

AGENDA

Oversight Board of the City as Successor Agency
for the Community Redevelopment Agency
of the City of Moreno Valley

Regular Meeting

August 29, 2012 -2:00p.m.

Moreno Valley City Hall, Council Chamber
14177 Frederick Street, Moreno Valley

CALL TO ORDER

ROLL CALL/INTRODUCTIONS

PUBLIC COMMENTS

Those wishing to speak should complete and submit a BLUE speaker slip to the Board Secretary. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley and not to any individual Board member, staff member or other person.

REGULAR BUSINESS

1. Approval of Minutes
2. Overview of Redevelopment Trailer Bill AB 1484
3. Housing Assets Report
4. Consideration of a Resolution Approving the Third Recognized Obligation Payment Schedule for the Period of January 1, 2013 through June 30, 2013
5. Consideration of a Resolution Adopting Administrative Budget for the Successor Agency for the Period of January 1, 2013 through June 30, 2013

ADJOURNMENT

Materials related to an item on this Agenda submitted to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley after distribution of the agenda packet are available for public inspection in the Community & Economic Development Department at 14177 Frederick Street during normal business hours.

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Mel Alonzo, ADA Coordinator, at 951.413.3027 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**MINUTES
OVERSIGHT BOARD OF THE CITY AS SUCCESSOR AGENCY
FOR THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MORENO VALLEY**

**REGULAR MEETING – 2:00 P.M.
June 20, 2012**

CALL TO ORDER - Meeting of the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley (Oversight Board) was called to order at 2:00 p.m. by Chairman Moss in the Training Room at Moreno Valley City Hall. Copies of the Agenda and items for review made available to the public.

ROLL CALL/INTRODUCTIONS

Oversight Board:

Glenn Moss	Chairman
Jamil Dada	Board Member
Henry Garcia	Board Member
Mays Kakish	Board Member
David Slawson	Board Member

Absent:

Chris Carlson	Vice-Chair
John Strickler	Board Member
Mark Huebsch	Successor Agency Counsel (Stradling, Yocca, Carlson & Rauth)
Jon Goetz	Oversight Board Counsel – KMTG (Kronick Moskowitz Tiedemann & Girard)

Staff:

Barry Foster	Community & Economic Development Director
Dante Hall	Redevelopment & Neighborhood Programs Administrator
Kandace Baptiste	Board Secretary

Legal Representation:

Bob Hansen	City Attorney - City of Moreno Valley
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PUBLIC COMMENTS

No public comments.

4. APPROVAL OF MINUTES

Motion to Approve Minutes of May 23, 2012 by m/Board Member Dada, s/Board Member Henry Garcia (Approved by a vote of 5-0-2, Carlson, Strickler absent)

5. RESOLUTION APPROVING AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2012 TO JUNE 30, 2012

RESOLUTION NO. OB 2012-14

A Resolution of the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley approving the Amended Recognized Obligation Payment Schedule, for the period of January 1, 2012 to June 30, 2012.

Staff provided a report of modifications to the first period ROPS needed to satisfy concerns expressed by the Department of Finance. Revisions were made to Line Items# 5, 9, 11, 16, 19, 23, 83.

Oversight Board Counsel requested to include Housing Set-Aside Fund Balance as Line Item for clarity on the ROPS.

Motion to Approve the Amended Recognized Obligation Payment Schedule, for the period of January 1, 2012 to June 30, 2012 by m/Board Member Dada, s/Board Member Dave Slawson (Approved by a vote of 5-0-2, Carlson, Strickler absent)

6. ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 2:16 p.m. by unanimous informal consent.

NEXT MEETING

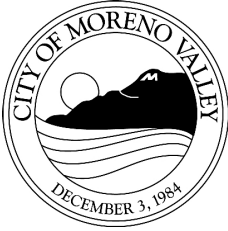
The next meeting of the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley will be held July 11 from 2 – 4 p.m. in the Council Chamber.

Submitted by:

Board Secretary, Kandace Baptiste

Approved by:

Chairman, Glenn Moss



Report to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley

TO: Members of the Board

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: August 29, 2012

TITLE: **OVERVIEW OF REDEVELOPMENT TRAILER BILL AB 1484**

RECOMMENDED ACTION:

Receive and file overview report of the Redevelopment Trailer Bill Assembly Bill 1484.

BACKGROUND:

On June 27, 2012 the California Legislature passed AB 1484. The Governor of California signed the legislation the next day on June 28, 2012. The provisions of this legislation are intended to supplement and replace those contained in last year's AB 26 ("The RDA Dissolution Act"). According to the League of California Cities, the draft bill was expedited through the legislature and appeared in print form only 30 hours before it was formally acted upon by the Assembly.

AB 1484 requires Successor Agencies and Oversight Boards to learn and implement significant new rules of conduct than the rules mandated by last year's ABx1 26. Although AB 1484 provides new flexibility for successor agencies to secure approval of repayment of certain city loans to redevelopment agencies and to use bond proceeds for their original purposes, several provisions may expose the City to penalties and liabilities for the actions and inactions of the Successor Agency. AB 1484 also added many new or modified deadlines that need to be implemented throughout the next several months starting July 12, 2012.

The attachments to this staff report summarize the new major provisions, financial demands, penalties for non-compliance and important deadlines. To date, staff has met all required AB 1484 deadlines and will continue to comply with all provisions. Also attached for your reference is a proposed Oversight Board Meeting Schedule for discussion and consideration.

FISCAL IMPACT:

For non-compliance with the provisions of AB 1484, the California Department of Finance (DOF) and Riverside County Auditor have the exclusive authority to withhold future State sales and property tax payments to the City. In addition, the legislation provides for a \$10,000 per day penalty for not submitting ROPS by September 1, 2012, regardless of the reason or entity withholding approval authority.

ATTACHMENTS/EXHIBITS

- Attachment A – League of California Cities “Overview of AB 1484”
- Attachment B – League of California Cities “Major Provisions of AB 1484”
- Attachment C – League of California Cities “AB 1484: Important Dates”
- Attachment D – Assembly Bill 1484
- Attachment E – Proposed Oversight Board Meeting Schedule

SUCCESSOR AGENCY STAFF:

Prepared by:

Dante Hall
Redevelopment & Neighborhood
Programs Administrator

Approved by:

Barry Foster
Community & Economic
Development Department Director

TO: City Officials
FROM: Chris McKenzie, Executive Director
RE: Overview of Redevelopment Trailer Bill AB 1484 and Next Steps
DATE: June 28, 2012

Executive Summary: The attached documents summarize the provisions and key deadlines contained in the 73-page redevelopment budget trailer bill, AB 1484, approved yesterday. It has many crucial provisions that replace those in last year's AB x1 26, including new and disturbing penalty provisions the League opposed combined with positive provisions requested by the League for repayment of city loans to redevelopment agencies, use of uncommitted bond proceeds, and new procedures for accounting for and disposing of redevelopment real estate assets. We felt it was important to provide you with this information as soon as possible. Updated versions of these documents will be distributed in the next few days and weeks. The League advised the Legislature that the bill's provisions allowing the offset of sales and property tax contain constitutional flaws, and that paired with other provisions will only increase litigation between the state and successor agencies. The League stands ready to assist in the defense of local sales tax and property tax constitutional protections however possible.,

Background: On June 27 the Legislature passed AB 1484, after it appeared in print only 30 hours earlier. While the bill provides important new flexibility (or "safe harbors" provisions) for successor agencies to secure approval of repayment of certain city loans to redevelopment agencies, to use bond proceeds for their original purposes, and to transfer governmental property to the city and other governmental agencies, the bill also contains unacceptable, punitive and unconstitutional provisions designed to force the payment of funds to the counties in a rapid fire fashion. Regrettably, we were not involved in the drafting of the bill, and in the few short hours the League had to review it we offered amendments to remove these disturbing provisions. The Legislature chose to reject the amendments.

As the attached overview and timetable explain, the measure provides that if a local successor agency does not make a payment of property taxes to the county for distribution to other local taxing agencies by no later than July 12, 2012, the successor agency is subject to a civil penalty of 10% of the amount owed (plus a 1.5% per month add-on penalty. Moreover, the bill authorizes the Department of Finance (DOF) to notify the Board of Equalization to suspend sales tax payments to the affected city, effective July 18. Further, a cash penalty of \$10,000 per day can be imposed for failure to submit a ROPS by September 1, 2012. This unprecedented delegation of authority to DOF is both excessive and, in some cases, unconstitutional as explained below.

The League thanked the legislators on both sides of the aisle that opposed or abstained from voting on this measure so the League's amendments could be considered. You can see the roll call of the votes at: <http://www.cacities.org/Top/News/News-Articles/2012/June/Final-Vote-Count-for-Redevelopment-Trailer-Bill-AB>. We urge you to thank them as well.

During our short window to discuss the bill with legislators we pointed out that excluding cities from the drafting of AB 1484 has led to continued drafting errors and distrust at a time when a more collaborative approach would have promoted unity and accuracy. Notwithstanding AB 1484's positive elements, its punitive provisions and the lack of consultation and collaboration has only deepened city officials' distrust of state government.

Constitutional Flaws: The League's Post-Redevelopment Attorney Working Group has already begun discussing the provisions of AB 1484 and its obvious constitutional flaws. The Group will be asked to review and suggest any changes in the attached documents as well. We will send you any updates. Some of the members of the Group have indicated they anticipate the following constitutional claims could figure into future lawsuits concerning the sales tax and property tax clawback provisions.

- **Sales Tax Clawback:** Article XIII, section 24 says the Legislature may not "reallocate, transfer, borrow, appropriate, restrict the use of, or otherwise use the proceeds of any tax imposed or levied by a local government solely for the local government's purposes." The Bradley-Burns sales and use tax is imposed by a local government solely for local government's purposes. AB 1484 "reallocates" the local sales tax to the taxing entities; "restricts the use of" the local sales tax to payment of a penalty; and "otherwise uses" the sales tax to transfer funds to the taxing entities. There is no exception in Article XIII, section 24 that allows the Legislature to "otherwise use" the sales tax to pay a penalty. The prohibition is clear and complete: the Legislature may not "use" the sales tax for any purpose, including payment of a penalty.
- **Property Tax Clawback:** Cities, counties, and special districts cumulatively receive a percentage share of the 1% property tax rate. Article XIII, section 25.5(a) (1) (A) prohibits the Legislature from reallocating property tax so as to reduce this cumulative percentage share. Article XIII, section 25.5(a) (3) prohibits the Legislature from reallocating property tax as between cities, counties, and special districts except with a two-thirds vote. AB 1484 was not approved by two-thirds vote, yet it reallocates city (or county) property tax to other taxing entities if a successor agency does not make certain required payments. A portion of the reallocated property tax will go to school districts, thereby reducing the cumulative percentage share received by cities, counties, and special districts. Further, a portion of the reallocated property tax will go to special districts, thereby reallocating property tax as between cities, counties, and special districts with a majority vote. There is no exception in Article XIII, section 25.5 that allows the Legislature to reallocate property tax as a penalty. The prohibition is clear and complete: No reallocation of city, county or special district property taxes to schools is allowed at all, and no reallocation of property tax among cities, counties and special districts is possible without a two-thirds vote.



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Major Provisions of AB 1484¹

1. Three payments: Successor agency must make three payments:

- July 12: Taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency
- November 9+/-: Low-Moderate Income Housing Fund
- April 10 +/-: Unencumbered cash

In addition to these three payments, if a successor agency did not make complete 2011-12 pass-through payments, amount of payment not made will be deducted from property tax distribution from auditor-controller.²

2. New audit by October 1: Successor agency must retain licensed accountant to audit books:³

- Audit of LMIHF
- Audit of cash assets
- Audit of cash transfers to public agencies and private parties⁴

3. New penalties:

- Failure to make July 12 payment: successor agency subject to civil penalty of 10% of the amount owed plus 1.5% of the amount owed for each month that payment is not made unless DOF finds that payment of penalty will jeopardize payment of enforceable obligations. Until payment is made,

¹ The League will continue to refine this analysis with the assistance of its RDA Attorney Working Group and other city officials.

² Additional information about these payments is found in the Appendix.

³ Agreed-upon procedures audit completed by auditor-controller can substitute for the licensed accountant audit if it includes all statutory requirements

⁴ Successor agency must attempt to recover cash transferred to public agency without an enforceable obligation.

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successor agency may only pay bond debt. City subject to same civil penalty. City will not receive July 18 sales tax payment (up to amount owed).⁵

- Failure to transfer LMIHF funds: Offset of city sales tax or property tax of the amount required to be transferred⁶
- Failure to transfer cash assets: Offset of city sales tax or property tax of the amount required to be transferred⁷
- Failure to recover cash transferred to local agency without enforceable obligation: Offset of sales tax or property tax of the local agency to which the cash was transferred.⁸
- Failure to submit ROPS by September 1, 2012 and subsequent deadlines: City to pay civil penalty of \$10,000 per day for each day beyond deadline

4. Safe Harbor: Finding of Completion⁹

The Department of Finance will issue a finding of completion to a successor agency that pays the following amounts:

- ✓ The amount determined in the audit of the LMIHF¹⁰
- ✓ The amount determined in the audit of all other funds¹¹
- ✓ The amount (if any) owing to taxing entities from the December 2011 property tax payment¹²

The following applies to a successor agency that is issued a finding of completion:

- ✓ Loan agreements entered into between the redevelopment agency and the city are deemed to be enforceable obligations if oversight board makes a finding that loan was for legitimate redevelopment purposes. As enforceable obligations, payments are listed on ROPS¹³.

Repayments of loans may not begin prior to 2013-14 fiscal year at maximum amount described in statute. Repayment amounts received by city must first be used to retire outstanding amounts borrowed and owed to LMIHF of the

⁵ Section 34183.5(b)(2)

⁶ Section 34179.6(h)

⁷ Section 34179.6(h)

⁸ Section 34179.6(h); see, also 34179.8

⁹ Section 34191.1.

¹⁰ Section 34179.6

¹¹ Section 34179.6

¹² Section 34183.5

¹³ DOF continues to retain final authority to approve items listed on ROPS.

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former redevelopment agency for purposes of the SERAF payment. 20% of loan repayment amount must be transferred to LMIH Asset Fund.¹⁴

- ✓ Bond proceeds derived from bonds issued on or before 12/31/10 shall be used for the purposes for which the bonds were sold. Proceeds which cannot be spent consistent with bond covenants shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.¹⁵ Use of bond proceeds listed on ROPS.¹⁶
- ✓ Real property assets: In lieu of the provisions of AB 26 which require disposal of real property assets at the direction of the oversight board, successor agency prepares a long-range property management plan and submits to oversight board and DOF for approval. Permissible uses of property include retention for governmental use; retention for future development; sale of property; use of the property to fulfill enforceable obligations. If plan directs use or liquidation of property for a project identified in an approved redevelopment plan, the property shall transfer to the city. No transfers until plan approved by oversight board and DOF.¹⁷
- ✓ Statute of Limitations: The longer statutes of limitations (2 years) to challenge actions of the former redevelopment agencies do not apply.¹⁸

5. New Power of State Controller¹⁹

AB 1484 directs the Controller to review the activities of successor agencies to determine whether an asset transfer occurred after January 31, 2012, between the successor agency and the city or county that created the redevelopment agency, or any other public agency that was not pursuant to an enforceable obligation on an approved ROPS. The Controller is directed to order the assets returned to the successor agency. "City" is defined very broadly to include any entity which is controlled by the city or for which the city is financially responsible or accountable.²⁰

6. Increase in authority for Department of Finance

- DOF may eliminate or modify any item on an oversight board-approved ROPS. The auditor-controller must distribute property tax in accordance with changes made to the ROPS by DOF. If successor agency disputes DOF

¹⁴ 34191.4(b)(2).

