

# REQUEST FOR AGENCY ACTION



AGENCY BOARD MEETING DATE:

JANUARY 30, 2012

TITLE:

**RESOLUTION ESTABLISHING AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO ABX1 26**

AGENCY SECRETARY USE ONLY:

APPROVED

- As Recommended
- As Amended
- Ordinance on 1<sup>st</sup> Reading
- Ordinance on 2<sup>nd</sup> Reading
- Implementing Resolution
- Set Public Hearing For \_\_\_\_\_

CONTINUED TO \_\_\_\_\_

FILE NUMBER \_\_\_\_\_

*Nancy Edwards*  
\_\_\_\_\_  
INTERIM EXECUTIVE DIRECTOR

## RECOMMENDED ACTION

Adopt a Resolution of the Community Redevelopment Agency of the City of Santa Ana establishing an Amended Enforceable Obligation Payment Schedule pursuant to ABX1 26.

## DISCUSSION

On June 28, 2011, the Governor of California signed two bills that impact redevelopment agencies throughout the State, ABX1 26 (Dissolution Bill) and ABX1 27 (Continuation Bill), as part of the 2011-12 State budget. Subsequently, the California Redevelopment Association (CRA) and League of California Cities (League) filed a lawsuit (*CRA v Matosantos*) challenging the constitutionality of this legislation. On December 29, 2011, the Supreme Court issued its ruling and upheld ABX1 26, which provides for the dissolution of redevelopment agencies by February 1, 2012, but struck down ABX1 27, the bill that would have allowed agencies to remain in operation as long as they made specified annual payments to the state.

Prior to February 1, 2012, pursuant to ABX1 26 and as recommended by legal counsel, the Agency needs to adopt an Amended Enforceable Obligation Payment Schedule covering the period of January 1, 2012 through December 31, 2012 (Amended EOPS Exhibit A). The Amended EOPS, will be utilized by the City acting as the Successor Agency until a Recognized Obligation Payment Schedule (ROPS) is approved by the Oversight Board, which will be established as required by the legislation. The City will be making payments for the obligations listed on the Amended EOPS to meet the pre-existing commitments of contracts and obligations that were established prior to the effective date of ABX1 26. The City will also be administering the dissolution of the Agency, including the management and disposition of all assets, properties, contracts, leases, records, buildings and equipment of the former Redevelopment Agency.

Staff, along with legal counsel, will continue to analyze the legislation to determine and implement the additional actions and activities that are needed as part of the dissolution process.

**FISCAL IMPACT**

The Health and Safety Code Section 34173(e) provides: The liability of any successor agency, acting pursuant to the powers granted under the act adding this part, shall be limited to the extent of the total sum of property tax revenues it receives pursuant to this part and the value of assets transferred to it as a successor agency for a dissolved redevelopment agency.

Thus, the City's obligations as Successor Agency are limited by the amount of property taxes and the value of assets it receives in its role as the Successor Agency.



Sandi Gottlieb  
Redevelopment Project Manager

NTE/SG/mlr

Exhibit: 1. Resolution

RESOLUTION NO. 2012-

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA ADOPTING AN AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO ASSEMBLY BILL NUMBER ABX1 26**

BE IT RESOLVED BY THE MEMBERS OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA, AS FOLLOWS:

Section 1. The Community Redevelopment Agency of the City of Santa Ana ("Agency") conclusively finds, determines and declares as follows:

A. The California Supreme Court's decision in the recent *California Redevelopment Agency v. Matosantos* case upheld ABX1 26 which will now control the dissolution and winding down of every California redevelopment agency. ABX1 26 prohibits agencies from taking numerous actions, requires all agencies to wind down their affairs effective immediately, and provides that agencies are deemed to be dissolved as of February 1, 2012.

B. As part of the winding down process, all agencies previously filed the Enforceable Obligation Payment Schedule ("EOPS") that required payments to be made through the end of the calendar year 2011, as required by California Health and Safety Code section 34169(g).

C. Prior to the dissolution of agencies on February 1, the Agency needs to adopt an Amended Enforceable Obligation Payment Schedule covering the period of January 1, 2012 through December 31, 2012 (see Amended EOPS attached hereto and incorporated herein as Exhibit A).

D. On January 9, 2012, pursuant to section 34173 of the California Health & Safety Code, the City of Santa Ana ("City") elected to serve as the successor agency for the former Community Redevelopment Agency of the City of Santa Ana. The successor agency will administer the dissolution of the Agency, including the disposition of all assets, properties, contracts, leases, records, buildings and equipment of the former Agency.

E. Until a Recognized Obligation Payment Schedule is approved by the oversight board, in its role as Successor Agency, the City will make payments for the obligations listed on the Amended Enforceable Obligation Payment Schedule pursuant to California Health & Safety Code section 34177(a)(1).

F. The Agency, City, and successor agency, reserve the right to appeal any determination of the California Director of Finance, the Oversight Board, the County of Orange, or other entity regarding the propriety of requiring this resolution as well as any future determinations.

Section 2. The attached Amended Enforceable Obligation Payment Schedule (Exhibit A) establishes those obligations which the Community Redevelopment Agency of the City of Santa Ana has binding commitments that it has entered into and includes legal commitments that it is obligated to perform through December 31, 2012, to meet the pre-existing commitments of contracts and obligations that were established prior to the effective date of ABX1 26.

Section 3. The Executive Director of the Agency, or her/his designee ("Executive Director"), is directed to file this Amended Enforceable Obligation Payment Schedule in the manner required by law.

Section 4. The Executive Director is further authorized and directed to post the Amended Enforceable Obligation Payment Schedule on the Agency's website and to notify the county auditor-controller, the California Department of Finance, and the Controller of the State concerning this Resolution, the Amended Enforceable Obligation Payment Schedule, and its online publication.

Section 5. The Executive Director is authorized and directed to provide the Amended Enforceable Obligation Payment Schedule to the City of Santa Ana, in its role as the successor agency for the Agency, upon dissolution of the Agency on February 1, 2012, in order for the City to make the payments for obligations listed on the Amended Enforceable Obligation Payment Schedule.

Section 6. This Resolution shall take effect immediately upon its adoption by the Agency Board, and the Agency Secretary shall attest to and certify the vote adopting this Resolution.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Miguel A. Pulido  
Chair

APPROVED AS TO FORM:  
Joseph Straka, Interim General Counsel

By: \_\_\_\_\_  
Lisa E. Storck  
Assistant Counsel

AYES: Boardmembers: \_\_\_\_\_

NOES: Boardmembers: \_\_\_\_\_

ABSTAIN: Boardmembers: \_\_\_\_\_

NOT PRESENT: Boardmembers: \_\_\_\_\_

**CERTIFICATION OF ATTESTATION AND ORIGINALITY**

I, Maria D. Huizar, Secretary of the Agency, do hereby attest to and certify the attached Resolution No. 2012-\_\_\_\_\_ to be the original resolution adopted by the Community Redevelopment Agency of the City of Santa Ana on \_\_\_\_\_, 2012.

Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Community Redevelopment Agency

# **MATERIAL TO FOLLOW**

## **Amended Enforceable Obligation Payment Schedule**

### **Exhibit A**