

**OVERSIGHT BOARD FOR
SUCCESSOR AGENCY TO
REDEVELOPMENT AGENCY OF
THE CITY OF HAWAIIAN
GARDENS
STAFF REPORT**

Agenda Item No.: G6

Meeting Date: 4/25/2012

City Administrator: [Signature]

TO: Honorable Chairperson and Members of the Board

FROM: David Sung, Finance Director

DATE: April 25, 2012

SUBJECT: Consideration of a Resolution Approving Recognized Obligation Payment Schedules of the Former Hawaiian Gardens Redevelopment Agency for the Periods of January 2012 through June 2012 and July 2012 through December 2012.

SUMMARY

The Dissolution Act required the former Redevelopment Agency to adopt an Enforceable Obligation Payment Schedule (EOPS) no later than 60 days after the effective date of the legislation or August 28, 2011. The EOPS allowed the Agency to pay the obligations listed in the EOPS through December 2011, and included costs that were committed prior to the dissolution of the RDA plus administrative costs to continue with the winding down of the Agency. The Agency adopted the EOPS on August 23, 2011.

The EOPS formed the basis for the "Preliminary Draft" Recognized Obligation Payment Schedule (ROPS), which was initially required to be prepared by the Agency by September 30, 2011. Under the Dissolution Act, the draft ROPS would then be prepared by the Successor Agency by November 30, 2011. However, the Supreme Court initially imposed a stay on the Dissolution Act on December 29, 2011, in California Redevelopment Association v. Matosantos, Case No. S194861, the California Supreme Court upheld it. Initially, the Dissolution Act would have dissolved all redevelopment agencies in California as of October 1, 2011, but the Supreme Court in their decision extended the initial deadlines by four months. Because the original EOPS only covered obligations through December 31, 2011, on January 24, 2012, the Successor Agency amended the EOPS to identify obligations through March 2012.

The schedules are required to list all of a redevelopment agency's monetary obligations that are "enforceable" within the meaning of the Dissolution Act and must include, for each obligation:

- a. The project name associated with the obligation;
- b. The payee;

- c. A short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made;
- d. The amount of payment obligated to be made, by month; and
- e. The funding source for the obligation.

The Successor Agency may only pay the obligations listed on the ROPS.

This will become an ongoing process - an updated Schedule will be prepared every six months for Successor Agency and Oversight Board consideration and approval.

DISCUSSION

The Successor Agency adopted the ROPS based on the EOPS on February 28, 2012. This ROPS covered the period from January 2012 through June 2012. Additionally, as indicated above, the Dissolution Act required the Successor Agency to update the ROPS to cover the subsequent six-month period to be submitted to the County and the State by April 15, 2012. On April 10, 2012, the Successor Agency adopted the ROPS covering the period of July 1, 2012 through December 31, 2012. These two ROPS are being submitted for Board review and approval pursuant to the Dissolution Act. The applicable provisions of the Dissolution Act are listed below.

Health & Safety Code Section 34177(k) requires the Successor Agency to take actions with regard to the ROPS as follows:

(2)(A) A draft Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former redevelopment agency by March 1, 2012. From February 1, 2012 to July 1, 2012, the initial draft of that schedule shall project the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had such a redevelopment agency not been dissolved, and shall be reviewed and certified, as to its accuracy, by an external auditor designated pursuant to California Health and Safety Code Section 34182.

(B) The certified Recognized Obligation Payment Schedule is submitted to and duly approved by the Oversight Board.

(C) A copy of the approved Recognized Obligation Payment Schedule (after review and certification by the external auditor) is submitted to the County Auditor-Controller and both the State Controller's office and the Department of Finance and posted on the Successor Agency's internet web site.

(3) The Recognized Obligation Payment Schedule shall be forward looking to the next six months. The first Recognized Obligation Payment Schedule shall be submitted to the Controller's office and the Department of Finance by April 15, 2012, for the period of May 1, 2012, to June 30, 2012, inclusive. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency.

RECOMMENDATION

Adopt a Resolution approving the Recognized Obligation Payment Schedules for the periods of January 2012 through June 2012 and July 2012 through December 2012.