¹⁵ 34191.4(c)

¹⁶ DOF continues to retain final authority to approve items listed on ROPS.

¹⁷ Section 34191.5

¹⁸ Section 33500, 33501

¹⁹ Section 34178.8

²⁰ Section 34167.10. AB 26 directed the State Controller to review asset transfers from redevelopment agencies to the city or county that created the agency that occurred after January 1, 2011. If the city or county was not contractually committed to a third party for the expenditure or encumbrance of those assets, the Controller was directed to order the return the assets to the redevelopment agency or successor agency.

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action, disputed item may be carried on ROPS. If dispute resolved in favor of successor agency in the future, the past allocation of property tax to the successor agency is not changed nor is a "liability" created for any affected taxing entity.²¹

- DOF may review and object to oversight board actions approving (1) establishment of new repayment terms for outstanding loans; and (2) setting aside amounts in reserves as required by bond indentures, and similar documents²²

7. New restrictions on authority of Successor agency

- No new enforceable obligations except (1) as specifically authorized by the statute; (2) in compliance with enforceable obligations that existed prior to June 28, 2011; or (3) to hire staff, acquire professional services and procure insurance.²³
- May not transfer revenues or powers to any other public or private party except pursuant to enforceable obligation on an approved ROPS. Any such transfer of authority or revenues are "void" and successor agency required to reverse transfers. Controller may audit and order return of transfers of authority or revenues.²⁴
- Actions taken by redevelopment agencies pursuant to VARP (Voluntary Alternative Redevelopment Program in AB 27) are "ultra vires" and do not create enforceable obligations.²⁵
- If successor agency exercised power to reenter into agreements with city (section 34178) and agreement was approved by oversight board but rejected by DOF, successor agency and oversight board may not act to restore funding for the reentered agreement.²⁶
- No reestablishment of loan agreements between successor agency and city except pursuant to safe harbor provisions.²⁷

8. Miscellaneous

- City loans to successor agency: City may loan or grant funds for administrative costs, enforceable obligations or project-related expenses. Receipt and use of these funds shall be reflected on the ROPS or in the

²¹ Section 34179(h)

²² Section 34181(f)

²³ Section 34177.3(a); 34177.3(b)

²⁴ Section 34177.3(c)

²⁵ Section 34177.3(d)

²⁶ Section 34178(a)

²⁷ Section 34180(a)

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administrative budget subject to oversight board approval. An enforceable obligation is created for repayment of loans.²⁸

- New Oversight Board Provisions²⁹
 - ✓ Auditor-controller may determine “largest special district”
 - ✓ Section 1090 does not apply to employee representative on oversight board
 - ✓ Oversight board members are protected by immunities applicable to public entities and public employees
 - ✓ Meetings at which oversight board will consider disposal of successor agency assets or allow set-aside of reserves required by bond indentures requires 10 days’ public notice.³⁰
 - ✓ Written notice and information about all oversight board actions must be provided to DOF by electronic means. DOF has 40 (instead of 10) days to review and approve, reject, or modify oversight board action.
 - ✓ Oversight board may direct successor agency to provide additional legal or financial advice.
 - ✓ Authorized to contract with the county or other public or private agencies for administrative support
 - ✓ On matters within its purview, decisions made by oversight board “supersede those made by the successor agency or the staff of the successor agency.”³¹
- New authority for auditor-controller³²: A county auditor-controller can object to an item on the ROPS or to the funding source listed for an item on the ROPS. Objections are sent to DOF to resolve.
- Polanco Act protection for successor agency: Cleanup plans and liability limits of redevelopment agency transferred to successor agency and to housing entity, upon entity’s request.³³
- Limited authority for successor agency to refinance existing debt.³⁴
- Successor agency is separate public entity.³⁵

²⁸ Section 34175(h)

²⁹ Section 34180

³⁰ Section 34181(f)

³¹ Section 34179

³² Section 34182.5

³³ Section 34173(f)

³⁴ Section 34177.5

³⁵ Section 34173(g)

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Appendix – Successor Agency Required Payments/Fund Transfers**✓ Transfer of Unencumbered Balances³⁶**

AB 26 requires that a successor agency transfer unencumbered cash balances and low and moderate income housing funds to the county auditor-controller for distribution to the taxing entities. AB 1484 requires a successor agency to retain the services of a licensed accountant to audit (1) the balance in the LMIHF; (2) the balance in other cash funds; (3) cash payments that were made in compliance with an enforceable obligation; and (4) cash transfers that were made without an enforceable obligation. In addition to transferring the balances in the LMIHF and other cash funds, a successor agency must make efforts to recover the cash transferred without an enforceable obligation.

✓ Payment of December 2011 Taxing Entity Property Tax³⁷

AB 26 distributes property tax through a “waterfall” of payments which includes passthrough payments, payments to successor agencies for enforceable obligations, payments to successor agencies for administrative costs, and payments to taxing entities. The waterfall for the December 2011 property tax payment did not operate as intended because of the stay imposed by the Court in *Matosantos*. The property tax payment to taxing entities was not made. AB 1484 requires successor agencies to make those payments by July 12.

✓ Payment of 2011-12 Passthrough Payments

Some successor agencies made 2011-12 passthrough payments and some did not. AB 1484 requires the auditor-controller to reduce property tax payments to those successor agencies that did not make pass through payments in 2011-12.

³⁶ Section 34179.5; 34179.6

³⁷ Section 34183.5

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AB 1484: Important Dates

- July 9: County auditor-controller notifies successor agency of amount of funds owing taxing entities based upon December 2011 property tax payment¹
- July 12: Successor agency must make payment to auditor-controller for deposit into Redevelopment Property Tax Trust Fund and distribution to taxing entities.²
- July 16: Auditor-controller distributes money received from successor agencies to taxing entities. Monies received after July 12 date distributed within 5 days of receipt.³
- July 18: **City sales tax payment suspended if successor agency doesn't make July 12 payment.**⁴
- August 1: Successor housing entity must submit to DOF a list of housing assets that contains explanation of how assets meet criteria set forth in the law. DOF will prescribe format for list. DOF may object to any of the assets within 30 days. If after meet and confer, DOF continues to object, asset must be returned to the successor agency.⁵
- August 10: Successor housing entity notifies successor agency of any designations of use or commitments of funds that successor housing entity authorizes successor agency to retain.⁶
- August 15 +/-: Oversight board meets to consider ROPS for January 1, 2013 through June 30, 2013 which must be submitted to DOF by September 1.
- September 1: ROPS for January 1, 2013 through June 30, 2013 must be submitted electronically to DOF after oversight board approval.⁷ DOF makes determinations within 45 days. Within 5 days of determination, successor agency may request additional review and meet and confer.

¹ Section 34183.5(b)(2)(A). Note: The statute, that may be drafted in error, states that if June 1 property tax payment has not been made to successor agencies, the amount owing to taxing entities will be deducted from that same June 1 payment (34183.5(b)(1)).

² Section 34183.5(b)(2)(A).

³ Section 34183.5(b)(2)(A).

⁴ Section 34183.5(b)(2)(A)

⁵ Section 34176(a)(2). Definition of "housing asset" found at section 34176(e).

⁶ Section 34179.6(c)

⁷ Section 34177(m). Future ROPS must be submitted to DOF 90 days prior to property tax distribution. **City subject to civil penalty of \$10,000 per day for successor agency's failure to timely submit ROPS (Section 34177(m)(2)).**

July 2, 2012

- October 1: Auditor-controller may provide notice to successor agency of any objections to items on January – June 2013 ROPS.⁸
- October 1: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of the LMIHF conducted by the licensed accountant agency must retain.⁹ Note: licensed accountant must be approved by the county auditor-controller.
- October 1: County auditor-controller completes agreed-upon procedures audit of each redevelopment agency.¹⁰ Auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.¹¹
- October 15: Oversight Board must review, approve, and transmit LMIHF audit to DOF, auditor-controller. Note that oversight board must hold a public session to consider audit at least five business days prior to the meeting of oversight board in which LMIHF audit is considered for approval.¹²
- November 9: Last day for DOF to complete review of LMIHF audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.¹³

W/in 5 days of receipt of DOF

audit findings: Successor agency may request meet and confer to resolve disputes with DOF findings on LMIHF audit.¹⁴ DOF must confirm or modify its determination and decisions within 30 days.

W/in 5 days of receipt of DOF final audit

determination: Successor agency to transfer LMIHF funds to auditor-controller.¹⁵ **City sales tax/property tax may be offset for unfunded amounts.**

December 1: Successor agency may report to auditor-controller that total amount of available revenues will be insufficient to fund enforceable obligations.¹⁶

⁸ Section 34182.5.

⁹ Section 34179.6(a). The requirement to retain a licensed accountant is found in section 34179.5. The audit provided by the county auditor-controller can be substituted for an audit by a licensed accountant if it contains the information required by Section 34179.5.

¹⁰ Section 34182(a)(1).

¹¹ Section 34182(c)(3)

¹² Section 34179.6(c) and (b)

¹³ Section 34179.6(d)

¹⁴ Section 34179.6(e)

¹⁵ Section 34179.6(f)

¹⁶ Section 34183(b)

June 28, 2012

December 15: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of all other fund and account balances by licensed accountant.¹⁷

2013

January 2: Auditor-controller makes distributions of property tax for January – June 2013 ROPS.¹⁸

January 15: Oversight board must review, approve, and transmit other funds audit to DOF, auditor-controller.¹⁹

March 3: Successor agency submits ROPS for July 1, 2013 through December 31, 2013 to DOF after oversight board approval.²⁰

April 1: County auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.²¹

April 1: DOF completes review of other funds audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.²²

April 6 +/-: No later than 5 days after receiving DOF determination on other funds audit, successor agency may request meet and confer to resolve disputes with DOF findings. DOF must confirm or modify its determination and decisions within 30 days.

April 10: +/- Successor agency to transfer other "cash and assets" audit payment to auditor-controller if meet and confer process complete.²³ **City sales tax/property tax may be offset for unfunded amounts.**

May 1: Successor agency reports to auditor-controller if total amount of available revenues will be insufficient to fund enforceable obligations.²⁴

¹⁷ Section 34179.6(a).

¹⁸ Section 34183(b).

¹⁹ Section 34179.6(a).

²⁰ Section 34177(m).

²¹ Section 34182(c)(3)

²² Section 34179.6(a)

²³ Section 34179.6(f). The statute does not allow sufficient time between completion of DOF review on April 1 and required payment on April 10.

²⁴ Section 34183(b).

June 28, 2012

AMENDED IN SENATE JUNE 25, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL**No. 1484**

Introduced by Committee on Budget (Blumenfield (Chair), Alejo, Bonilla, Brownley, Buchanan, Butler, Cedillo, Chesbro, Dickinson, Feuer, Gordon, Huffman, Mitchell, Monning, and Swanson)

January 10, 2012

~~An act relating to the Budget Act of 2012.~~ *An act to amend Section 53760.1 of the Government Code, and to amend Sections 33500, 33501, 34163, 34171, 34173, 34175, 34176, 34177, 34178, 34179, 34180, 34181, 34182, 34183, 34185, 34186, 34187, 34188, and 34189 of, to add Sections 34167.10, 34177.3, 34177.5, 34178.8, 34179.5, 34179.6, 34179.7, 34179.8, 34182.5, 34183.5, 34189.1, 34189.2, and 34189.3 to, to add Chapter 9 (commencing with Section 34191.1) to Part 1.85 of Division 24 of, and to add and repeal Section 34176.5 of, the Health and Safety Code, relating to community redevelopment, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1484, as amended, Committee on Budget. ~~Budget Act of 2012.~~ *Community redevelopment.*

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, and, among other things, provides that an action may be brought to review the validity of specified agency actions, findings, or determinations that occurred after January 1, 2011, within 2 years of the triggering event.

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This bill would toll the time limit for bringing an action until the Department of Finance issues a finding of completion to the successor agency.

Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations, as defined, perform obligations required pursuant to any enforceable obligation, dispose of all assets of the former redevelopment agency, and to remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities.

Existing law authorizes the city, county, or city and county that authorized the creation of a redevelopment agency to retain the housing assets, functions, and powers previously performed by the redevelopment agency, excluding amounts on deposit in the Low and Moderate Income Housing Fund.

The bill would modify provisions relating to the transfer of housing responsibilities associated with dissolved redevelopment agencies and would define the term "housing asset" for these purposes. The bill would impose new requirements on successor agencies with regard to the submittal of the Recognized Obligation Payment Schedule, the conducting of a due diligence review to determine the unobligated balances available for transfer to affected taxing entities, and the recovery and subsequent remittance of funds determined to have been transferred absent an enforceable obligation. The bill would authorize the Department of Finance to issue a finding of completion to a successor agency that completes the due diligence review and meets other requirements. Upon receiving a finding of completion, the bill would authorize the successor agency to participate in a loan repayment program and limited property management activities.

Existing law authorizes the Department of Finance and the Controller to require any documents associated with enforceable obligations to be provided to them in a manner of their choosing.

The bill would authorize the county auditor-controller and the department, under specified circumstances, to require the return of funds improperly spent or transferred to a public entity and would authorize the department and the Controller to require the State Board of Equalization and the county auditor-controller to offset sales and

use tax and property tax allocations, respectively, to the local agency. The bill would authorize the Controller to review the activities of a successor agency to determine if an improper asset transfer had occurred between the successor agency and the city or county that created the former redevelopment agency, and would require the Controller to order the return of these assets if such an asset transfer did occur.

The bill would impose new requirements on the county auditor-controller relating to the allocation of property tax revenues to affected taxing entities during a specified timeframe. By imposing additional duties upon local public officials, the bill would create a state-mandated local program.

The bill would appropriate up to \$22,000,000 to the Department of Finance from the General Fund for costs associated with the bill, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2012.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 53760.1 of the Government Code is
- 2 amended to read:
- 3 53760.1. As used in this article the following terms have the
- 4 following meanings:
- 5 (a) "Chapter 9" means Chapter 9 (commencing with Section
- 6 901) of Title 11 of the United States Code.
- 7 (b) "Creditor" means either of the following:
- 8 (1) An entity that has a noncontingent claim against a
- 9 municipality that arose at the time of or before the commencement
- 10 of the neutral evaluation process and whose claim represents at

1 least five million dollars (\$5,000,000) or comprises more than 5
 2 percent of the local public entity's debt or obligations, whichever
 3 is less.

4 (2) An entity that would have a noncontingent claim against the
 5 municipality upon the rejection of an executory contract or
 6 unexpired lease in a Chapter 9 case and whose claim would
 7 represent at least five million dollars (\$5,000,000) or comprises
 8 more than 5 percent of the local public entity's debt or obligations,
 9 whichever is less.

10 (c) "Debtor" means a local public entity that may file for
 11 bankruptcy under Chapter 9.

12 (d) "Good faith" means participation by a party in the neutral
 13 evaluation process with the intent to negotiate toward a resolution
 14 of the issues that are the subject of the neutral evaluation process,
 15 including the timely provision of complete and accurate
 16 information to provide the relevant parties through the neutral
 17 evaluation process with sufficient information, in a confidential
 18 manner, to negotiate the readjustment of the municipality's debt.

19 (e) "Interested party" means a trustee, a committee of creditors,
 20 an affected creditor, an indenture trustee, a pension fund, a
 21 bondholder, a union that, under its collective bargaining
 22 agreements, has standing to initiate contract or debt restructuring
 23 negotiations with the municipality, or a representative selected by
 24 an association of retired employees of the public entity who receive
 25 income from the public entity convening the neutral evaluation.
 26 A local public entity may invite holders of contingent claims to
 27 participate as interested parties in the neutral evaluation if the local
 28 public entity determines that the contingency is likely to occur and
 29 the claim may represent five million dollars (\$5,000,000) or
 30 comprise more than 5 percent of the local public entity's debt or
 31 obligations, whichever is less.

