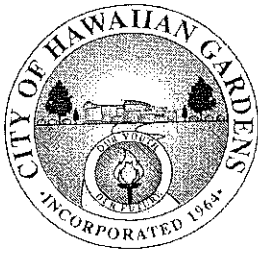


Agenda Item No.: A-1Meeting Date: 7/25/2012

City Administrator: _____



**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: July 25, 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

ABX1 26 requires the Successor Agency of the RDA to adopt and update Recognized Obligation Payment Schedules (ROPS) to cover the six-month periods to be submitted to the County and the State prior to the start of each six-month period (January-June, and July-December of each year). The City Council acting as the Successor Agency for the former Hawaiian Gardens Redevelopment Agency adopted ROPS for the periods of January-June 2012 and July-December 2012 on February 28, 2012 and April 10, 2012, respectively. Subsequently, the California Department of Finance contacted the City indicating that the ROPS schedules need to be revised and resubmitted to the successor agency and Oversight Board showing the source of funds for repayment. The initial schedules were based on forms provided by the County Auditor-Controller. The Successor Agency on May 22, 2012, amended the ROPS to include an additional column to show the funding source for each obligation as directed by the California Department of Finance. The Oversight Board approved the revised ROPS on May 23, 2012.

As expected, the California Department of Finance disallowed some obligations. However, the California Department of Finance subsequently recommended revising the ROPS to identify a different funding source for the repayment of enforceable obligations, the Redevelopment Property Tax Trust Fund, so that some of the disallowed obligations could then be recognized and paid.

The Successor Agency approved the revised ROPS to identify the Redevelopment Property Tax Trust Fund as the funding source for repayment of recognized obligations on June 27, 2012. 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.

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 Department of Finance has recommended additional revisions to the Recognized Obligation Payment Schedules to identify the Redevelopment Property Tax Fund to repay the former Agency's obligations and the Successor Agency adopted the revised Schedules on June 27, 2012; and

WHEREAS, the Oversight Board reviewed the Revised Recognized Obligation Payment Schedules adopted by the Successor Agency on June 27, 2012 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

OTHER OBLIGATION PAYMENT SCHEDULE

Per AB 25 - Section 34167, 34177

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Source of Funds	Total Due During Jan 1 to June 30, 2012	Payments by month												Total						
						Aug**	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun								
Development Fund Deficit	City of Hawaiian Gardens	Loan from City @ 10% Interest	5,578,917.00	Red. Property Tax Trust Fund	0.00							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	\$		
Snapoff/Green property	City of Hawaiian Gardens	Loan from City @ 5% Interest	1,713,783.00	Red. Property Tax Trust Fund	0.00							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	\$	
Administrative Costs	City of Hawaiian Gardens	Administrative Costs	227,553.00	Admin. Cost Allowances	227,553.00							45,511.00	45,511.00	45,511.00	45,511.00	45,511.00	45,511.00	45,511.00	45,511.00	45,511.00		45,511.00	\$	
ERAF	City of Hawaiian Gardens	Loan from Low-Wood Fund to RDA	2,950,050.00	Red. Property Tax Trust Fund	590,010.00							0.00	118,002.00	118,002.00	118,002.00	118,002.00	118,002.00	118,002.00	118,002.00	118,002.00		118,002.00	\$	
K Three-Commercial Rehabilitation	Harmeyer Trust	Architectural and Construction	161,000.00	Red. Property Tax Trust Fund	161,000.00							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	\$	
CC Auto-Commercial Rehabilitation	Miguel Bravo	Architectural and Construction	145,000.00	Red. Property Tax Trust Fund	145,000.00							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	\$	
City Beautification Program	Various	Financial Assistance for Property Improvement	332,000.00	Red. Property Tax Trust Fund	332,000.00							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	\$	
			\$ 10,908,313.00		\$ 1,255,553.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,255,553.00	
Total - Other Obligations			\$ 10,908,313.00		\$ 1,255,553.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,255,553.00	

MINUTES

7/25/2012

**OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY
TO THE REDEVELOPEMNT AGENCY
OF THE CITY OF HAWAIIAN GARDENS**

WEDNESDAY, MAY 23, 2012 AT 3:00 P.M.

CALL TO ORDER

The Regular meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Hawaiian Gardens was called to order by Chairmember Michael Gomez on Wednesday, May 27 2012, at 3:00 p.m. in the City Council Chambers, 21815 Pioneer Boulevard, Hawaiian Gardens, California.

FLAG SALUTE

The Flag Salute was led by Chairmember Gomez.

ROLL CALL
PRESENT

CHAIRMEMBER	MICHAEL GOMEZ
BOARDMEMBER	GORDON STEFENHAGAN
BOARDMEMBER	JOSEPH COLOMBO
BOARDMEMBER	BECKY BLAIR
BOARDMEMBER	DAVID EL FATTAL
BOARDMEMBER	MEL IIZUKA

ABSENT

VICE CHAIRMEMBER	GEORGE FRANZEN
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Sue Underwood, Oversight board Secretary, announced a quorum.

