


NOT ADOPTED

RESOLUTION NO. 2012-01

**A “RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION AS THE NATIONAL CITY
REDEVELOPMENT AGENCY ADOPTING THE APRIL 3,
2012 AMENDED DRAFT INITIAL RECOGNIZED
OBLIGATIONS PAYMENT SCHEDULE.**

This Resolution was not adopted at the Oversight Board Initial
Meeting of April 10, 2012.

April 25, 2012



Secretary

**OVERSIGHT BOARD OF SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: April 10, 2012

AGENDA ITEM NO. 7D

ITEM TITLE:

Resolution of the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency adopting the April 3, 2012 Amended Draft Initial Recognized Obligations Payment Schedule

PREPARED BY: Brad Raulston, Executive Director

DEPARTMENT: Redevelopment

PHONE: X4256

APPROVED BY: _____

EXPLANATION:

The 2011 California Redevelopment Legislation (AB X1 26) was approved by the State Legislature on June 15, 2011 and signed into law by the Governor on June 28, 2011. This Legislation, which provides for the statewide dissolution of redevelopment agencies, required all Redevelopment Agencies to file an Initial Recognized Obligations Payment Schedule.

On January 10, 2012, National City declared itself the successor agency to the Redevelopment Agency and created the Successor Agency to the Community Development Commission as the National City Redevelopment Agency by way of Resolution No. 2012-15. The Successor Agency to the Community Development Commission as the National City Redevelopment Agency adopted the Draft Initial Recognized Obligations Payment Schedule on February 21, 2012 and amended it on April 3, 2012. Staff recommends that the Oversight Board adopt Resolution No. 2012-01, approving a Recognized Obligation Payment Schedule (ROPS) pursuant to Health and Safety Code Section 34177(l).

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO.

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the Resolution

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Amended Draft Initial Recognized Obligations Payment
2. Draft Resolution

RESOLUTION NO. 2012 –

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY ADOPTING
THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE,
AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, AB 1X 26 (“AB 26”) and AB 1X 27 (“AB 27”) were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the California Health and Safety Code (“Health and Safety Code”); and

WHEREAS, the California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.*, Case No. S194861) alleging that AB 26 and AB 27 were unconstitutional; and

WHEREAS, on December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding as constitutional AB 26, invalidating as unconstitutional AB 27, and holding that AB 26 may be severed from AB 27 and enforced independently; and

WHEREAS, the Supreme Court generally reformed and revised the effective dates and deadlines for performance of obligations under Health and Safety Code Part 1.85 of AB 26 arising before May 1, 2012 to take effect four months later, while leaving the effective dates or deadlines for performance of obligations under Health and Safety Code Part 1.8 of AB 26 unchanged; and

WHEREAS, as a result of the Supreme Court’s decision, on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies, and winding down the affairs of the former redevelopment agencies; and

WHEREAS, the City Council adopted Resolution No. 2012-15 on January 10, 2012, pursuant to Part 1.85, electing for the City to serve as the successor agency to the Community Development Commission of the City of National City (“CDC”) upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”); and

WHEREAS, on March 6, 2012, the Successor Agency was established as a separate legal entity through the adoption of Successor Agency Resolution No. 2012-04; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(A) of AB 26, the Successor Agency approved and adopted its first Recognized Obligation Payment Schedule (“ROPS”) on February 21, 2012; and

WHEREAS, the Successor Agency approved and adopted an amended ROPS on April 3, 2012; and

WHEREAS, in accordance with AB 26, the ROPS was prepared using the preliminary draft Initial ROPS prepared and approved by the CDC on September 27, 2011, and

WHEREAS, the Successor Agency's adopted ROPS, which is consistent with the requirements of the Health and Safety Code and other applicable law, is attached to this Resolution as Exhibit "A"; and

WHEREAS, the ROPS approved by the Successor Agency has been reviewed by the Oversight Board for its review and approval; and

WHEREAS, a copy of the approved Amended ROPS shall be submitted by April 15, 2012 to the County Auditor/Controller, both the Controller's office and the Department of Finance, and shall be posted on the Successor Agency's internet website; and

WHEREAS, this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, as follows:

- Section 1. The foregoing recitals are true and correct, and are a substantive part of this Resolution.
- Section 2.
- Section 3. The ROPS, which is attached hereto as Exhibit "A", is approved and adopted.
- Section 4. The Successor Agency is hereby authorized and directed to:
- (i) provide the ROPS to State Department of Finance, State Controller, and County Auditor for their review; and
 - (ii) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution.
- Section 5. The Oversight Board determines that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that

as amended on January 24 and January 31, 2012, pursuant to Health and Safety Code Section 34169(h); and

WHEREAS, according to Health and Safety Code Section 34177(l)(1) of AB 26, for each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, and (v) the Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provision of Part 1.85 of AB 26; and

WHEREAS, according to Health and Safety Code Section 34177(l)(2)(A) of AB 26, the initial draft of the ROPS shall project the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had such a redevelopment agency not been dissolved; and

WHEREAS, once approved by the Successor Agency, the ROPS shall thereafter be reviewed and certified by the County Auditor/Controller, through the use of an external auditor, and submitted to the Oversight Board for review and approval. A copy of the approved ROPS shall be submitted to the County Auditor/Controller and both the Controller's office and the Department of Finance, and shall be posted on the Successor Agency's internet website. The first ROPS shall be submitted to the Controller's office and the Department of Finance by April 15, 2012; and

WHEREAS, Health and Safety Code Section 34177(a)(1) of AB 26 requires the Successor Agency to continue to make payments due for enforceable obligations and, until a ROPS becomes operative, only payments required pursuant to the Enforceable Obligations Payment Schedule shall be made; and

WHEREAS, pursuant to Health and Safety Code Section 34177(a)(3), commencing on May 1, 2012, only payments listed in the ROPS may be made by the Successor Agency from the funds specified in the ROPS and, commencing May 1, 2012, the ROPS shall supersede the Statement of Indebtedness of the CDC; and

WHEREAS, it is the intent of AB 26 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's bi-annual payment obligations by amount and source and, subsequent to the audit and approval of the ROPS as specified in AB 26, the County Auditor/Controller will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

WHEREAS, notwithstanding the provisions of Health and Safety Code Section 34177(a)(1), agreements between the City and the CDC have been included in the ROPS because, among other things, they have been validated by operation of law prior to the Governor's signature of AB 26 on June 28, 2011; and

Resolution No. 2012 –
April 10, 2012
Page Three

will not result in a direct or indirect physical change in the environment,
per section 15378(b)(5) of the Guidelines.

Section 6. This Resolution shall take effect upon the date of its adoption.

PASSED and ADOPTED this 10th day of April, 2012.

Chairperson

ATTEST:

Secretary to the Oversight Board

APPROVED AS TO FORM:

Oversight Board Counsel