32 (f) "Local public entity" means any county, city, district, public
 33 authority, public agency, or other entity, without limitation, that
 34 is a municipality as defined in Section 101(40) of Title 11 of the
 35 United States Code (bankruptcy), or that qualifies as a debtor under
 36 any other federal bankruptcy law applicable to local public entities,
 37 *and also includes a successor agency to a redevelopment agency*
 38 *created pursuant to Part 1.85 (commencing with Section 34170)*
 39 *of Division 24 of the Health and Safety Code.* For purposes of this
 40 article, "local public entity" does not include a school district.

1 (g) “Local public entity representative” means the person or
 2 persons designated by the local public agency with authority to
 3 make recommendations and to attend the neutral evaluation on
 4 behalf of the governing body of the municipality.

5 (h) “Neutral evaluation” is a form of alternative dispute
 6 resolution that may be known as mandatory mediation. A “neutral
 7 evaluator” may also be known as a mediator.

8 *SEC. 2. Section 33500 of the Health and Safety Code is*
 9 *amended to read:*

10 33500. (a) Notwithstanding any other provision of law,
 11 including Section 33501, an action may be brought to review the
 12 validity of the adoption or amendment of a redevelopment plan at
 13 any time within 90 days after the date of the adoption of the
 14 ordinance adopting or amending the plan, if the adoption of the
 15 ordinance occurred prior to January 1, 2011.

16 (b) Notwithstanding any other provision of law, including
 17 Section 33501, an action may be brought to review the validity of
 18 any findings or determinations by the agency or the legislative
 19 body at any time within 90 days after the date on which the agency
 20 or the legislative body made those findings or determinations, if
 21 the findings or determinations occurred prior to January 1, 2011.

22 (c) Notwithstanding any other law, including Section 33501,
 23 an action may be brought to review the validity of the adoption or
 24 amendment of a redevelopment plan at any time within two years
 25 after the date of the adoption of the ordinance adopting or
 26 amending the plan, if the adoption of the ordinance occurred after
 27 January 1, 2011.

28 (d) Notwithstanding any other law, including Section 33501,
 29 an action may be brought to review the validity of any findings or
 30 determinations by the agency or the legislative body at any time
 31 within two years after the date on which the agency or the
 32 legislative body made those findings or determinations, if the
 33 findings or determinations occurred after January 1, 2011.

34 (e) *The time limit for bringing an action under subdivision (c)*
 35 *or (d) shall be tolled with respect to the adoptions, findings, and*
 36 *determinations of any former redevelopment agency or its*
 37 *legislative body until the Department of Finance has issued a*
 38 *finding of completion to the successor agency of that former*
 39 *redevelopment agency pursuant to Section 34179.7. Subdivisions*
 40 *(c) and (d) shall not apply to any adoption, finding, or*

1 *determination of any former redevelopment agency or its legislative*
 2 *body after the department has issued a finding of completion to*
 3 *the successor agency of that former redevelopment agency pursuant*
 4 *to Section 34179.7.*

5 *SEC. 3. Section 33501 of the Health and Safety Code is*
 6 *amended to read:*

7 33501. (a) An action may be brought pursuant to Chapter 9
 8 (commencing with Section 860) of Title 10 of Part 2 of the Code
 9 of Civil Procedure to determine the validity of bonds and the
 10 redevelopment plan to be financed or refinanced, in whole or in
 11 part, by the bonds, or to determine the validity of a redevelopment
 12 plan not financed by bonds, including without limiting the
 13 generality of the foregoing, the legality and validity of all
 14 proceedings theretofore taken for or in any way connected with
 15 the establishment of the agency, its authority to transact business
 16 and exercise its powers, the designation of the survey area, the
 17 selection of the project area, the formulation of the preliminary
 18 plan, the validity of the finding and determination that the project
 19 area is predominantly urbanized, and the validity of the adoption
 20 of the redevelopment plan, and also including the legality and
 21 validity of all proceedings theretofore taken and (as provided in
 22 the bond resolution) proposed to be taken for the authorization,
 23 issuance, sale, and delivery of the bonds, and for the payment of
 24 the principal thereof and interest thereon.

25 (b) Notwithstanding subdivision (a), an action to determine the
 26 validity of a redevelopment plan, or amendment to a redevelopment
 27 plan that was adopted prior to January 1, 2011, may be brought
 28 within 90 days after the date of the adoption of the ordinance
 29 adopting or amending the plan.

30 (c) Any action that is commenced on or after January 1, 2011,
 31 which is brought pursuant to Chapter 9 (commencing with Section
 32 860) of Title 10 of Part 2 of the Code of Civil Procedure to
 33 determine the validity or legality of any issue, document, or action
 34 described in subdivision (a), may be brought within two years after
 35 any triggering event that occurred after January 1, 2011. *The time*
 36 *limit for bringing an action under this subdivision shall be tolled*
 37 *with respect to the validity or legality of any issue, document, or*
 38 *action described in subdivision (a) of any former redevelopment*
 39 *agency or its legislative body until the Department of Finance has*
 40 *issued a finding of completion to the successor agency of that*

1 former redevelopment agency pursuant to Section 34179.7. This
 2 subdivision shall not apply to any adoption, finding, or
 3 determination of any former redevelopment agency or its legislative
 4 body after the department has issued a finding of completion to
 5 the successor agency of that former redevelopment agency pursuant
 6 to Section 34179.7.

7 (d) For the purposes of protecting the interests of the state, the
 8 Attorney General and the Department of Finance are interested
 9 persons pursuant to Section 863 of the Code of Civil Procedure in
 10 any action brought with respect to the validity of an ordinance
 11 adopting or amending a redevelopment plan pursuant to this
 12 section.

13 (e) For purposes of contesting the inclusion in a project area of
 14 lands that are enforceably restricted, as that term is defined in
 15 Sections 422 and 422.5 of the Revenue and Taxation Code, or
 16 lands that are in agricultural use, as defined in subdivision (b) of
 17 Section 51201 of the Government Code, the Department of
 18 Conservation, the county agricultural commissioner, the county
 19 farm bureau, the California Farm Bureau Federation, and
 20 agricultural entities and general farm organizations that provide a
 21 written request for notice, are interested persons pursuant to Section
 22 863 of the Code of Civil Procedure, in any action brought with
 23 respect to the validity of an ordinance adopting or amending a
 24 redevelopment plan pursuant to this section.

25 *SEC. 4. Section 34163 of the Health and Safety Code is*
 26 *amended to read:*

27 34163. Notwithstanding Part 1 (commencing with Section
 28 33000), Part 1.5 (commencing with Section 34000), Part 1.6
 29 (commencing with Section 34050), and Part 1.7 (commencing
 30 with Section 34100), or any other law, commencing on the effective
 31 date of this part, an agency shall not have the authority to, and
 32 shall not, do any of the following:

33 (a) Make loans or advances or grant or enter into agreements
 34 to provide funds or provide financial assistance of any sort to any
 35 entity or person for any purpose, including, but not limited to, all
 36 of the following:

37 (1) Loans of moneys or any other thing of value or commitments
 38 to provide financing to nonprofit organizations to provide those
 39 organizations with financing for the acquisition, construction,
 40 rehabilitation, refinancing, or development of multifamily rental

1 housing or the acquisition of commercial property for lease, each
 2 pursuant to Chapter 7.5 (commencing with Section 33741) of Part
 3 1.

4 (2) Loans of moneys or any other thing of value for residential
 5 construction, improvement, or rehabilitation pursuant to Chapter
 6 8 (commencing with Section 33750) of Part 1. These include, but
 7 are not limited to, construction loans to purchasers of residential
 8 housing, mortgage loans to purchasers of residential housing, and
 9 loans to mortgage lenders, or any other entity, to aid in financing
 10 pursuant to Chapter 8 (commencing with Section 33750).

11 (3) The purchase, by an agency, of mortgage or construction
 12 loans from mortgage lenders or from any other entities.

13 (b) Enter into contracts with, incur obligations, or make
 14 commitments to, any entity, whether governmental, tribal, or
 15 private, or any individual or groups of individuals for any purpose,
 16 including, but not limited to, loan agreements, passthrough
 17 agreements, regulatory agreements, services contracts, leases,
 18 disposition and development agreements, joint exercise of powers
 19 agreements, contracts for the purchase of capital equipment,
 20 agreements for redevelopment activities, including, but not limited
 21 to, agreements for planning, design, redesign, development,
 22 demolition, alteration, construction, reconstruction, rehabilitation,
 23 site remediation, site development or improvement, removal of
 24 graffiti, land clearance, and seismic retrofits.

25 (c) Amend or modify existing agreements, obligations, or
 26 commitments with any entity, for any purpose, including, but not
 27 limited to, any of the following:

28 (1) Renewing or extending term of leases or other agreements,
 29 except that the agency may extend lease space for its own use to
 30 a date not to exceed six months after the effective date of the act
 31 adding this part and for a rate no more than 5 percent above the
 32 rate the agency currently pays on a monthly basis.

33 (2) Modifying terms and conditions of existing agreements,
 34 obligations, or commitments.

35 (3) Forgiving all or any part of the balance owed to the agency
 36 on existing loans or extend the term or change the terms and
 37 conditions of existing loans.

38 (4) ~~Increasing its~~ *Making any future* deposits to the Low and
 39 Moderate Income Housing Fund created pursuant to Section

1 33334.3 beyond the minimum level that applied to it as of January
2 1, 2011.

3 (5) Transferring funds out of the Low and Moderate Income
4 Housing Fund, except to meet the minimum housing-related
5 obligations that existed as of January 1, 2011, to make required
6 payments under Sections 33690 and 33690.5, and to borrow funds
7 pursuant to Section 34168.5.

8 (d) Dispose of assets by sale, long-term lease, gift, grant,
9 exchange, transfer, assignment, or otherwise, for any purpose,
10 including, but not limited to, any of the following:

11 (1) Assets, including, but not limited to, real property, deeds of
12 trust, and mortgages held by the agency, moneys, accounts
13 receivable, contract rights, proceeds of insurance claims, grant
14 proceeds, settlement payments, rights to receive rents, and any
15 other rights to payment of whatever kind.

16 (2) Real property, including, but not limited to, land, land under
17 water and waterfront property, buildings, structures, fixtures, and
18 improvements on the land, any property appurtenant to, or used
19 in connection with, the land, every estate, interest, privilege,
20 easement, franchise, and right in land, including rights-of-way,
21 terms for years, and liens, charges, or encumbrances by way of
22 judgment, mortgage, or otherwise, and the indebtedness secured
23 by the liens.

24 (e) Acquire real property by any means for any purpose,
25 including, but not limited to, the purchase, lease, or exercising of
26 an option to purchase or lease, exchange, subdivide, transfer,
27 assume, obtain option upon, acquire by gift, grant, bequest, devise,
28 or otherwise acquire any real property, any interest in real property,
29 and any improvements on it, including the repurchase of developed
30 property previously owned by the agency and the acquisition of
31 real property by eminent domain; provided, however, that nothing
32 in this subdivision is intended to prohibit the acceptance or transfer
33 of title for real property acquired prior to the effective date of this
34 part.

35 (f) Transfer, assign, vest, or delegate any of its assets, funds,
36 rights, powers, ownership interests, or obligations for any purpose
37 to any entity, including, but not limited to, the community, the
38 legislative body, another member of a joint powers authority, a
39 trustee, a receiver, a partner entity, another agency, a nonprofit
40 corporation, a contractual counterparty, a public body, a

1 limited-equity housing cooperative, the state, a political subdivision
 2 of the state, the federal government, any private entity, or an
 3 individual or group of individuals.

4 (g) Accept financial or other assistance from the state or federal
 5 government or any public or private source if the acceptance
 6 necessitates or is conditioned upon the agency incurring
 7 indebtedness as that term is described in this part.

8 *SEC. 5. Section 34167.10 is added to the Health and Safety*
 9 *Code, to read:*

10 *34167.10. (a) Notwithstanding any other law, for purposes of*
 11 *this part and Part 1.85 (commencing with Section 34170), the*
 12 *definition of a city, county, or city and county includes, but is not*
 13 *limited to, the following entities:*

14 (1) *Any reporting entity of the city, county, or city and county*
 15 *for purposes of its comprehensive annual financial report or*
 16 *similar report.*

17 (2) *Any component unit of the city, county, or city and county.*

18 (3) *Any entity which is controlled by the city, county, or city*
 19 *and county, or for which the city, county, or city and county is*
 20 *financially responsible or accountable.*

21 (b) *The following factors shall be considered in determining*
 22 *that an entity is controlled by the city, county, or city and county,*
 23 *and are therefore included in the definition of a city, county, or*
 24 *city and county for purposes of this part and Part 1.85*
 25 *(commencing with Section 34170):*

26 (1) *The city, county, or city and county exercises substantial*
 27 *municipal control over the entity's operations, revenues, or*
 28 *expenditures.*

29 (2) *The city, county, or city and county has ownership or control*
 30 *over the entity's property or facilities.*

31 (3) *The city, county, or city and county and the entity share*
 32 *common or overlapping governing boards, or coterminous*
 33 *boundaries.*

34 (4) *The city, county, or city and county was involved in the*
 35 *creation or formation of the entity.*

36 (5) *The entity performs functions customarily or historically*
 37 *performed by municipalities and financed thorough levies of*
 38 *property taxes.*

1 (6) *The city, county, or city and county provides administrative*
 2 *and related business support for the entity, or assumes the expenses*
 3 *incurred in the normal daily operations of the entity.*

4 (c) *For purposes of this section, it shall not be relevant that the*
 5 *entity is formed as a separate legal entity, nonprofit corporation,*
 6 *or otherwise, or is not subject to the constitution debt limitation*
 7 *otherwise applicable to a city, county, or city and county. The*
 8 *provisions in this section are declarative of existing law as the*
 9 *entities described herein are and were intended to be included*
 10 *within the requirements of this part and Part 1.85 (commencing*
 11 *with Section 34170) and any attempt to determine otherwise would*
 12 *thwart the intent of these two parts.*

13 *SEC. 6. Section 34171 of the Health and Safety Code is*
 14 *amended to read:*

15 34171. The following terms shall have the following meanings:

16 (a) "Administrative budget" means the budget for administrative
 17 costs of the successor agencies as provided in Section 34177.

18 (b) "Administrative cost allowance" means an amount that,
 19 subject to the approval of the oversight board, is payable from
 20 property tax revenues of up to 5 percent of the property tax
 21 allocated to the successor agency ~~for the 2011-12 fiscal year~~ *on*
 22 *the Recognized Obligation Payment Schedule covering the period*
 23 *January 1, 2012, through June 30, 2012, and up to 3 percent of*
 24 *the property tax allocated to the Redevelopment Obligation*
 25 *Retirement Fund money that is allocated to the successor agency*
 26 *for each fiscal year thereafter; provided, however, that the amount*
 27 *shall not be less than two hundred fifty thousand dollars*
 28 *(\$250,000), unless the oversight board reduces this amount, for*
 29 *any fiscal year or such lesser amount as agreed to by the successor*
 30 *agency. However, the allowance amount shall exclude, and shall*
 31 *not apply to, any administrative costs that can be paid from bond*
 32 *proceeds or from sources other than property tax. Administrative*
 33 *cost allowances shall exclude any litigation expenses related to*
 34 *assets or obligations, settlements and judgments, and the costs of*
 35 *maintaining assets prior to disposition. Employee costs associated*
 36 *with work on specific project implementation activities, including,*
 37 *but not limited to, construction inspection, project management,*
 38 *or actual construction, shall be considered project-specific costs*
 39 *and shall not constitute administrative costs.*

1 (c) “Designated local authority” shall mean a public entity
2 formed pursuant to subdivision (d) of Section 34173.

