City of Culver City, California

Agenda Item Report

Meeting Date: 02/27/2012	Item Number: C-2
BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY AGENDA ITEM: (1) Adoption of a Resolution Adopting the Draft Initial Recognized Obligation Payment Schedule for the Period February 1, 2012 through June 30, 2012, Pursuant to Section 34177(l)(2)(A) of the Health and Safety Code; and (2) Authorization Allowing the Executive Director to Make Such Payments on Behalf of the Successor Agency Utilizing Available Successor Agency Revenues, Including, but not Limited to, Newly Received Property Tax Revenues (formerly Redevelopment Agency Tax Increment Proceeds).	
Contact Person/Dept.: Nick Kimball, Finance	Phone Number: (310) 253-6013
Fiscal Impact: Yes [X] No []	General Fund: Yes [] No [X]
Public Hearing: [] Action Item: []	Attachments: [X]
Commission Action Required: Yes [] No [X]	Date: ________________
Public Notification: (E-Mail) Meetings and Agendas – Successor Agency (02/23/12)	
Department Approval: Jeff Muir (02/21/12)	Successor Agency General Counsel Approval: Carol Schwab (by H. Baker) (02/21/12) Successor Agency Special Council Approval: Murray Kane (02/23/12)
Chief Financial Officer Approval: Jeff Muir (02/21/12)	Executive Director Approval: John Nachbar (02/23/12)

RECOMMENDATION:

Staff recommends the Board of Directors (“Board”) of the Successor Agency to the Culver City Redevelopment Agency (“Successor Agency”) (1) adopt a Resolution adopting the Draft Initial Recognized Obligation Payment Schedule (Draft Initial ROPS) for the period covering February 1, 2012 through June 30, 2012; and (2) authorize the Executive Director to make such payments on behalf of the Successor Agency utilizing available Successor Agency revenues and assets including, but not limited to, newly received property tax revenues (former redevelopment agency tax increment proceeds).

BACKGROUND:

In June 2011, the California Legislature passed ABx1 26 (AB 26) as part of the state budget. AB 26 effectively dissolved all redevelopment agencies statewide. The duty of the successor entity is to administer winding down of former redevelopment agency’s activities, including meeting obligations of the former redevelopment agency, under the supervision of several oversight bodies unrelated to the successor agency.

On January 30, 2012, the City Council and Culver City Redevelopment Agency Board adopted an Amended and Restated Enforceable Obligation Payment Schedule (EOPS) and Draft Recognized Obligation Payment Schedule pursuant to AB 26. The adoption of the Draft Initial ROPS by the Successor Agency will allow the Successor Agency to receive property tax revenues (formerly redevelopment tax increment) to make payments related to enforceable obligations identified in the EOPS until all such obligations have been fully satisfied.

DISCUSSION:

AB 26 requires each Successor Agency adopt a Draft Initial ROPS establishing the payments to be made by the Successor Agency during a specified period. The proposed Draft Initial ROPS may include payments for debt service, obligations to developers and consultants per enforceable obligations (such as existing agreements), Low-Moderate Income Housing loan repayment, and an administrative allowance, to the extent payments will be due during the period of February 1, 2012 through June 30, 2012. As required, the following information is identified for each payment:

- The Project name associated with the obligation;
- The payee;
- A short description of the nature of the work, product, service, facility, or other thing of value for which the payment is to be made; and,
- The amount of payments obligated to be made, preferably by month.

Pursuant to AB 26, the Successor Agency must do the following: (1) adopt a Draft Initial ROPS by March 1, 2012; (2) submit the adopted Draft ROPS to the County Auditor-Controller for review and certification, through the use of an external auditor, and (3) submit the certified ROPS to the Oversight Board for review and approval. A copy of the approved ROPS must be submitted to the Auditor-Controller, the State Controller, and the State Department of Finance no later than April 15, 2012.

FISCAL ANALYSIS:

AB 26 expressly provides that the liability of the Successor Agency is limited to the amount of property tax proceeds it receives from the Redevelopment Property Tax Trust Fund and the value of assets transferred to it as a successor agency for a dissolved redevelopment agency. Therefore, funding for all enforceable obligations, including indebtedness, agreements, contracts, and projects included in the Draft Initial ROPS will be paid from non-City sources, including, but not limited to: low and moderate income housing funds, bond proceeds, reserve balances, the administrative cost allowance, the Redevelopment Property Tax Trust Fund (created by the County Auditor-Controller), and other non-City revenue sources..

No City funds are obligated.

ATTACHMENTS:

1. Resolution Adopting the Draft Initial Recognized Obligation Payment Schedule for the Period February 1, 2012 through June 30, 2012, including Exhibit "A", Draft Initial Recognized Obligations Payment Schedule.

MOTION:

That the Successor Agency Board:

1. Adopt a Resolution Adopting the Draft Initial Recognized Obligation Payment Schedule for the Period February 1, 2012 through June 30, 2012; and,

2. Authorize the Executive Director to file the Draft Initial Recognized Obligation Payment Schedule with the Los Angeles County Auditor-Controller; and,

3. Upon receipt of the certified ROPS from the Los Angeles County Auditor-Controller, authorize the Executive Director to submit such document to the Oversight Board of the Former Culver City Redevelopment Agency; and,

4. Upon receipt of the approved ROPS from the Oversight Board, authorize the Executive Director to submit a copy of such document to the Los Angeles County Auditor-Controller, the State Controller, and the State Department of Finance; and,

5. Authorize the Executive Director to make such payments on behalf of the Successor Agency utilizing available Successor Agency revenues, including, but not limited to, newly received property tax proceeds.