FISCAL IMPACT

Adoption of the resolution will allow the Successor Agency to pay the obligations listed on the ROPS.

ATTACHMENTS

Resolution approving the Recognized Obligation Payment Schedules for the periods of January 2012 through June 2012 and July 2012 through December 2012.

OVERSIGHT BOARD RESOLUTION NO. __

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HAWAIIAN GARDENS REDEVELOPMENT AGENCY APPROVING RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR THE PERIODS OF JANUARY 2012 THROUGH JUNE 2012 AND JULY 2012 THROUGH DECEMBER 2012.

WHEREAS, the Oversight Board of the Successor Agency to the Hawaiian Gardens Redevelopment Agency has been established to direct the Successor Agency to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and;

WHEREAS, Health & Safety Code Section 34169 requires successor agencies to prepare and adopt a "Recognized Obligation Payment Schedule" that lists all obligations of the former redevelopment agency that are enforceable within the meaning of subdivision (d) of Section 34167 for six month periods including January 2012 through June 2012 and July 2012 through December 2012; and

WHEREAS, on February 28, 2012, the City of Hawaiian Gardens acting as the Successor Agency to the Agency adopted Resolution No. 2012-003 approving a Recognized Obligation Payment Schedule for the period of January 2012 through June 2012; and

WHEREAS, on April 10, 2012, the City of Hawaiian Gardens acting as the Successor Agency to the HAWAIIAN GARDENS Redevelopment Agency adopted by Resolution No. 2012-006 approving a Recognized Obligation Payment Schedule for the period of July 2012 through December 2012; and

WHEREAS, pursuant to Health & Safety Code Section 34179, the Successor Agency's Oversight Board has been formed and the initial meeting has occurred on April 25, 2012; and

WHEREAS, the Oversight Board reviewed the Recognized Obligation Payment Schedules adopted by the Successor Agency covering the periods of January 2012 through June 2012 and July 2012 through December 2012,

NOW THEREFORE, BE IT RESOLVED, by the Oversight Board of the Successor Agency to the Hawaiian Gardens Redevelopment Agency, as follows:

1. The Recitals set forth above are true and correct and incorporated herein by reference.
2. The Schedules attached hereto as Exhibits A and B as the Recognized Obligation Payment Schedules for the periods of January 2012 through June 2012; and for July 2012 through December 2012 are hereby approved.
3. This Resolution shall be effective immediately upon adoption.
4. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 25th day of April, 2012.

, CHAIR

ATTEST:

, OVERSIGHT BOARD SECRETARY

**HAWAIIAN GARDENS SUCCESSOR AGENCY RDA
RESOLUTION NO. 2012-003**

**A RESOLUTION OF THE SUCCESSOR AGENCY RDA OF THE CITY OF
HAWAIIAN GARDENS, COUNTY OF LOS ANGELES, STATE OF
CALIFORNIA, ADOPTING THE RECOGNIZED OBLIGATION PAYMENT
SCHEDULE DATED AS OF FEBRUARY 28, 2012.**

WHEREAS, Parts 1.8 and 1.85 of Division 24 of the CRL were added by Assembly Bill X1 26 ("2011 Redevelopment Legislation"); and

WHEREAS, Part 1.85 of the CRL added by the 2011 Redevelopment Legislation provides for the statewide dissolution of all redevelopment agencies as of October 1, 2011, and provides that, thereafter, a successor agency will administer the enforceable obligations of the redevelopment agencies and otherwise wind up their affairs, all subject to the review and approval of an oversight board; and

WHEREAS, as part of this wind up process, all redevelopment agencies were required to file a schedule of those "enforceable obligations" that require payments to be made throughout the dissolution process ("Recognized Obligation Payment Schedule"); and

WHEREAS, on December 29, 2011, in *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld AB X1 26 and extended the deadlines in AB X1 26 by four months; and

WHEREAS, the City accepted to become the Successor Agency of the former Redevelopment Agency pursuant to Part 1.85 of the 2011 Redevelopment Legislation; and

WHEREAS, the City as Successor Agency, by the adoption of this Resolution, does not represent, disclaim, or take any position whatsoever on the issue of the validity of the 2011 Redevelopment Legislation, but rather seeks to comply with the Constitution and laws of the State of California, including the 2011 Redevelopment Legislation, in order to orderly wind down the affairs of the Redevelopment Agency for the benefit the community.