ORAL COMMUNICATIONS

No one wished to speak at this time.

- A. **CONSENT CALENDAR** - Items listed on the Consent Calendar are considered routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item may be removed from the Consent Calendar and will be considered separately.

Chairmember Gomez pulled C1.

2. **PRESENTATION OF MINUTES:**

APRIL 23, 2012	-	REGULAR MEETING: AND
MAY 9, 2012	-	SPECIAL MEETING.

BOARD ACTION: Approve the minutes as presented.

P10

It was moved by Boardmember Stefenhagen, seconded by Boardmember El Fattel and approved by voice vote to adopt the minutes, as presented.

Motion carried. Vice Chairmember Franzen was absent.

AGENDA ITEMS TO BE CONSIDERED SEPERATELY.

1. ADOPT RESOLUTION OB-2012-004, TO APPROVE THE REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR THE PERIODS OF JANUARY 2012 THROUGH JUNE 2012 AND JULY 2012 THROUGH DECEMBER 2012.

RESOLUTION NO. OB-2012-004

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPEMNT AGENCY OF THE CITY OF HAWAIIAN GARDENS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, APPROVING THE REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR THE PERIODS OF JANUARY 2012 THROUGH JUNE 2012 AND JULY 2012 THROUGH DECEMBER 2012.

BOARD ACTION: Waive further reading and adopt Resolution No. OB-2012-004.

Omar Sandoval, City Attorney, presented the staff report and stated that this item had been recently approved by the Board, but that the Department of Finance had requested an additional column to be added that identifies the sources of funding for the repayment of these obligations. Boardmember lizuka asked if the Department of Finance had any additional questions. Mr. Sandoval responded that they did not. Boardmember lizuka asked if the funding for all the programs would come from a reserve balance that was from the prior RDA. Mr. Sandoval responded that it is just the name of the fund. David Sung, Finance Director, stated that that was one of the few selections and that this name fits the questions that the Department of Finance highlighted indicating that they wanted that title used. Boardmember lizuka asked if it was being paid out of the existing property tax that was in the RDA fund. Mr. Sung responded in the affirmative. Boardmember lizuka had another question regarding the other obligation payment schedule, item #2 the loan from the City at 5% interest for 1.7 million. He stated that at the last meeting it had been discussed that there had not been any payments made on the loan, but now there was a payment for this obligation. Mr. Sandoval responded that this would be held off until the Successor Agency could transfer the property to the City and then recommended that the debt be wiped out. Boardmember lizuka asked if the transfer had been made would it still need to be shown on the schedule as an obligation. Mr. Sandoval responded that it would be shown as it was still an obligation as it had not been taken to the City Council as yet. He continued that the Department of Finance had been notified and had been given time to respond and the time limit had expired so this would be brought to the City Council at their next regular meeting.

Boardmember Blair asked if there was 2.5 million in the reserves and that the funding was coming from the reserves. Mr. Sung responded that if the City receives the tax revenue fund that it would be used as a reserve to pay off the bills. He explained that it was part of the tax funds. Boardmember Blair asked for a clarification on page 2, items 2 and 3 that the duties of the obligations provide supporting documentations of those two items, as they may not be enforceable if you look at the amounts of money. She was referring to page 2, item 3 that stated the cost allowance is limited to the greater of 5% of the total obligations payable from the RPTTF or \$250,000 from 2011-2112. Omar Sandoval, City Attorney, responded that it states minimum of \$250,000. He continued that 5% is the maximum and minimum of \$250,000 per fiscal year. Boardmember Blair had a question regarding the City Beautification Program. She requested that the payments be clarified. Mr. Sandoval responded that the program was not to continue, but to complete two projects that had already been started and were midway through the process when the dissolution of the RDA occurred. He continued that the two property owners had an 80/20 grant. The Agency provided 80% of the funding and the property owner provided 20% of the funding. He continued that it was put on hold until the Oversight Board was formed and the Board approved the completion of the two projects.

It was moved by Boardmember Colombo, seconded by Boardmember Stefenhagen and approved by voice vote to waive further reading and adopt Resolution No. OB-2012-004.

Motion carried. Vice Chairmember Franzen was absent.

B. ADJOURNMENT

Chairmember Gomez adjourned the meeting at 3:12 p.m. to the next Regular Meeting to be held on Wednesday, June 27, 2012 at 3:00 p.m. at the City of Hawaiian Gardens, City Council Chambers, 21815 Pioneer Boulevard.

Respectfully Submitted:

Suzanne Underwood
Oversight Board Secretary

APPROVED:

MICHAEL GOMEZ
CHAIRMEMBER

Attest:

Suzanne Underwood
Oversight Board Secretary