



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

Agenda Item No.: A-1
Meeting Date: 5/23/2012
City Administrator: [Signature]

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 23rd day of May, 2012.

MICHAEL GOMEZ, CHAIR

ATTEST:

SUZANNE UNDERWOOD, OVERSIGHT BOARD SECRETARY