3 (d) (1) “Enforceable obligation” means any of the following:

4 (A) Bonds, as defined by Section 33602 and bonds issued
5 pursuant to ~~Section 58383~~ Chapter 10.5 (commencing with Section
6 5850) of Division 6 of Title 1 of the Government Code, including
7 the required debt service, reserve set-asides, and any other
8 payments required under the indenture or similar documents
9 governing the issuance of the outstanding bonds of the former
10 redevelopment agency. *A reserve may be held when required by*
11 *the bond indenture or when the next property tax allocation will*
12 *be insufficient to pay all obligations due under the provisions of*
13 *the bond for the next payment due in the following half of the*
14 *calendar year.*

15 (B) Loans of moneys borrowed by the redevelopment agency
16 for a lawful purpose, to the extent they are legally required to be
17 repaid pursuant to a required repayment schedule or other
18 mandatory loan terms.

19 (C) Payments required by the federal government, preexisting
20 obligations to the state or obligations imposed by state law, other
21 than passthrough payments that are made by the county
22 auditor-controller pursuant to Section 34183, or legally enforceable
23 payments required in connection with the agencies’ employees,
24 including, but not limited to, pension payments, pension obligation
25 debt service, unemployment payments, or other obligations
26 conferred through a collective bargaining agreement. *Costs*
27 *incurred to fulfill collective bargaining agreements for layoffs or*
28 *terminations of city employees who performed work directly on*
29 *behalf of the former redevelopment agency shall be considered*
30 *enforceable obligations payable from property tax funds. The*
31 *obligations to employees specified in this subparagraph shall*
32 *remain enforceable obligations payable from property tax funds*
33 *for any employee to whom those obligations apply if that employee*
34 *is transferred to the entity assuming the housing functions of the*
35 *former redevelopment agency pursuant to Section 34176. The*
36 *successor agency or designated local authority shall enter into an*
37 *agreement with the housing entity to reimburse it for any costs of*
38 *the employee obligations.*

39 (D) Judgments or settlements entered by a competent court of
40 law or binding arbitration decisions against the former

1 redevelopment agency, other than passthrough payments that are
2 made by the county auditor-controller pursuant to Section 34183.
3 Along with the successor agency, the oversight board shall have
4 the authority and standing to appeal any judgment or to set aside
5 any settlement or arbitration decision.

6 (E) Any legally binding and enforceable agreement or contract
7 that is not otherwise void as violating the debt limit or public
8 policy. However, nothing in this act shall prohibit either the
9 successor agency, with the approval or at the direction of the
10 oversight board, or the oversight board itself from terminating any
11 existing agreements or contracts and providing any necessary and
12 required compensation or remediation for such termination. *Titles*
13 *of or headings used on or in a document shall not be relevant in*
14 *determining the existence of an enforceable obligation.*

15 (F) Contracts or agreements necessary for the administration or
16 operation of the successor agency, in accordance with this part,
17 including, but not limited to, *agreements concerning litigation*
18 *expenses related to assets or obligations, settlements and*
19 *judgements, and the costs of maintaining assets prior to disposition,*
20 *and agreements to purchase or rent office space, equipment and*
21 *supplies, and pay-related expenses pursuant to Section 33127 and*
22 *for carrying insurance pursuant to Section 33134.*

23 (G) Amounts borrowed from, or payments owing to, the Low
24 and Moderate Income Housing Fund of a redevelopment agency,
25 which had been deferred as of the effective date of the act adding
26 this part; provided, however, that the repayment schedule is
27 approved by the oversight board. *Repayments shall be transferred*
28 *to the Low and Moderate Income Housing Asset Fund established*
29 *pursuant to subdivision (d) of Section 34176 as a housing asset*
30 *and shall be used in a manner consistent with the affordable*
31 *housing requirements of the Community Redevelopment Law (Part*
32 *1 (commencing with Section 33000)).*

33 (2) For purposes of this part, “enforceable obligation” does not
34 include any agreements, contracts, or arrangements between the
35 city, county, or city and county that created the redevelopment
36 agency and the former redevelopment agency. However, written
37 agreements entered into (A) at the time of issuance, but in no event
38 later than December 31, 2010, of indebtedness obligations, and
39 (B) solely for the purpose of securing or repaying those
40 indebtedness obligations may be deemed enforceable obligations

1 for purposes of this part. Notwithstanding this paragraph, loan
 2 agreements entered into between the redevelopment agency and
 3 the city, county, or city and county that created it, within two years
 4 of the date of creation of the redevelopment agency, may be
 5 deemed to be enforceable obligations.

6 (3) Contracts or agreements between the former redevelopment
 7 agency and other public agencies, to perform services or provide
 8 funding for governmental or private services or capital projects
 9 outside of redevelopment project areas that do not provide benefit
 10 to the redevelopment project and thus were not properly authorized
 11 under Part 1 (commencing with Section 33000) shall be deemed
 12 void on the effective date of this part; provided, however, that such
 13 contracts or agreements for the provision of housing properly
 14 authorized under Part 1 (commencing with Section 33000) shall
 15 not be deemed void.

16 (e) "Indebtedness obligations" means bonds, notes, certificates
 17 of participation, or other evidence of indebtedness, issued or
 18 delivered by the redevelopment agency, or by a joint exercise of
 19 powers authority created by the redevelopment agency, to
 20 third-party investors or bondholders to finance or refinance
 21 redevelopment projects undertaken by the redevelopment agency
 22 in compliance with the Community Redevelopment Law (Part 1
 23 commencing with Section 33000)).

24 (f) "Oversight board" shall mean each entity established pursuant
 25 to Section 34179.

26 (g) "Recognized obligation" means an obligation listed in the
 27 Recognized Obligation Payment Schedule.

28 (h) "Recognized Obligation Payment Schedule" means the
 29 document setting forth the minimum payment amounts and due
 30 dates of payments required by enforceable obligations for each
 31 six-month fiscal period as provided in subdivision (m) of Section
 32 34177.

33 (i) "School entity" means any entity defined as such in
 34 subdivision (f) of Section 95 of the Revenue and Taxation Code.

35 (j) "Successor agency" means ~~the county, city, or city and county~~
 36 ~~that authorized the creation of each redevelopment agency or~~
 37 ~~another entity~~ *successor entity to the former redevelopment agency*
 38 *as provided described* in Section 34173.

39 (k) "Taxing entities" means cities, counties, a city and county,
 40 special districts, and school entities, as defined in subdivision (f)

1 of Section 95 of the Revenue and Taxation Code, that receive
 2 passthrough payments and distributions of property taxes pursuant
 3 to the provisions of this part.

4 (l) "Property taxes" include all property tax revenues, including
 5 those from unitary and supplemental and roll corrections
 6 applicable to tax increment.

7 (m) "Department" means the Department of Finance unless
 8 the context clearly refers to another state agency.

9 (n) "Sponsoring entity" means the city, county, or city and
 10 county, or other entity that authorized the creation of each
 11 redevelopment agency.

12 (o) "Final judicial determination" means a final judicial
 13 determination made by any state court that is not appealed, or by
 14 a court of appellate jurisdiction that is not further appealed, in an
 15 action by any party.

16 SEC. 7. Section 34173 of the Health and Safety Code is
 17 amended to read:

18 34173. (a) Successor agencies, as defined in this part, are
 19 hereby designated as successor entities to the former redevelopment
 20 agencies.

21 (b) Except for those provisions of the Community
 22 Redevelopment Law that are repealed, restricted, or revised
 23 pursuant to the act adding this part, all authority, rights, powers,
 24 duties, and obligations previously vested with the former
 25 redevelopment agencies, under the Community Redevelopment
 26 Law, are hereby vested in the successor agencies.

27 (c) (1) ~~Where~~ If the redevelopment agency was in the form of
 28 a joint powers authority, and ~~where~~ if the joint powers agreement
 29 governing the formation of the joint powers authority addresses
 30 the allocation of assets and liabilities upon dissolution of the joint
 31 powers authority, then each of the entities that created the former
 32 redevelopment agency may be a successor agency within the
 33 meaning of this part and each shall have a share of assets and
 34 liabilities based on the provisions of the joint powers agreement.

35 (2) ~~Where~~ If the redevelopment agency was in the form of a
 36 joint powers authority, and ~~where~~ if the joint powers agreement
 37 governing the formation of the joint powers authority does not
 38 address the allocation of assets and liabilities upon dissolution of
 39 the joint powers authority, then each of the entities that created
 40 the former redevelopment agency may be a successor agency

1 within the meaning of this part, a proportionate share of the assets
 2 and liabilities shall be based on the assessed value in the project
 3 areas within each entity's jurisdiction, as determined by the county
 4 assessor, in its jurisdiction as compared to the assessed value of
 5 land within the boundaries of the project areas of the former
 6 redevelopment agency.

7 (d) (1) A city, county, city and county, or the entities forming
 8 the joint powers authority that authorized the creation of each
 9 redevelopment agency may elect not to serve as a successor agency
 10 under this part. A city, county, city and county, or any member of
 11 a joint powers authority that elects not to serve as a successor
 12 agency under this part must file a copy of a duly authorized
 13 resolution of its governing board to that effect with the county
 14 auditor-controller no later than January 13, 2012.

15 (2) The determination of the first local agency that elects to
 16 become the successor agency shall be made by the county
 17 auditor-controller based on the earliest receipt by the county
 18 auditor-controller of a copy of a duly adopted resolution of the
 19 local agency's governing board authorizing such an election. As
 20 used in this section, "local agency" means any city, county, city
 21 and county, or special district in the county of the former
 22 redevelopment agency.

23 (3) (A) If no local agency elects to serve as a successor agency
 24 for a dissolved redevelopment agency, a public body, referred to
 25 herein as a "designated local authority" shall be immediately
 26 formed, pursuant to this part, in the county and shall be vested
 27 with all the powers and duties of a successor agency as described
 28 in this part. The Governor shall appoint three residents of the
 29 county to serve as the governing board of the authority. The
 30 designated local authority shall serve as successor agency until a
 31 local agency elects to become the successor agency in accordance
 32 with this section.

33 (B) *Designated local authority members are protected by the*
 34 *immunities applicable to public entities and public employees*
 35 *governed by Part 1 (commencing with Section 810) and Part 2*
 36 *(commencing with Section 814) of Division 3.6 of Title 1 of the*
 37 *Government Code.*

38 (4) *A city, county, or city and county, or the entities forming the*
 39 *joint powers authority that authorized the creation of a*
 40 *redevelopment agency and that elected not to serve as the successor*

1 agency under this part, may subsequently reverse this decision
 2 and agree to serve as the successor agency pursuant to this section.
 3 Any reversal of this decision shall not become effective for 60 days
 4 after notice has been given to the current successor agency and
 5 the oversight board and shall not invalidate any action of the
 6 successor agency or oversight board taken prior to the effective
 7 date of the transfer of responsibility.

8 (e) The liability of any successor agency, acting pursuant to the
 9 powers granted under the act adding this part, shall be limited to
 10 the extent of the total sum of property tax revenues it receives
 11 pursuant to this part and the value of assets transferred to it as a
 12 successor agency for a dissolved redevelopment agency.

13 (f) Any existing cleanup plans and liability limits authorized
 14 under the Polanco Redevelopment Act (Article 12.5 (commencing
 15 with Section 33459) of Chapter 4 of Part 1) shall be transferred
 16 to the successor agency and may be transferred to the successor
 17 housing entity at that entity's request.

18 (g) A successor agency is a separate public entity from the
 19 public agency that provides for its governance and the two entities
 20 shall not merge. The liabilities of the former redevelopment agency
 21 shall not be transferred to the sponsoring entity and the assets
 22 shall not become assets of the sponsoring entity. A successor
 23 agency has its own name, can be sued, and can sue. All litigation
 24 involving a redevelopment agency shall automatically be
 25 transferred to the successor agency. The separate former
 26 redevelopment agency employees shall not automatically become
 27 sponsoring entity employees of the sponsoring entity and the
 28 successor agency shall retain its own collective bargaining status.
 29 As successor entities, successor agencies succeed to the
 30 organizational status of the former redevelopment agency, but
 31 without any legal authority to participate in redevelopment
 32 activities, except to complete any work related to an approved
 33 enforceable obligation. Each successor agency shall be deemed
 34 to be a local entity for purposes of the Ralph M. Brown Act
 35 (Chapter 9 (commencing with Section 54950) of Part 1 of Division
 36 2 of Title 5 of the Government Code).

37 (h) The city, county, or city and county that authorized the
 38 creation of a redevelopment agency may loan or grant funds to a
 39 successor agency for administrative costs, enforceable obligations,
 40 or project-related expenses at the city's discretion, but the receipt

1 *and use of these funds shall be reflected on the Recognized*
 2 *Obligation Payment Schedule or the administrative budget and*
 3 *therefore are subject to the oversight and approval of the oversight*
 4 *board. An enforceable obligation shall be deemed to be created*
 5 *for the repayment of those loans.*

6 *(i) At the request of the city, county, or city and county,*
 7 *notwithstanding Section 33205, all land use related plans and*
 8 *functions of the former redevelopment agency are hereby*
 9 *transferred to the city, county, or city and county that authorized*
 10 *the creation of a redevelopment agency; provided, however, that*
 11 *the city, county, or city and county shall not create a new project*
 12 *area, add territory to, or expand or change the boundaries of a*
 13 *project area, or take any action that would increase the amount*
 14 *of obligated property tax (formerly tax increment) necessary to*
 15 *fulfill any existing enforceable obligation beyond what was*
 16 *authorized as of June 27, 2011.*

17 *SEC. 8. Section 34175 of the Health and Safety Code is*
 18 *amended to read:*

19 34175. (a) It is the intent of this part that pledges of revenues
 20 associated with enforceable obligations of the former
 21 redevelopment agencies are to be honored. It is intended that the
 22 cessation of any redevelopment agency shall not affect either the
 23 pledge, the legal existence of that pledge, or the stream of revenues
 24 available to meet the requirements of the pledge.

25 (b) All assets, properties, contracts, leases, books and records,
 26 buildings, and equipment of the former redevelopment agency are
 27 transferred on February 1, 2012, to the control of the successor
 28 agency, for administration pursuant to the provisions of this part.
 29 This includes all cash or cash equivalents and amounts owed to
 30 the redevelopment agency as of February 1, 2012. *Any legal or*
 31 *contractual restrictions on the use of these funds or assets shall*
 32 *also be transferred to the successor agency.*

33 *SEC. 9. Section 34176 of the Health and Safety Code is*
 34 *amended to read:*

35 34176. (a) (1) The city, county, or city and county that
 36 authorized the creation of a redevelopment agency may elect to
 37 retain the housing assets and functions previously performed by
 38 the redevelopment agency. If a city, county, or city and county
 39 elects to retain the ~~responsibility for performing~~ *authority to*
 40 *perform* housing functions previously performed by a

1 redevelopment agency, all rights, powers, duties, ~~and~~ obligations,
 2 *and housing assets, as defined in subdivision (e)*, excluding any
 3 amounts on deposit in the Low and Moderate Income Housing
 4 Fund *and enforceable obligations retained by the successor agency*,
 5 shall be transferred to the city, county, or city and county.