**NOW THEREFORE THE SUCCESSOR AGENCY RDA DOES HEREBY
RESOLVE AS FOLLOWS:**

Section 1. The foregoing Recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. Pursuant to Part 1.85 of the 2011 Redevelopment Legislation, the Successor Agency RDA hereby adopts the Recognized Obligation Payment Schedule attached hereto as Exhibit A. The attached Recognized Obligation Payment Schedule is that "Recognized Obligation Payment Schedule" referred to in Part 1.85 of the 2011 Redevelopment Legislation and shall be interpreted and applied in all respects in accordance with such Legislation and the CRL, to the fullest extent permitted by law.

Section 3. The City Administrator is hereby authorized and directed to evaluate potential amendments to the Recognized Obligation Payment Schedule from time to time as may be appropriate, and to recommend the adoption of those amendments necessary for the continued payment on and performance of enforceable obligations.

Section 4. The City Administrator is further authorized and directed to post the Recognized Obligation Payment Schedule on the City's website and to notify the county auditor, the State Department of Finance, and the Controller of the State concerning this Resolution, the Recognized Obligation Payment Schedule, and its online publication.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

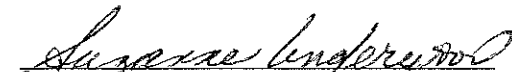
PASSED, APPROVED and ADOPTED this 28th day of February, 2012.

**HAWAIIAN GARDENS SUCCESSOR
AGENCY RDA**



Michael Gomez, Mayor

ATTEST:




Suzanne Underwood, City Clerk

CITY OF HAWAIIAN GARDENS
CITY CLERK'S OFFICE
CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF HAWAIIAN GARDENS)

I, SUZANNE UNDERWOOD, City Clerk of the City of Hawaiian Gardens as Successor Agency of the former Hawaiian Gardens Redevelopment Agency, do hereby certify that **Resolution No. 2012-003** was duly and regularly passed and adopted by the Successor Agency RDA of the City of Hawaiian Gardens at its meeting on this **28TH** DAY OF FEBRUARY 2012.

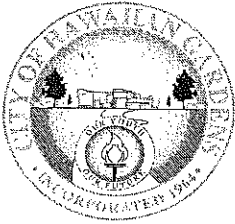
AYES: OYAMA-CANADA, RODRIGUEZ, BRUCE, FARFAN, GOMEZ
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE


SUZANNE UNDERWOOD
CITY CLERK

OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month												Total	
					Aug**	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
1) Redevelopment Fund Deficit	City of Hawaiian Gardens	Loan from City @ 10% Interest	5,578,817.00	725,833.12	0.00	0.00	0.00	0.00	0.00	382,916.56	0.00	0.00	0.00	0.00	0.00	0.00	382,916.56	\$ 725,833.12
2) Esplanade/Green Property	City of Hawaiian Gardens	Loan from City @ 5% Interest	1,713,793.00	163,761.98	0.00	0.00	0.00	0.00	0.00	81,880.99	0.00	0.00	0.00	0.00	0.00	0.00	81,880.99	\$ 163,761.98
3) Administrative Costs	City of Hawaiian Gardens	Administrative Costs	227,553.00	227,553.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 227,553.00
4) SERAF	City of Hawaiian Gardens	Loan from Low-Mid Fund to RDA	2,950,050.00	590,010.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	118,002.00	0.00	0.00	0.00	0.00	118,002.00	\$ 590,010.00
5) OK Tires-Commercial Rehabilitation	Hammeyer Trust	Architectural and Construction	161,000.00	161,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 161,000.00
6) CCC Auto-Commercial Rehabilitation	Medical Brava	Architectural and Construction	145,000.00	145,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 145,000.00
7) City Beautification Program	Various	Financial Assistance for Property Improve	132,000.00	132,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 132,000.00
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Totals - Other Obligations			\$ 10,908,313.00	\$ 2,145,158.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,797.55	\$ -	\$ 163,513.00	\$ 272,513.00	\$ 272,513.00	\$ 272,513.00	\$ 272,512.00	\$ 719,309.55	\$ 2,145,158.10

