42-43A	-	-	2,278,100	2,278,100	-	-	2,278,100
42-43B	-	-	78,100	78,100	-	-	78,100
43-44A	-	-	2,178,100	2,178,100	-	-	2,178,100
43-44B	-	-	-	-	-	-	-
44-45A	-	-	2,018,954	2,018,954	-	-	2,018,954
44-45B	-	-	39,050	39,050	-	-	39,050
<b>Total</b>	-	<b>8,093,131</b>	<b>44,159,709</b>	<b>44,159,709</b>	-	-	<b>52,252,840</b>