6 (2) *The entity assuming the housing functions of the former*
 7 *redevelopment agency shall submit to the Department of Finance*
 8 *by August 1, 2012, a list of all housing assets that contains an*
 9 *explanation of how the assets meet the criteria specified in*
 10 *subdivision (e). The Department of Finance shall prescribe the*
 11 *format for the submission of the list. The list shall include assets*
 12 *transferred between February 1, 2012, and the date upon which*
 13 *the list is created. The department shall have up to 30 days from*
 14 *the date of receipt of the list to object to any of the assets or*
 15 *transfers of assets identified on the list. If the Department of*
 16 *Finance objects to assets on the list, the entity assuming the*
 17 *housing functions of the former redevelopment agency may request*
 18 *a meet and confer process within five business days of receiving*
 19 *the department objection. If the transferred asset is deemed not to*
 20 *be a housing asset as defined in subdivision (e), it shall be returned*
 21 *to the successor agency and the provision of Section 34178.8 may*
 22 *apply. If a housing asset has been previously pledged to pay for*
 23 *bonded indebtedness, the successor agency shall maintain control*
 24 *of the asset in order to pay for the bond debt.*

25 (b) If a city, county, or city and county does not elect to retain
 26 the responsibility for performing housing functions previously
 27 performed by a redevelopment agency, all rights, powers, assets,
 28 ~~liabilities~~, duties, and obligations associated with the housing
 29 activities of the agency, excluding *enforceable obligations retained*
 30 *by the successor agency* and any amounts in the Low and Moderate
 31 Income Housing Fund, shall be transferred as follows:

32 (1) ~~Where~~ *If* there is no local housing authority in the territorial
 33 jurisdiction of the former redevelopment agency, to the Department
 34 of Housing and Community Development.

35 (2) ~~Where~~ *If* there is one local housing authority in the territorial
 36 jurisdiction of the former redevelopment agency, to that local
 37 housing authority.

38 (3) ~~Where~~ *If* there is more than one local housing authority in
 39 the territorial jurisdiction of the former redevelopment agency, to

1 the local housing authority selected by the city, county, or city and
2 county that authorized the creation of the redevelopment agency.

3 (c) Commencing on the operative date of this part, the entity
4 ~~assuming that assumes~~ the housing functions formerly performed
5 by the redevelopment agency ~~and receives the transferred housing~~
6 ~~assets~~ may enforce affordability covenants and perform related
7 activities pursuant to applicable provisions of the Community
8 Redevelopment Law (Part 1 (commencing with Section ~~33000~~)
9 33000)), including, but not limited to, Section 33418.

10 (d) *Except as specifically provided in Section 34191.4, any funds*
11 *transferred to the city, county, or city and county or designated*
12 *entity pursuant to this section, together with any funds generated*
13 *from housing assets, as defined in subdivision (e), shall be*
14 *maintained in a separate Low and Moderate Income Housing Asset*
15 *Fund which is hereby created in the accounts of the entity assuming*
16 *the housing functions pursuant to this section. Funds in this*
17 *account shall be used in accordance with applicable*
18 *housing-related provisions of the Community Redevelopment Law*
19 *(Part 1 (commencing with Section 33000)).*

20 (e) For purposes of this part, "housing asset" includes all of
21 the following:

22 (1) *Any real property, interest in, or restriction on the use of*
23 *real property, whether improved or not, and any personal property*
24 *provided in residences, including furniture and appliances, all*
25 *housing-related files and loan documents, office supplies, software*
26 *licenses, and mapping programs, that were acquired for low- and*
27 *moderate-income housing purposes, either by purchase or through*
28 *a loan, in whole or in part, with any source of funds.*

29 (2) *Any funds that are encumbered by an enforceable obligation*
30 *to build or acquire low- and moderate-income housing, as defined*
31 *by the Community Redevelopment Law (Part 1 (commencing with*
32 *Section 33000)) unless required in the bond covenants to be used*
33 *for repayment purposes of the bond.*

34 (3) *Any loan or grant receivable, funded from the Low and*
35 *Moderate Income Housing Fund, from homebuyers, homeowners,*
36 *nonprofit or for-profit developers, and other parties that require*
37 *occupancy by persons of low or moderate income as defined by*
38 *the Community Redevelopment Law (Part 1 (commencing with*
39 *Section 33000)).*

1 (4) Any funds derived from rents or operation of properties
2 acquired for low- and moderate-income housing purposes by other
3 parties that were financed with any source of funds, including
4 residual receipt payments from developers, conditional grant
5 repayments, cost savings and proceeds from refinancing, and
6 principal and interest payments from homebuyers subject to
7 enforceable income limits.

8 (5) A stream of rents or other payments from housing tenants
9 or operators of low- and moderate-income housing financed with
10 any source of funds that are used to maintain, operate, and enforce
11 the affordability of housing or for enforceable obligations
12 associated with low- and moderate-income housing.

13 (6) (A) Repayments of loans or deferrals owed to the Low and
14 Moderate Income Housing Fund pursuant to subparagraph (G)
15 of paragraph (1) of subdivision (d) of Section 34171, which shall
16 be used consistent with the affordable housing requirements in the
17 Community Redevelopment Law (Part 1 (commencing with Section
18 33000)).

19 (B) Loan or deferral repayments shall not be made prior to the
20 2013–14 fiscal year. Beginning in the 2013–14 fiscal year, the
21 maximum repayment amount authorized each fiscal year for
22 repayments made pursuant to this paragraph and subdivision (b)
23 of Section 34191.4 combined shall be equal to one-half of the
24 increase between the amount distributed to taxing entities pursuant
25 to paragraph (4) of subdivision (a) of Section 34183 in that fiscal
26 year and the amount distributed to taxing entities pursuant to that
27 paragraph in the 2012–13 base year. Loan or deferral repayments
28 made pursuant to this paragraph shall take priority over amounts
29 to be repaid pursuant to subdivision (b) of Section 34191.4.

30 (f) If a development includes both low- and moderate-income
31 housing that meets the definition of a housing asset under
32 subdivision (e) and other types of property use, including, but not
33 limited to, commercial use, governmental use, open space, and
34 parks, the oversight board shall consider the overall value to the
35 community as well as the benefit to taxing entities of keeping the
36 entire development intact or dividing the title and control over the
37 property between the housing successor and the successor agency
38 or other public or private agencies. The disposition of those assets
39 may be accomplished by a revenue-sharing arrangement as

1 approved by the oversight board on behalf of the affected taxing
2 entities.

3 (g) (1) (A) The entity assuming the housing functions pursuant
4 to this section may designate the use of and commit indebtedness
5 obligation proceeds that remain after the satisfaction of
6 enforceable obligations that have been approved in a Recognized
7 Obligation Payment Schedule and that are consistent with the
8 indebtedness obligation covenants. The proceeds shall be derived
9 from indebtedness obligations that were issued for the purposes
10 of affordable housing prior to January 1, 2011, and were backed
11 by the Low and Moderate Income Housing Fund. Enforceable
12 obligations may be satisfied by the creation of reserves for the
13 projects that are the subject of the enforceable obligation that are
14 consistent with the contractual obligations for those projects, or
15 by expending funds to complete the projects.

16 (B) The entity assuming the housing functions pursuant to this
17 section shall provide notice to the successor agency of any
18 designations of use or commitments of funds specified in
19 subparagraph (A) that it wishes to make at least 20 days before
20 the deadline for submission of the Recognized Obligation Payment
21 Schedule to the oversight board. Commitments and designations
22 shall not be valid and binding on any party until they are included
23 in an approved and valid Recognized Obligation Payment
24 Schedule. The review of these designations and commitments by
25 the successor agency, oversight board, and Department of Finance
26 shall be limited to a determination that the designations and
27 commitments are consistent with bond covenants and that there
28 are sufficient funds available.

29 (2) Funds shall be used and committed in a manner consistent
30 with the purposes of the Low and Moderate Income Housing Asset
31 Fund. Notwithstanding any other law, the successor agency shall
32 retain and expend the excess housing obligation proceeds at the
33 discretion of the succeeding housing entity, provided that the
34 successor agency ensures that the proceeds are expended in a
35 manner consistent with the indebtedness obligation covenants and
36 with any requirements relating to the tax status of those
37 obligations. The amount expended shall not exceed the amount of
38 indebtedness obligation proceeds available and such expenditure
39 shall constitute the creation of excess housing proceeds
40 expenditures to be paid from the excess proceeds. Excess housing

1 *proceeds expenditures shall be listed separately on the Recognized*
 2 *Obligation Payment Schedule submitted by the successor agency.*

3 *SEC. 10. Section 34176.5 is added to the Health and Safety*
 4 *Code, to read:*

5 *34176.5. (a) Notwithstanding any other law, the Director of*
 6 *Finance is authorized to contract with auditors, lawyers, and other*
 7 *types of advisors and consultants to assist, advise, and represent*
 8 *the director and the Department of Finance in any matter or action*
 9 *arising out of or contemplated by this part or Part 1.8 (commencing*
 10 *with Section 34161). In furtherance of this authorization, Sections*
 11 *14827.1, 14827.2, and 14838 of the Government Code, and Article*
 12 *4 (commencing with Section 10335) of Chapter 2 of Part 2 of*
 13 *Division 2 of and Section 10295 of, the Public Contract Code shall*
 14 *not apply to any agreement entered into by the director pursuant*
 15 *to this section.*

16 *(b) In addition to the waivers of statute provided in subdivision*
 17 *(a), Section 6072 of the Business and Professions Code shall not*
 18 *apply to the legal services agreement entered into by the director*
 19 *pursuant to this section.*

20 *(c) This section shall remain in effect only until January 1, 2014,*
 21 *and as of that date is repealed, unless a later enacted statute, that*
 22 *is enacted before January 1, 2014, deletes or extends that date.*

23 *SEC. 11. Section 34177 of the Health and Safety Code is*
 24 *amended to read:*

25 *34177. Successor agencies are required to do all of the*
 26 *following:*

27 *(a) Continue to make payments due for enforceable obligations.*

28 *(1) On and after February 1, 2012, and until a Recognized*
 29 *Obligation Payment Schedule becomes operative, only payments*
 30 *required pursuant to an enforceable obligations payment schedule*
 31 *shall be made. The initial enforceable obligation payment schedule*
 32 *shall be the last schedule adopted by the redevelopment agency*
 33 *under Section 34169. However, payments associated with*
 34 *obligations excluded from the definition of enforceable obligations*
 35 *by paragraph (2) of subdivision-(e) (d) of Section 34171 shall be*
 36 *excluded from the enforceable obligations payment schedule and*
 37 *be removed from the last schedule adopted by the redevelopment*
 38 *agency under Section 34169 prior to the successor agency adopting*
 39 *it as its enforceable obligations payment schedule pursuant to this*
 40 *subdivision. The enforceable obligation payment schedule may*

1 be amended by the successor agency at any public meeting and
 2 shall be subject to the approval of the oversight board as soon as
 3 the board has sufficient members to form a quorum. *In recognition*
 4 *of the fact that the timing of the California Supreme Court's ruling*
 5 *in the case California Redevelopment Association v. Matosantos*
 6 *(2011) 53 Cal.4th 231 delayed the preparation by successor*
 7 *agencies and the approval by oversight boards of the January 1,*
 8 *2012, through June 30, 2012, Recognized Obligation Payment*
 9 *Schedule, a successor agency may amend the Enforceable*
 10 *Obligation Payment Schedule to authorize the continued payment*
 11 *of enforceable obligations until the time that the January 1, 2012,*
 12 *through June 30, 2012, Recognized Obligation Payment Schedule*
 13 *has been approved by the oversight board and by the Department*
 14 *of Finance.*

15 (2) The Department of Finance and the Controller shall each
 16 have the authority to require any documents associated with the
 17 enforceable obligations to be provided to them in a manner of their
 18 choosing. Any taxing entity, the department, and the Controller
 19 shall each have standing to file a judicial action to prevent a
 20 violation under this part and to obtain injunctive or other
 21 appropriate relief.

22 (3) Commencing on ~~May 1, 2012~~ *the date the Recognized*
 23 *Obligation Payment Schedule is valid pursuant to subdivision (1),*
 24 *only those payments listed in the Recognized Obligation Payment*
 25 *Schedule may be made by the successor agency from the funds*
 26 *specified in the Recognized Obligation Payment Schedule. In*
 27 *addition, ~~commencing May 1, 2012~~ after it becomes valid, the*
 28 *Recognized Obligation Payment Schedule shall supersede the*
 29 *Statement of Indebtedness, which shall no longer be prepared nor*
 30 *have any effect under the Community Redevelopment Law (Part*
 31 *1 (commencing with Section 33000)).*

32 (4) Nothing in the act adding this part is to be construed as
 33 preventing a successor agency, with the prior approval of the
 34 oversight board, as described in Section 34179, from making
 35 payments for enforceable obligations from sources other than those
 36 listed in the Recognized Obligation Payment Schedule.

37 (5) From February 1, 2012, to July 1, 2012, a successor agency
 38 shall have no authority and is hereby prohibited from accelerating
 39 payment or making any lump-sum payments that are intended to

1 prepay loans unless such accelerated repayments were required
2 prior to the effective date of this part.

3 (b) Maintain reserves in the amount required by indentures,
4 trust indentures, or similar documents governing the issuance of
5 outstanding redevelopment agency bonds.

6 (c) Perform obligations required pursuant to any enforceable
7 obligation.

8 (d) Remit unencumbered balances of redevelopment agency
9 funds to the county auditor-controller for distribution to the taxing
10 entities, including, but not limited to, the unencumbered balance
11 of the Low and Moderate Income Housing Fund of a former
12 redevelopment agency. In making the distribution, the county
13 auditor-controller shall utilize the same methodology for allocation
14 and distribution of property tax revenues provided in Section
15 34188.

16 (e) Dispose of assets and properties of the former redevelopment
17 agency as directed by the oversight board; provided, however, that
18 the oversight board may instead direct the successor agency to
19 transfer ownership of certain assets pursuant to subdivision (a) of
20 Section 34181. The disposal is to be done expeditiously and in a
21 manner aimed at maximizing value. Proceeds from asset sales and
22 related funds that are no longer needed for approved development
23 projects or to otherwise wind down the affairs of the agency, each
24 as determined by the oversight board, shall be transferred to the
25 county auditor-controller for distribution as property tax proceeds
26 under Section 34188. *The requirements of this subdivision shall*
27 *not apply to a successor agency that has been issued a finding of*
28 *completion by the Department of Finance pursuant to Section*
29 *34179.7.*

30 (f) Enforce all former redevelopment agency rights for the
31 benefit of the taxing entities, including, but not limited to,
32 continuing to collect loans, rents, and other revenues that were due
33 to the redevelopment agency.

34 (g) Effectuate transfer of housing functions and assets to the
35 appropriate entity designated pursuant to Section 34176.

36 (h) Expeditiously wind down the affairs of the redevelopment
37 agency pursuant to the provisions of this part and in accordance
38 with the direction of the oversight board.

39 (i) Continue to oversee development of properties until the
40 contracted work has been completed or the contractual obligations

1 of the former redevelopment agency can be transferred to other
 2 parties. Bond proceeds shall be used for the purposes for which
 3 bonds were sold unless the purposes can no longer be achieved,
 4 in which case, the proceeds may be used to defease the bonds.

5 (j) Prepare a proposed administrative budget and submit it to
 6 the oversight board for its approval. The proposed administrative
 7 budget shall include all of the following:

8 (1) Estimated amounts for successor agency administrative costs
 9 for the upcoming six-month fiscal period.

10 (2) Proposed sources of payment for the costs identified in
 11 paragraph (1).

12 (3) Proposals for arrangements for administrative and operations
 13 services provided by a city, county, city and county, or other entity.

14 (k) Provide administrative cost estimates, from its approved
 15 administrative budget that are to be paid from property tax revenues
 16 deposited in the Redevelopment Property Tax Trust Fund, to the
 17 county auditor-controller for each six-month fiscal period.

18 (l) (1) Before each six-month fiscal period, prepare a
 19 Recognized Obligation Payment Schedule in accordance with the
 20 requirements of this paragraph. For each recognized obligation,
 21 the Recognized Obligation Payment Schedule shall identify one
 22 or more of the following sources of payment:

23 (A) Low and Moderate Income Housing Fund.