* This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is valid through 12/31/11. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.)
 If an agency adopts a continuation ordinance per ABX1 Z7, this EOPS will not be valid and there is no need to prepare a ROPS.
 ** All payment amounts are estimates



**CITY OF HAWAIIAN GARDENS
CITY COUNCIL
SUCCESSOR AGENCY RDA
STAFF REPORT**

Agenda Item No.: E-2
CITY OF HAWAIIAN GARDENS
Meeting Date: 2/28/2012
City Administrator: [Signature]
ACTION:
 Approved
 Denied
 Amended
 Receive & File
 Other

TO: Mayor and Members of the City Council Acting as Successor Agency RDA
BY: Ernesto Marquez, City Administrator
DATE: February 22, 2012
SUBJECT: Resolution No. 2012-003, adopting a Recognized Obligation Payment Schedule (ROPS) for the Successor Agency of the Hawaiian Gardens Redevelopment Agency.

VOTE: 5-0
DATE: 2/28/2012

BACKGROUND

ABX1 26 requires the Successor Agency of the RDA to prepare a Draft Recognized Obligation Payment Schedule (ROPS) by March 1, 2012. The attached ROPS is based on the Enforceable Obligations Payment Schedule adopted by the former RDA prior to its dissolution on February 1, 2012, and it includes costs that were committed prior to the dissolution of the RDA plus administrative costs to continue with the winding down of the former RDA.

Staff recommends that the City Council acting as the Successor Agency of the former Hawaiian Gardens RDA approve the Recognized Obligations Payment Schedule.

FISCAL IMPACT

There are no fiscal impacts with the adoption of the Recognized Obligations Payment Schedule.

RECOMMENDATION

By Motion, approve the resolution adopting a Recognized Obligation Payment Schedule.

ATTACHMENTS

Resolution No. 2012-003 and ROPS

**HAWAIIAN GARDENS SUCCESSOR AGENCY RDA
RESOLUTION NO. 2012-006**

A RESOLUTION OF THE SUCCESSOR AGENCY RDA OF THE CITY OF HAWAIIAN GARDENS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE DATED AS OF APRIL 10, 2012 FOR THE PERIOD OF JULY 1, 2012 THROUGH DECEMBER 31, 2012.

WHEREAS, Parts 1.8 and 1.85 of Division 24 of the CRL were added by Assembly Bill X1 26 ("2011 Redevelopment Legislation"); and

WHEREAS, Part 1.85 of the CRL added by the 2011 Redevelopment Legislation provides for the statewide dissolution of all redevelopment agencies as of October 1, 2011, and provides that, thereafter, a successor agency will administer the enforceable obligations of the redevelopment agencies and otherwise wind up their affairs, all subject to the review and approval of an oversight board; and

WHEREAS, as part of this wind up process, all redevelopment agencies were required to file a schedule of those "enforceable obligations" that require payments to be made throughout the dissolution process ("Recognized Obligation Payment Schedule"); and

WHEREAS, Part 1.85 further requires the adoption of Recognized Obligation Payment Schedules to cover successive six-month fiscal year periods; and

WHEREAS, on December 29, 2011, in *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld AB X1 26 and extended the deadlines in AB X1 26 by four months; and

WHEREAS, the City accepted to become the Successor Agency of the former Redevelopment Agency pursuant to Part 1.85 of the 2011 Redevelopment Legislation; and

WHEREAS, the City as Successor Agency, by the adoption of this Resolution, does not represent, disclaim, or take any position whatsoever on the issue of the validity of the 2011 Redevelopment Legislation, but rather seeks to comply with the Constitution and laws of the State of California, including the 2011 Redevelopment Legislation, in order to orderly wind down the affairs of the Redevelopment Agency for the benefit the community.

