

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



TO:

Honorable Chairperson and Members of the Board

FROM:

David Sung, Finance Director

DATE:

May 23, 2012

SUBJECT:

Consideration of a Resolution Approving Revised 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 AND DISCUSSION

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.

The Board approved the ROPS for January-December 2012 at its first meeting held on April 25, 2012. However, the California Department of Finance contacted the City indicating that the ROPS schedules need to be revised and resubmitted to the successor agency showing the source of funds for repayment. The initial schedules were based on forms provided by the County Auditor-Controller. The State's Department of Finance is requesting that an additional column be added to show the funding source for each obligation.

Because the ROPS must also be approved by the Oversight Board, the revised ROPS are being presented to the Board for review and approval.

RECOMMENDATION

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

OVERSIGHT BOARD RESOLUTION NO. OB-2012-004

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HAWAIIAN GARDENS REDEVELOPMENT AGENCY APPROVING REVISED 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, pursuant to the direction of the California Department of Finance, on May 22, 2012, the Successor Agency approved Revised Recognized Obligation Payment Schedules for the periods of January-June 2012 and July-December 2012; and

WHEREAS, the Oversight Board reviewed the Revised Recognized Obligation Payment Schedules adopted by the Successor Agency covering the periods of January-June 2012 and July-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 Revised 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 23 rd day of May, 2012.	
MICHAEL GOMEZ, CHAIR	
ATTEST:	

Name of Redevelopment Agency: Project Area(s)

Hawailan Gardens Redevelopment Agency

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE Per AB 26 - Section 34167 and 34177

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	Payee	Bank of New York	Bank of New York	Bank of New York																													
:	Project Name / Debt Obligation	1 1	ing Bonds, Series A	3) 2006 Tax Allocation Bonds																								Totals - This Page	Totals - Page 2	Totals - Page 3	Totals - Page 4	I of als - Other Obligations	totals - All Pages

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Name of Redevelopment AgencyName of Redevelopment Agency: Hawaiian Gardens Redevelopment Agency Project Area(s) Project Area(s)

OTHER OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34167, 34177

			Total Outstanding	Source of	Total Due During				ů.	Payments by month	ť.			
Project Name / Debt Obligation	Payee	Description	Debt or Obligation	Funds	_	Aug** Sept Oct	Nov	Dec Jan	Feb	Mar	Apr	May	nnf	Total
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5) OK Tires-Commercial Rehabilitation Harmeyer Trust	Harmeyer Trust	Architectural and Construction	•	Reserve Balances	161 000 00				┖	40.000.00	40.000.00	20.000 04		1
6) CCC Auto-Commercial Rehabilitation Miguel Bravo	Miguel Bravo	Architectural and Construction	+	Beserve Balannes	145,000,00		 			00,000,00	00,000,00	40,000.00	-	-
7) City Beautification Program	Various	Einancial Assistance for Droparty Improve	00,000,000	Docere Delances	400,000,00		+	0.00		36,000.00	36,000.00	36,000,00	-	
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Name of Redevelopment Agency: Project Avea(s)

Successor Agency of Hawaiian Gardens Redevelopment Agency

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34187, 34177

Page 1 of 1 Pages

			Total Outstanding		Total Due During					Paymeni	Payments by Month				
Project Name / Debt Obligation	Payee	Description	Debt or Obligation	Funds	2012	Jul	Aug	Sept	Oct	Nov	Dec	Jan Feb	Mar Apr	May Jun	Total
1) 1999 Tax Allocation Refunding Bonds	Bank of New York	Sande feet to to refund 4000 The Allegation Defended	CO COT CAN C				1						-		- 1
2) 2002 Tay Allocation Refunding Boards Cooks 6	Donale of Nov. V.	Solida Ramin Isaa 1970 Isaa Ciling Collas	2,479,400,UD IN	419,400,00 Keserve balances	30,099,00		-				801,650.00				\$ 801,650.00
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3) ZUCE 1 ax Allocation Bonds	Bank of New York	Bonds issue to fund non-hausing projects	9,396,243,75 Reserve balances	eserve balances	474,606.00						474,606.00			_	\$ 474,606,00
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OTHER OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34167, 34177

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