24 (B) Bond proceeds.

25 (C) Reserve balances.

26 (D) Administrative cost allowance.

27 (E) The Redevelopment Property Tax Trust Fund, but only to
 28 the extent no other funding source is available or when payment
 29 from property tax revenues is required by an enforceable obligation
 30 or by the provisions of this part.

31 (F) Other revenue sources, including rents, concessions, asset
 32 sale proceeds, interest earnings, and any other revenues derived
 33 from the former redevelopment agency, as approved by the
 34 oversight board in accordance with this part.

35 (2) A Recognized Obligation Payment Schedule shall not be
 36 deemed valid unless all of the following conditions have been met:

37 (A) A ~~draft~~ Recognized Obligation Payment Schedule is
 38 prepared by the successor agency for the enforceable obligations
 39 of the former redevelopment agency ~~by March 1, 2012. From~~
 40 ~~October 1, 2011, to July 1, 2012, the. The initial draft of that~~

1 schedule shall project the dates and amounts of scheduled payments
 2 for each enforceable obligation for the remainder of the time period
 3 during which the redevelopment agency would have been
 4 authorized to obligate property tax increment had ~~such the~~ a
 5 redevelopment agency not been dissolved, ~~and shall be reviewed~~
 6 ~~and certified, as to its accuracy, by an external auditor designated~~
 7 ~~pursuant to Section 34182.~~

8 (B) ~~The certified~~ Recognized Obligation Payment Schedule is
 9 submitted to and duly approved by the oversight board. *The*
 10 *successor agency shall submit a copy of the Recognized Obligation*
 11 *Payment Schedule to the county administrative officer, the county*
 12 *auditor-controller, and the Department of Finance at the same*
 13 *time that the successor agency submits the Recognized Obligation*
 14 *Payment Schedule to the oversight board for approval.*

15 (C) A copy of the approved Recognized Obligation Payment
 16 Schedule is submitted to the county auditor-controller and both
 17 the Controller's office and the Department of Finance and be posted
 18 on the successor agency's Internet Web site.

19 (3) The Recognized Obligation Payment Schedule shall be
 20 forward looking to the next six months. The first Recognized
 21 Obligation Payment Schedule shall be submitted to the Controller's
 22 office and the Department of Finance by April 15, 2012, for the
 23 period of January 1, 2012, to June 30, 2012, inclusive. *This*
 24 *Recognized Obligation Payment Schedule shall include all*
 25 *payments made by the former redevelopment agency between*
 26 *January 1, 2012, through January 31, 2012, and shall include all*
 27 *payments proposed to be made by the successor agency from*
 28 *February 1, 2012, through June 30, 2012.* Former redevelopment
 29 agency enforceable obligation payments due, and reasonable or
 30 necessary administrative costs due or incurred, prior to January 1,
 31 2012, shall be made from property tax revenues received in the
 32 spring of 2011 property tax distribution, and from other revenues
 33 and balances transferred to the successor agency.

34 (m) *The Recognized Obligation Payment Schedule for the period*
 35 *of January 1, 2013, to June 30, 2013, shall be submitted by the*
 36 *successor agency, after approval by the oversight board, no later*
 37 *than September 1, 2012. Commencing with the Recognized*
 38 *Obligation Payment Schedule covering the period July 1, 2013,*
 39 *through December 31, 2013, successor agencies shall submit an*
 40 *oversight board-approved Recognized Obligation Payment*

1 *Schedule to the Department of Finance and to the county*
 2 *auditor-controller no fewer than 90 days before the date of*
 3 *property tax distribution. The Department of Finance shall make*
 4 *its determination of the enforceable obligations and the amounts*
 5 *and funding sources of the enforceable obligations no later than*
 6 *45 days after the Recognized Obligation Payment Schedule is*
 7 *submitted. Within five business days of the department's*
 8 *determination, a successor agency may request additional review*
 9 *by the department and an opportunity to meet and confer on*
 10 *disputed items. The meet and confer period may vary; an untimely*
 11 *submittal of a Recognized Obligation Payment Schedule may result*
 12 *in a meet and confer period of less than 30 days. The department*
 13 *shall notify the successor agency and the county auditor-controllers*
 14 *as to the outcome of its review at least 15 days before the date of*
 15 *property tax distribution.*

16 *(1) The successor agency shall submit a copy of the Recognized*
 17 *Obligation Payment Schedule to the Department of Finance*
 18 *electronically, and the successor agency shall complete the*
 19 *Recognized Obligation Payment Schedule in the manner provided*
 20 *for by the department. A successor agency shall be in*
 21 *noncompliance with this paragraph if it only submits to the*
 22 *department an electronic message or a letter stating that the*
 23 *oversight board has approved a Recognized Obligation Payment*
 24 *Schedule.*

25 *(2) If a successor agency does not submit a Recognized*
 26 *Obligation Payment Schedule by the deadlines provided in this*
 27 *subdivision, the city, county, or city and county that created the*
 28 *redevelopment agency shall be subject to a civil penalty equal to*
 29 *ten thousand dollars (\$10,000) per day for every day the schedule*
 30 *is not submitted to the department. The civil penalty shall be paid*
 31 *to the county auditor-controller for allocation to the taxing entities*
 32 *under Section 34183. If a successor agency fails to submit a*
 33 *Recognized Obligation Payment Schedule by the deadline, any*
 34 *creditor of the successor agency or the Department of Finance or*
 35 *any affected taxing entity shall have standing to and may request*
 36 *a writ of mandate to require the successor agency to immediately*
 37 *perform this duty. Those actions may be filed only in the County*
 38 *of Sacramento and shall have priority over other civil matters.*
 39 *Additionally, if an agency does not submit a Recognized Obligation*
 40 *Payment Schedule within ten days of the deadline, the maximum*

1 administrative cost allowance for that period shall be reduced by
2 25 percent.

3 (3) If a successor agency fails to submit to the department an
4 oversight board-approved Recognized Obligation Payment
5 Schedule that complies with all requirements of this subdivision
6 within five business days of the date upon which the Recognized
7 Obligation Payment Schedule is to be used to determine the amount
8 of property tax allocations, the department may determine if any
9 amount should be withheld by the county auditor-controller for
10 payments for enforceable obligations from distribution to taxing
11 entities, pending approval of a Recognized Obligation Payment
12 Schedule. The county auditor-controller shall distribute the portion
13 of any of the sums withheld pursuant to this paragraph to the
14 affected taxing entities in accordance with paragraph (4) of
15 subdivision (a) of Section 34183 upon notice by the department
16 that a portion of the withheld balances are in excess of the amount
17 of enforceable obligations. The county auditor-controller shall
18 distribute withheld funds to the successor agency only in
19 accordance with a Recognized Obligation Payment Schedule
20 approved by the department. County auditor-controllers shall lack
21 the authority to withhold any other amounts from the allocations
22 provided for under Section 34183 or 34188 unless required by a
23 court order.

24 (n) Cause a postaudit of the financial transactions and records
25 of the successor agency to be made at least annually by a certified
26 public accountant.

27 SEC. 12. Section 34177.3 is added to the Health and Safety
28 Code, to read:

29 34177.3. (a) Successor agencies shall lack the authority to,
30 and shall not, create new enforceable obligations under the
31 authority of the Community Redevelopment Law (Part 1
32 (commencing with Section 33000)) or begin new redevelopment
33 work, except in compliance with an enforceable obligation that
34 existed prior to June 28, 2011.

35 (b) Successor agencies may create enforceable obligations to
36 conduct the work of winding down the redevelopment agency,
37 including hiring staff, acquiring necessary professional
38 administrative services and legal counsel, and procuring insurance.

39 (c) Successor agencies shall lack the authority to, and shall not,
40 transfer any powers or revenues of the successor agency to any

1 other party, public or private, except pursuant to an enforceable
 2 obligation on a Recognized Obligation Payment Schedule approved
 3 by the department. Any such transfers of authority or revenues
 4 that are not made pursuant to an enforceable obligation on a
 5 Recognized Obligation Payment Schedule approved by the
 6 Department of Finance are hereby declared to be void, and the
 7 successor agency shall take action to reverse any of those transfers.
 8 The Controller may audit any transfer of authority or revenues
 9 prohibited by this section and may order the prompt return of any
 10 money or other things of value from the receiving party.

11 (d) Redevelopment agencies that resolved to participate in the
 12 Voluntary Alternative Redevelopment Program under Chapter 6
 13 of the First Extraordinary Session of the Statutes of 2011 were
 14 and are subject to the provisions of Part 1.8 (commencing with
 15 Section 34161). Any actions taken by redevelopment agencies to
 16 create obligations after June 27, 2011, are ultra vires and do not
 17 create enforceable obligations.

18 (e) The Legislature finds and declares that the provisions of
 19 this section are declaratory of existing law.

20 SEC. 13. Section 34177.5 is added to the Health and Safety
 21 Code, to read:

22 34177.5. (a) In addition to the powers granted to each
 23 successor agency, and notwithstanding anything in the act adding
 24 this part, including, but not limited to, Sections 34162 and 34189,
 25 a successor agency shall have the authority, rights, and powers
 26 of the redevelopment agency to which it succeeded solely for the
 27 following purposes:

28 (1) For the purpose of issuing bonds or incurring other
 29 indebtedness to refund the bonds or other indebtedness of its former
 30 redevelopment agency or of the successor agency to provide
 31 savings to the successor agency, provided that (A) the total interest
 32 cost to maturity on the refunding bonds or other indebtedness plus
 33 the principal amount of the refunding bonds or other indebtedness
 34 shall not exceed the total remaining interest cost to maturity on
 35 the bonds or other indebtedness to be refunded plus the remaining
 36 principal of the bonds or other indebtedness to be refunded, and
 37 (B) the principal amount of the refunding bonds or other
 38 indebtedness shall not exceed the amount required to defease the
 39 refunded bonds or other indebtedness, to establish customary debt
 40 service reserves, and to pay related costs of issuance. If the

1 *foregoing conditions are satisfied, the initial principal amount of*
2 *the refunding bonds or other indebtedness may be greater than*
3 *the outstanding principal amount of the bonds or other*
4 *indebtedness to be refunded. The successor agency may pledge to*
5 *the refunding bonds or other indebtedness the revenues pledged*
6 *to the bonds or other indebtedness being refunded, and that pledge,*
7 *when made in connection with the issuance of such refunding*
8 *bonds or other indebtedness, shall have the same lien priority as*
9 *the pledge of the bonds or other obligations to be refunded, and*
10 *shall be valid, binding, and enforceable in accordance with its*
11 *terms.*

12 (2) *For the purpose of issuing bonds or other indebtedness to*
13 *finance debt service spikes, including balloon maturities, provided*
14 *that (A) the existing indebtedness is not accelerated, except to the*
15 *extent necessary to achieve substantially level debt service, and*
16 *(B) the principal amount of the bonds or other indebtedness shall*
17 *not exceed the amount required to finance the debt service spikes,*
18 *including establishing customary debt service reserves and paying*
19 *related costs of issuance.*

20 (3) *For the purpose of amending an existing enforceable*
21 *obligation under which the successor agency is obligated to*
22 *reimburse a political subdivision of the state for the payment of*
23 *debt service on a bond or other obligation of the political*
24 *subdivision, or to pay all or a portion of the debt service on the*
25 *bond or other obligation of the political subdivision to provide*
26 *savings to the successor agency, provided that (A) the enforceable*
27 *obligation is amended in connection with a refunding of the bonds*
28 *or other obligations of the political subdivision so that the*
29 *enforceable obligation will apply to the refunding bonds or other*
30 *refunding indebtedness of the political subdivision, (B) the total*
31 *interest cost to maturity on the refunding bonds or other*
32 *indebtedness plus the principal amount of the refunding bonds or*
33 *other indebtedness shall not exceed the total remaining interest*
34 *cost to maturity on the bonds or other indebtedness to be refunded*
35 *plus the remaining principal of the bonds or other indebtedness*
36 *to be refunded, and (C) the principal amount of the refunding*
37 *bonds or other indebtedness shall not exceed the amount required*
38 *to defease the refunded bonds or other indebtedness, to establish*
39 *customary debt service reserves and to pay related costs of*
40 *issuance. The pledge set forth in that amended enforceable*

1 obligation, when made in connection with the execution of the
 2 amendment of the enforceable obligation, shall have the same lien
 3 priority as the pledge in the enforceable obligation prior to its
 4 amendment and shall be valid, binding, and enforceable in
 5 accordance with its terms.

6 (4) For the purpose of issuing bonds or incurring other
 7 indebtedness to make payments under enforceable obligations
 8 when the enforceable obligations include the irrevocable pledge
 9 of property tax increment, formerly tax increment revenues prior
 10 to the effective date of this part, or other funds and the obligation
 11 to issue bonds secured by that pledge. The successor agency may
 12 pledge to the bonds or other indebtedness the property tax revenues
 13 and other funds described in the enforceable obligation, and that
 14 pledge, when made in connection with the issuance of the bonds
 15 or the incurring of other indebtedness, shall be valid, binding, and
 16 enforceable in accordance with its terms. This paragraph shall
 17 not be deemed to authorize a successor agency to increase the
 18 amount of property tax revenues pledged under an enforceable
 19 obligation or to pledge any property tax revenue not already
 20 pledged pursuant to an enforceable obligation. This paragraph
 21 does not constitute a change in, but is declaratory of, the existing
 22 law.

23 (b) The refunding bonds authorized under this section may be
 24 issued under the authority of Article 11 (commencing with Section
 25 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the
 26 Government Code, and the refunding bonds may be sold at public
 27 or private sale, or to a joint powers authority pursuant to the
 28 Marks-Roos Local Bond Pooling Act (Article 4 (commencing with
 29 Section 6584) of Chapter 5 of Division 7 of Title 1 of the
 30 Government Code).

31 (c) (1) Prior to incurring any bonds or other indebtedness
 32 pursuant to this section, the successor agency may subordinate to
 33 the bonds or other indebtedness the amount required to be paid
 34 to an affected taxing entity pursuant to paragraph (1) of subdivision
 35 (a) of Section 34183, provided that the affected taxing entity has
 36 approved the subordinations pursuant to this subdivision.

37 (2) At the time the successor agency requests an affected taxing
 38 entity to subordinate the amount to be paid to it, the successor
 39 agency shall provide the affected taxing entity with substantial
 40 evidence that sufficient funds will be available to pay both the debt

1 service on the bonds or other indebtedness and the payments
2 required by paragraph (1) of subdivision (a) of Section 34183,
3 when due.

4 (3) Within 45 days after receipt of the agency's request, the
5 affected taxing entity shall approve or disapprove the request for
6 subordination. An affected taxing entity may disapprove a request
7 for subordination only if it finds, based upon substantial evidence,
8 that the successor agency will not be able to pay the debt service
9 payments and the amount required to be paid to the affected taxing
10 entity. If the affected taxing entity does not act within 45 days after
11 receipt of the agency's request, the request to subordinate shall
12 be deemed approved and shall be final and conclusive.

13 (d) An action may be brought pursuant to Chapter 9
14 (commencing with Section 860) of Title 10 of Part 2 of the Code
15 of Civil Procedure to determine the validity of bonds or other
16 obligations authorized by this section, the pledge of revenues to
17 those bonds or other obligations authorized by this section, the
18 legality and validity of all proceedings theretofore taken and, as
19 provided in the resolution of the legislative body of the successor
20 agency authorizing the bonds or other obligations authorized by
21 this section, proposed to be taken for the authorization, execution,
22 issuance, sale, and delivery of the bonds or other obligations
23 authorized by this section, and for the payment of debt service on
24 the bonds or the payment of amounts under other obligations
25 authorized by this section. Subdivision (c) of Section 33501 shall
26 not apply to any such action. The Department of Finance shall be
27 notified of the filing of any action as an affected party.