NOW THEREFORE THE SUCCESSOR AGENCY RDA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The foregoing Recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. Pursuant to Part 1.85 of the 2011 Redevelopment Legislation, the Successor Agency RDA hereby adopts the Recognized Obligation Payment Schedule

attached hereto as Exhibit A covering the period of July 1, 2012 through December 31, 2012.

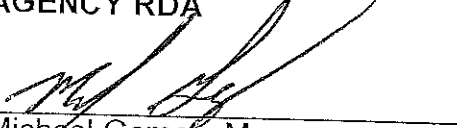
Section 3. The City Administrator is hereby authorized and directed to evaluate potential amendments to the Recognized Obligation Payment Schedule from time to time as may be appropriate, and to recommend the adoption of those amendments necessary for the continued payment on and performance of enforceable obligations.

Section 4. The City Administrator is further authorized and directed to post the Recognized Obligation Payment Schedule on the City's website and to notify the county auditor, the State Department of Finance, and the Controller of the State concerning this Resolution, the Recognized Obligation Payment Schedule, and its online publication.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

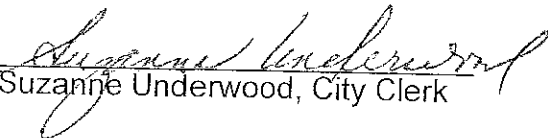
PASSED, APPROVED and ADOPTED this 10th day of April, 2012.

**HAWAIIAN GARDENS SUCCESSOR
AGENCY RDA**



Michael Gomez, Mayor

ATTEST:




Suzanne Underwood, City Clerk

CITY OF HAWAIIAN GARDENS
CITY CLERK'S OFFICE
CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF HAWAIIAN GARDENS)

I, SUZANNE UNDERWOOD, City Clerk of the City of Hawaiian Gardens as Successor Agency of the former Hawaiian Gardens Redevelopment Agency, do hereby certify that **Resolution No. 2012-006** was duly and regularly passed and adopted by the Successor Agency RDA of the City of Hawaiian Gardens at its meeting on this **10TH DAY OF APRIL 2012.**

AYES: OYAMA-CANADA, RODRIGUEZ, BRUCE, FARFAN, GOMEZ
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE


SUZANNE UNDERWOOD
CITY CLERK

**CITY OF HAWAIIAN GARDENS
SUCCESSOR AGENCY RDA
STAFF REPORT**

Agenda Item No.: E-2

Meeting Date: 4/10/2012

City Administrator: [Signature]

CITY OF HAWAIIAN GARDENS

ACTION:

- Approved
- Denied
- Amended
- Receive & File
- Other

TO: Mayor and Members of the City Council Acting as Successor Agency RDA

BY: Ernesto Marquez, City Administrator

DATE: April 10, 2012

SUBJECT: Resolution Adopting a Recognized Obligation Payment Schedule for the Successor Agency of the Hawaiian Gardens Redevelopment Agency covering the period of July 1, 2012 through December 31, 2012.

VOTE: 5-0
DATE: 4/10/2012

BACKGROUND

ABX1 26 requires the Successor Agency of the RDA to update the Recognized Obligation Payment Schedule (ROPS) to cover the subsequent six-month period to be submitted to the County and the State by April 15, 2012. The attached ROPS covers the period of July 1, 2012 through December 31, 2012, and is based on the Enforceable Obligations Payment Schedule adopted in February 2012, which covered January 1, 2012 through June 30, 2012. It includes costs that were committed prior to the dissolution of the RDA plus administrative costs to continue with the winding down of the former RDA.

Staff recommends that the City Council acting as the Successor Agency of the former Hawaiian Gardens RDA approve the attached Recognized Obligations Payment Schedule.

FISCAL IMPACT

There are no fiscal impacts with the adoption of the Recognized Obligations Payment Schedule.

RECOMMENDATION

By Motion, approve the Resolution Adopting a Recognized Obligation Payment Schedule covering the period of July 1, 2012 through December 31, 2012.

ATTACHMENTS

Resolution and ROPS