28 (e) Notwithstanding any other law, including, but not limited
29 to, Section 33501, an action to challenge the issuance of bonds,
30 the incurrence of indebtedness, the amendment of an enforceable
31 obligation, or the execution of a financing agreement by a
32 successor agency shall be brought within 30 days after the date
33 on which the oversight board approves the resolution of the
34 successor agency approving the issuance of bonds, the incurrence
35 of indebtedness, the amendment of an enforceable obligation, or
36 the execution of a financing agreement authorized under this
37 section.

38 (f) The actions authorized in this section shall be subject to the
39 approval of the oversight board, as provided in Section 34180.
40 Additionally, an oversight board may direct the successor agency

1 to commence any of the transactions described in subdivision (a)
 2 so long as the successor agency is able to recover its related costs
 3 in connection with the transaction. After a successor agency, with
 4 approval of the oversight board, issues any bonds, incurs any
 5 indebtedness, or executes an amended enforceable obligation
 6 pursuant to subdivision (a), the oversight board shall not
 7 unilaterally approve any amendments to or early termination of
 8 the bonds, indebtedness, or enforceable obligation. If, under the
 9 authority granted to it by subdivision (h) of Section 34179, the
 10 Department of Finance either reviews and approves or fails to
 11 request review within five business days of an oversight board
 12 approval of an action authorized by this section, the scheduled
 13 payments on the bonds or other indebtedness shall be listed in the
 14 Recognized Obligation Payment Schedule and shall not be subject
 15 to further review and approval by the department or the Controller.
 16 The department may extend its review time to 60 days for actions
 17 authorized in this section and may seek the assistance of the
 18 Treasurer in evaluating proposed actions under this section.

19 (g) Any bonds, indebtedness, or amended enforceable obligation
 20 authorized by this section shall be considered indebtedness
 21 incurred by the dissolved redevelopment agency, with the same
 22 legal effect as if the bonds, indebtedness, financing agreement, or
 23 amended enforceable obligation had been issued, incurred, or
 24 entered into prior to June 29, 2011, in full conformity with the
 25 applicable provisions of the Community Redevelopment Law that
 26 existed prior to that date, shall be included in the successor
 27 agency's Recognized Obligation Payment Schedule, and shall be
 28 secured by a pledge of, and lien on, and shall be repaid from
 29 moneys deposited from time to time in the Redevelopment Property
 30 Tax Trust Fund established pursuant to subdivision (c) of Section
 31 34172, as provided in paragraph (2) of subdivision (a) of Section
 32 34183. Property tax revenues pledged to any bonds, indebtedness,
 33 or amended enforceable obligations authorized by this section are
 34 taxes allocated to the successor agency pursuant to subdivision
 35 (b) of Section 33670 and Section 16 of Article XVI of the California
 36 Constitution.

37 (h) The successor agency shall make diligent efforts to ensure
 38 that the lowest long-term cost financing is obtained. The financing
 39 shall not provide for any bullets or spikes and shall not use variable
 40 rates. The successor agency shall make use of an independent

1 *financial advisor in developing financing proposals and shall make*
 2 *the work products of the financial advisor available to the*
 3 *Department of Finance at its request.*

4 *(i) If an enforceable obligation provides for an irrevocable*
 5 *commitment of property tax revenue and where allocation of such*
 6 *revenues is expected to occur over time, the successor agency may*
 7 *petition the Department of Finance to provide written confirmation*
 8 *that its determination of such enforceable obligation as approved*
 9 *in a Recognized Obligation Payment Schedule is final and*
 10 *conclusive, and reflects the department's approval of subsequent*
 11 *payments made pursuant to the enforceable obligation. If the*
 12 *confirmation is granted, then the department's review of such*
 13 *payments in future Recognized Obligation Payment Schedules*
 14 *shall be limited to confirming that they are required by the prior*
 15 *enforceable obligation.*

16 *(j) The successor agency may request that the department*
 17 *provide a written determination to waive the two-year statute of*
 18 *limitations on an action to review the validity of the adoption or*
 19 *amendment of a redevelopment plan pursuant to subdivision (c)*
 20 *of Section 33500 or on any findings or determinations made by*
 21 *the agency pursuant to subdivision (d) of Section 33500. The*
 22 *department at its discretion may provide a waiver if it determines*
 23 *it is necessary for the agency to fulfill an enforceable obligation.*

24 *SEC. 14. Section 34178 of the Health and Safety Code is*
 25 *amended to read:*

26 *34178. (a) Commencing on the operative date of this part,*
 27 *agreements, contracts, or arrangements between the city or county,*
 28 *or city and county that created the redevelopment agency and the*
 29 *redevelopment agency are invalid and shall not be binding on the*
 30 *successor agency; provided, however, that a successor entity*
 31 *wishing to enter or reenter into agreements with the city, county,*
 32 *or city and county that formed the redevelopment agency that it*
 33 *is succeeding may do so upon obtaining the approval of its*
 34 *oversight board. A successor agency or an oversight board shall*
 35 *not exercise the powers granted by this subdivision to restore*
 36 *funding for an enforceable obligation that was deleted or reduced*
 37 *by the Department of Finance pursuant to subdivision (h) of Section*
 38 *34179 unless it reflects the decisions made during the meet and*
 39 *confer process with the Department of Finance or pursuant to a*
 40 *court order.*

1 (b) Notwithstanding subdivision (a), any of the following
2 agreements are not invalid and may bind the successor agency:

3 (1) A duly authorized written agreement entered into at the time
4 of issuance, but in no event later than December 31, 2010, of
5 indebtedness obligations, and solely for the purpose of securing
6 or repaying those indebtedness obligations.

7 (2) A written agreement between a redevelopment agency and
8 the city, county, or city and county that created it that provided
9 loans or other startup funds for the redevelopment agency that
10 were entered into within two years of the formation of the
11 redevelopment agency.

12 (3) A joint exercise of powers agreement in which the
13 redevelopment agency is a member of the joint powers authority.
14 However, upon assignment to the successor agency by operation
15 of the act adding this part, the successor agency's rights, duties,
16 and performance obligations under that joint exercise of powers
17 agreement shall be limited by the constraints imposed on successor
18 agencies by the act adding this part.

19 *SEC. 15. Section 34178.8 is added to the Health and Safety*
20 *Code, to read:*

21 *34178.8. Commencing on the effective date of the act adding*
22 *this section, the Controller shall review the activities of successor*
23 *agencies in the state to determine if an asset transfer has occurred*
24 *after January 31, 2012, between the successor agency and the city,*
25 *county, or city and county that created a redevelopment agency,*
26 *or any other public agency, that was not made pursuant to an*
27 *enforceable obligation on an approved and valid Recognized*
28 *Obligation Payment Schedule. If such an asset transfer did occur,*
29 *to the extent not prohibited by state and federal law, the Controller*
30 *shall order the available assets to be returned to the successor*
31 *agency. Upon receiving that order from the Controller, an affected*
32 *local agency shall, as soon as practicable, reverse the transfer*
33 *and return the applicable assets to the successor agency. This*
34 *section shall not apply to housing assets as defined in subdivision*
35 *(e) of Section 34176.*

36 *SEC. 16. Section 34179 of the Health and Safety Code is*
37 *amended to read:*

38 34179. (a) Each successor agency shall have an oversight
39 board composed of seven members. The members shall elect one
40 of their members as the chairperson and shall report the name of

1 the chairperson and other members to the Department of Finance
2 on or before May 1, 2012. Members shall be selected as follows:

3 (1) One member appointed by the county board of supervisors.

4 (2) One member appointed by the mayor for the city that formed
5 the redevelopment agency.

6 (3) (A) One member appointed by the largest special district,
7 by property tax share, with territory in the territorial jurisdiction
8 of the former redevelopment agency, which is of the type of special
9 district that is eligible to receive property tax revenues pursuant
10 to Section 34188.

11 (B) *On or after the effective date of this subparagraph, the*
12 *county auditor-controller may determine which is the largest*
13 *special district for purposes of this section.*

14 (4) One member appointed by the county superintendent of
15 education to represent schools if the superintendent is elected. If
16 the county superintendent of education is appointed, then the
17 appointment made pursuant to this paragraph shall be made by the
18 county board of education.

19 (5) One member appointed by the Chancellor of the California
20 Community Colleges to represent community college districts in
21 the county.

22 (6) One member of the public appointed by the county board
23 of supervisors.

24 (7) One member representing the employees of the former
25 redevelopment agency appointed by the mayor or chair of the
26 board of supervisors, as the case may be, from the recognized
27 employee organization representing the largest number of former
28 redevelopment agency employees employed by the successor
29 agency at that time. *In the case where city or county employees*
30 *performed administrative duties of the former redevelopment*
31 *agency, the appointment shall be made from the recognized*
32 *employee organization representing those employees. If a*
33 *recognized employee organization does not exist for either the*
34 *employees of the former redevelopment agency or the city or county*
35 *employees performing administrative duties of the former*
36 *redevelopment agency, the appointment shall be made from among*
37 *the employees of the successor agency. In voting to approve a*
38 *contract as an enforceable obligation, a member appointed*
39 *pursuant to this paragraph shall not be deemed to be interested*
40 *in the contract by virtue of being an employee of the successor*

1 agency or community for purposes of Section 1090 of the
2 Government Code.

3 (8) If the county or a joint powers agency formed the
4 redevelopment agency, then the largest city by acreage in the
5 territorial jurisdiction of the former redevelopment agency may
6 select one member. If there are no cities with territory in a project
7 area of the redevelopment agency, the county superintendent of
8 education may appoint an additional member to represent the
9 public.

10 (9) If there are no special districts of the type that are eligible
11 to receive property tax pursuant to Section 34188, within the
12 territorial jurisdiction of the former redevelopment agency, then
13 the county may appoint one member to represent the public.

14 (10) ~~Where~~ If a redevelopment agency was formed by an entity
15 that is both a charter city and a county, the oversight board shall
16 be composed of seven members selected as follows: three members
17 appointed by the mayor of the city, ~~where such~~ if that appointment
18 is subject to confirmation by the county board of supervisors, one
19 member appointed by the largest special district, by property tax
20 share, with territory in the territorial jurisdiction of the former
21 redevelopment agency, which is the type of special district that is
22 eligible to receive property tax revenues pursuant to Section 34188,
23 one member appointed by the county superintendent of education
24 to represent schools, one member appointed by the Chancellor of
25 the California Community Colleges to represent community college
26 districts, and one member representing employees of the former
27 redevelopment agency appointed by the mayor of the city ~~where~~
28 ~~such an~~ if that appointment is subject to confirmation by the county
29 board of supervisors, to represent the largest number of former
30 redevelopment agency employees employed by the successor
31 agency at that time.

32 (b) The Governor may appoint individuals to fill any oversight
33 board member position described in subdivision (a) that has not
34 been filled by May 15, 2012, or any member position that remains
35 vacant for more than 60 days.

36 (c) The oversight board may direct the staff of the successor
37 agency to perform work in furtherance of the oversight board's
38 duties and responsibilities under this part. The successor agency
39 shall pay for all of the costs of meetings of the oversight board
40 and may include such costs in its administrative budget. Oversight

1 board members shall serve without compensation or reimbursement
2 for expenses.

3 ~~(d) Oversight board members shall have personal immunity~~
4 ~~from suit for their actions taken within the scope of their~~
5 ~~responsibilities as oversight board members. are protected by the~~
6 ~~immunities applicable to public entities and public employees~~
7 ~~governed by Part 1 (commencing with Section 810) and Part 2~~
8 ~~(commencing with Section 814) of Division 3.6 of Title 1 of the~~
9 ~~Government Code.~~

10 (e) A majority of the total membership of the oversight board
11 shall constitute a quorum for the transaction of business. A majority
12 vote of the total membership of the oversight board is required for
13 the oversight board to take action. The oversight board shall be
14 deemed to be a local entity for purposes of the Ralph M. Brown
15 Act, the California Public Records Act, and the Political Reform
16 Act of 1974. *All actions taken by the oversight board shall be*
17 *adopted by resolution.*

18 (f) All notices required by law for proposed oversight board
19 actions shall also be posted on the successor agency's Internet
20 Web site or the oversight board's Internet Web site.

21 (g) Each member of an oversight board shall serve at the
22 pleasure of the entity that appointed such member.

23 (h) The Department of Finance may review an oversight board
24 action taken pursuant to ~~the act adding this part. As such, all~~
25 ~~oversight board actions shall not be effective for three business~~
26 ~~days, pending a request for review by the department. Written~~
27 ~~notice and information about all actions taken by an oversight~~
28 ~~board shall be provided to the department by electronic means~~
29 ~~and in a manner of the department's choosing. An action shall~~
30 ~~become effective five business days after notice in the manner~~
31 ~~specified by the department is provided unless the department~~
32 ~~requests a review. Each oversight board shall designate an official~~
33 ~~to whom the department may make such those requests and who~~
34 ~~shall provide the department with the telephone number and e-mail~~
35 ~~contact information for the purpose of communicating with the~~
36 ~~department pursuant to this subdivision. In Except as otherwise~~
37 ~~provided in this part, in the event that the department requests a~~
38 ~~review of a given oversight board action, it shall have 40 days~~
39 ~~from the date of its request to approve the oversight board action~~
40 ~~or return it to the oversight board for reconsideration and such the~~

1 oversight board action shall not be effective until approved by the
 2 department. In the event that the department returns the oversight
 3 board action to the oversight board for reconsideration, the
 4 oversight board shall resubmit the modified action for department
 5 approval and the modified oversight board action shall not become
 6 effective until approved by the department. *If the department*
 7 *reviews a Recognized Obligation Payment Schedule, the*
 8 *department may eliminate or modify any item on that schedule*
 9 *prior to its approval. The county auditor-controller shall reflect*
 10 *the actions of the department in determining the amount of property*
 11 *tax revenues to allocate to the successor agency. The department*
 12 *shall provide notice to the successor agency and the county*
 13 *auditor-controller as to the reasons for its actions. To the extent*
 14 *that an oversight board continues to dispute a determination with*
 15 *the department, one or more future recognized obligation schedules*
 16 *may reflect any resolution of that dispute. The department may*
 17 *also agree to an amendment to a Recognized Obligation Payment*
 18 *Schedule to reflect a resolution of a disputed item; however, this*
 19 *shall not affect a past allocation of property tax or create a liability*
 20 *for any affected taxing entity.*

21 (i) Oversight boards shall have fiduciary responsibilities to
 22 holders of enforceable obligations and the taxing entities that
 23 benefit from distributions of property tax and other revenues
 24 pursuant to Section 34188. Further, the provisions of Division 4
 25 (commencing with Section 1000) of the Government Code shall
 26 apply to oversight boards. Notwithstanding Section 1099 of the
 27 Government Code, or any other law, any individual may
 28 simultaneously be appointed to up to five oversight boards and
 29 may hold an office in a city, county, city and county, special
 30 district, school district, or community college district.

31 (j) Commencing on and after July 1, 2016, in each county where
 32 more than one oversight board was created by operation of the act
 33 adding this part, there shall be only one oversight board appointed
 34 as follows:

35 (1) One member may be appointed by the county board of
 36 supervisors.

37 (2) One member may be appointed by the city selection
 38 committee established pursuant to Section 50270 of the
 39 Government Code. In a city and county, the mayor may appoint
 40 one member.

1 (3) One member may be appointed by the independent special
 2 district selection committee established pursuant to Section 56332
 3 of the Government Code, for the types of special districts that are
 4 eligible to receive property tax revenues pursuant to Section 34188.

5 (4) One member may be appointed by the county superintendent
 6 of education to represent schools if the superintendent is elected.
 7 If the county superintendent of education is appointed, then the
 8 appointment made pursuant to this paragraph shall be made by the
 9 county board of education.

10 (5) One member may be appointed by the Chancellor of the
 11 California Community Colleges to represent community college
 12 districts in the county.

13 (6) One member of the public may be appointed by the county
 14 board of supervisors.

15 (7) One member may be appointed by the recognized employee
 16 organization representing the largest number of successor agency
 17 employees in the county.

18 (k) The Governor may appoint individuals to fill any oversight
 19 board member position described in subdivision (j) that has not
 20 been filled by July 15, 2016, or any member position that remains
 21 vacant for more than 60 days.

22 (l) Commencing on and after July 1, 2016, in each county where
 23 only one oversight board was created by operation of the act adding
 24 this part, then there will be no change to the composition of that
 25 oversight board as a result of the operation of subdivision (b).

26 (m) Any oversight board for a given successor agency shall
 27 cease to exist when all of the indebtedness of the dissolved
 28 redevelopment agency has been repaid.

29 (n) *An oversight board may direct a successor agency to provide*
 30 *additional legal or financial advice than what was given by agency*
 31 *staff.*

32 (o) *An oversight board is authorized to contract with the county*
 33 *or other public or private agencies for administrative support.*

34 (p) *On matters within the purview of the oversight board,*
 35 *decisions made by the oversight board supersede those made by*
 36 *the successor agency or the staff of the successor agency.*

37 *SEC. 17. Section 34179.5 is added to the Health and Safety*
 38 *Code, to read:*

39 *34179.5. (a) In furtherance of subdivision (d) of Section 34177,*
 40 *each successor agency shall employ a licensed accountant,*

1 approved by the county auditor-controller and with experience
 2 and expertise in local government accounting, to conduct a due
 3 diligence review to determine the unobligated balances available
 4 for transfer to taxing entities. As an alternative, an audit provided
 5 by the county auditor-controller that provides the information
 6 required by this section may be used to comply with this section
 7 with the concurrence of the oversight board.

8 (b) For purposes of this section the following terms shall have
 9 the following meanings:

10 (1) "Cash" and "cash equivalents" includes, but is not limited
 11 to, cash in hand, bank deposits, Local Agency Investment Fund
 12 deposits, deposits in the city or county treasury or any other pool,
 13 marketable securities, commercial paper, United States Treasury
 14 bills, banker's acceptances, payables on demand and amounts due
 15 from other parties as defined in subdivision (c), and any other
 16 money owned by the successor agency.

17 (2) "Enforceable obligation" includes any of the items listed
 18 in subdivision (d) of Section 34171, contracts detailing specific
 19 work to be performed that were entered into by the former
 20 redevelopment agency prior to June 28, 2011, with a third party
 21 that is other than the city, county, or city and county that created
 22 the former redevelopment agency, and indebtedness obligations
 23 as defined in subdivision (e) of Section 34171.

24 (3) "Transferred" means the transmission of money to another
 25 party that is not in payment for goods or services or an investment
 26 or where the payment is *de minimus*. Transfer also means where
 27 the payments are ultimately merely a restriction on the use of the
 28 money.

29 (c) At a minimum, the review required by this section shall
 30 include the following:

31 (1) The dollar value of assets transferred from the former
 32 redevelopment agency to the successor agency on or about
 33 February 1, 2012.

34 (2) The dollar value of assets and cash and cash equivalents
 35 transferred after January 1, 2011, through June 30, 2012, by the
 36 redevelopment agency or the successor agency to the city, county,
 37 or city and county that formed the redevelopment agency and the
 38 purpose of each transfer. The review shall provide documentation
 39 of any enforceable obligation that required the transfer.

1 (3) *The dollar value of any cash or cash equivalents transferred*
2 *after January 1, 2011, through June 30, 2012, by the redevelopment*
3 *agency or the successor agency to any other public agency or*
4 *private party and the purpose of each transfer. The review shall*
5 *provide documentation of any enforceable obligation that required*
6 *the transfer.*

7 (4) *The review shall provide expenditure and revenue accounting*
8 *information and identify transfers and funding sources for the*
9 *2010–11 and 2011–12 fiscal years that reconciles balances, assets,*
10 *and liabilities of the successor agency on June 30, 2012 to those*
11 *reported to the Controller for the 2009–10 fiscal year.*

12 (5) *A separate accounting for the balance for the Low and*
13 *Moderate Income Housing Fund for all other funds and accounts*
14 *combined shall be made as follows:*

15 (A) *A statement of the total value of each fund as of June 30,*
16 *2012.*

17 (B) *An itemized statement listing any amounts that are legally*
18 *restricted as to purpose and cannot be provided to taxing entities.*
19 *This could include the proceeds of any bonds, grant funds, or funds*
20 *provided by other governmental entities that place conditions on*
21 *their use.*

22 (C) *An itemized statement of the values of any assets that are*
23 *not cash or cash equivalents. This may include physical assets,*
24 *land, records, and equipment. For the purpose of this accounting,*
25 *physical assets may be valued at purchase cost or at any recently*
26 *estimated market value. The statement shall list separately*
27 *housing-related assets.*

28 (D) *An itemized listing of any current balances that are legally*
29 *or contractually dedicated or restricted for the funding of an*
30 *enforceable obligation that identifies the nature of the dedication*
31 *or restriction and the specific enforceable obligation. In addition,*
32 *the successor agency shall provide a listing of all approved*
33 *enforceable obligations that includes a projection of annual*
34 *spending requirements to satisfy each obligation and a projection*
35 *of annual revenues available to fund those requirements. If a*
36 *review finds that future revenues together with dedicated or*
37 *restricted balances are insufficient to fund future obligations and*
38 *thus retention of current balances is required, it shall identify the*
39 *amount of current balances necessary for retention. The review*
40 *shall also detail the projected property tax revenues and other*

1 general purpose revenues to be received by the successor agency,
 2 together with both the amount and timing of the bond debt service
 3 payments of the successor agency, for the period in which the
 4 oversight board anticipates the successor agency will have
 5 insufficient property tax revenue to pay the specified obligations.

6 (E) An itemized list and analysis of any amounts of current
 7 balances that are needed to satisfy obligations that will be placed
 8 on the Recognized Obligation Payment Schedules for the current
 9 fiscal year.

10 (6) The review shall total the net balances available after
 11 deducting the total amounts described in subparagraphs (B) to
 12 (E), inclusive, of paragraph (5). The review shall add any amounts
 13 that were transferred as identified in paragraphs (2) and (3) of
 14 subdivision (c) if an enforceable obligation to make that transfer
 15 did not exist. The resulting sum shall be available for allocation
 16 to affected taxing entities pursuant to Section 34179.6. It shall be
 17 a rebuttable presumption that cash and cash equivalent balances
 18 available to the successor agency are available and sufficient to
 19 disburse the amount determined in this paragraph to taxing entities.
 20 If the review finds that there are insufficient cash balances to
 21 transfer or that cash or cash equivalents are specifically obligated
 22 to the purposes described in subparagraphs (B), (D), and (E) of
 23 paragraph (5) in such amounts that there is insufficient cash to
 24 provide the full amount determined pursuant to this paragraph,
 25 that amount shall be demonstrated in an additional itemized
 26 schedule.

27 SEC. 18. Section 34179.6 is added to the Health and Safety
 28 Code, to read:

29 34179.6. The review required pursuant to Section 34179.5
 30 shall be submitted to the oversight board for review. The successor
 31 agency shall submit a copy of the Recognized Obligation Payment
 32 Schedule to the county administrative officer, the county
 33 auditor-controller, and the Department of Finance at the same
 34 time that the successor agency submits the review to the oversight
 35 board for review.

36 (a) By October 1, 2012, each successor agency shall provide
 37 to the oversight board, the county auditor-controller, the
 38 Controller, and the Department of Finance the results of the review
 39 conducted pursuant to Section 34179.5 for the Low and Moderate
 40 Income Housing Fund and specifically the amount of cash and

1 cash equivalents determined to be available for allocation to taxing
2 entities. By December 15, 2012, each successor agency shall
3 provide to the oversight board, the county auditor-controller, the
4 Controller, and the department the results of the review conducted
5 pursuant to Section 34179.5 for all of the other fund and account
6 balances and specifically the amount of cash and cash equivalents
7 determined to be available for allocation to taxing entities. The
8 department may request any supporting documentation and review
9 results to assist in its review under subdivision (d). The department
10 may specify the form and manner information about the review
11 shall be provided to it.

12 (b) Upon receipt of the review, the oversight board shall convene
13 a public comment session to take place at least five business days
14 before the oversight board holds the approval vote specified in
15 subdivision (c). The oversight board also shall consider any
16 opinions offered by the county auditor-controller on the review
17 results submitted by the successor agencies.

18 (c) By October 15, 2012, for the Low and Moderate Income
19 Housing Fund and by January 15, 2013, for all other funds and
20 accounts, the oversight board shall review, approve, and transmit
21 to the department and the county auditor-controller the
22 determination of the amount of cash and cash equivalents that are
23 available for disbursement to taxing entities as determined
24 according to the method provided in Section 34179.5. The oversight
25 board may adjust any amount provided in the review to reflect
26 additional information and analysis. The review and approval
27 shall occur in public sessions. The oversight board may request
28 from the successor agency any materials it deems necessary to
29 assist in its review and approval of the determination. The
30 oversight board shall be empowered to authorize a successor
31 agency to retain assets or funds identified in subparagraphs (B)
32 to (E), inclusive, of paragraph (5) of subdivision (c) of Section
33 34179.5. An oversight board that makes that authorization also
34 shall identify to the department the amount of funds authorized
35 for retention, the source of those funds, and the purposes for which
36 those funds are being retained. The determination and
37 authorization to retain funds and assets shall be subject to the
38 review and approval of the department pursuant to subdivision
39 (d).

1 (d) The department may adjust any amount associated with the
 2 determination of the resulting amount described in paragraph (6)
 3 of subdivision (c) of Section 34179.5 based on its analysis and
 4 information provided by the successor agency and others. The
 5 department shall consider any findings or opinions of the county
 6 auditor-controllers and the Controller. The department shall
 7 complete its review of the determinations provided pursuant to
 8 subdivision (c) no later than November 9, 2012, for the Low and
 9 Moderate Income Housing Fund and also shall notify the oversight
 10 board and the successor agency of its decision to overturn any
 11 decision of the oversight board to authorize a successor agency
 12 to retain assets or funds made pursuant to subdivision (c). The
 13 department shall complete its review of the determinations provided
 14 pursuant to subdivision (c) no later than April 1, 2013, for the
 15 other funds and accounts and also shall notify the oversight board
 16 and the successor agency of its decision to overturn any oversight
 17 board authorizations made pursuant to subdivision (c). The
 18 department shall provide the oversight board and the successor
 19 agency an explanation of its basis for overturning or modifying
 20 any findings, determinations, or authorizations of the oversight
 21 board made pursuant to subdivision (c).

22 (e) The successor agency and the entity or entities that created
 23 the former redevelopment agency may request to meet and confer
 24 with the department to resolve any disputes regarding the amounts
 25 or sources of funds identified as determined by the department.
 26 The request shall be made within five business days of the
 27 transmission, and no later than November 16, 2012, for the
 28 determination regarding the Low and Moderate Income Housing
 29 Fund, to the successor agency or the designated local authority
 30 of the department's determination, decisions, and explanations
 31 and shall be accompanied by an explanation and documentation
 32 of the basis of the dispute. The department shall meet and confer
 33 with the requesting party and modify its determinations and
 34 decisions accordingly. The department shall either confirm or
 35 modify its determinations and decisions within 30 days of the
 36 request to meet and confer.

37 (f) Each successor agency shall transmit to the county
 38 auditor-controller the amount of funds required pursuant to the
 39 determination of the department within five working days of receipt
 40 of the notification under subdivision (c) or (e) if a meet and confer

1 request is made. Successor agencies shall make diligent efforts to
 2 recover any money determined to have been transferred without
 3 an enforceable obligation as described in paragraphs (2) and (3)
 4 of subdivision (c) of Section 34179.5. The department shall notify
 5 the county auditor-controllers of its actions and the county
 6 auditor-controllers shall disburse the funds received from
 7 successor agencies to taxing entities pursuant to Section 34188
 8 within five working days of receipt. Amounts received after
 9 November 28, 2012, and April 10, 2013, may be held and disbursed
 10 with the regular payments to taxing entities pursuant to Section
 11 34183.

12 (g) By December 1, 2012, the county auditor-controller shall
 13 provide the department a report specifying the amount submitted
 14 by each successor agency pursuant to subdivision (d) for low- and
 15 moderate-income housing funds, and specifically noting those
 16 successor agencies that failed to remit the full required amount.
 17 By April 20, 2013, the county auditor-controller shall provide the
 18 department a report detailing the amount submitted by each
 19 successor agency pursuant to subdivision (d) for all other funds
 20 and accounts, and specifically noting those successor agencies
 21 that failed to remit the full required amount.

22 (h) If a successor agency fails to remit to the county
 23 auditor-controller the sums identified in subdivisions (d) and (f),
 24 by the deadlines specified in those subdivisions, the following
 25 remedies are available:

26 (1) (A) If the successor agency cannot promptly recover the
 27 funds that have been transferred to another public agency without
 28 an enforceable obligation as described in paragraphs (2) and (3)
 29 of subdivision (c) of Section 34179.5, the funds may be recovered
 30 through an offset of sales and use tax or property tax allocations
 31 to the local agency to which the funds were transferred. To recover
 32 such funds, the Department of Finance may order the State Board
 33 of Equalization to make an offset pursuant to subdivision (a) of
 34 Section 34179.8. If the Department of Finance does not order a
 35 sales tax offset, the county auditor-controller may reduce the
 36 property tax allocations to any local agency in the county that fails
 37 to repay funds pursuant to subdivision (c) of Section 34179.8.

38 (B) The county auditor-controller and the department shall each
 39 have the authority to demand the return of funds improperly spent
 40 or transferred to a private person or other private entity. If funds

1 are not repaid within 60 days, they may be recovered through any
2 lawful means of collection and are subject to a ten percent penalty
3 plus interest at the rate charged for late personal income tax
4 payments from the date the improper payment was made to the
5 date the money is repaid.

6 (C) If the city, county, or city and county that created the former
7 redevelopment agency is also performing the duties of the
8 successor agency, the Department of Finance may order an offset
9 to the distribution provided to the sales and use tax revenue to that
10 agency pursuant to subdivision (a) of Section 34179.8. This offset
11 shall be equal to the amount the successor fails to remit pursuant
12 to subdivision (f). If the Department of Finance does not order a
13 sales tax offset, the county auditor-controller may reduce the
14 property tax allocations of the city, county, or city and county that
15 created the former redevelopment agency pursuant to subdivision
16 (c) of Section 34179.8.

17 (D) The department and the county auditor-controller shall
18 coordinate their actions undertaken pursuant to this paragraph.

19 (2) Alternatively or in addition to the remedies provided in
20 paragraph (1), the department may direct the county
21 auditor-controller to deduct the unpaid amount from future
22 allocations of property tax to the successor agency under Section
23 34183 until the amount of payment required pursuant to
24 subdivision (d) is accomplished.

25 (3) If the Department of Finance determines that payment of
26 the full amount required under subdivision (d) is not currently
27 feasible or would jeopardize the ability of the successor agency
28 to pay enforceable obligations in a timely manner, it may agree
29 to an installment payment plan.

30 (i) (1) If a legal action contesting a withholding effectuated by
31 the State Board of Equalization pursuant to subparagraphs (B),
32 (C), or (B) and (C) of paragraph (2) of subdivision (b) of Section
33 34183.5 is successful and results in a final judicial determination,
34 the court shall order the state to pay to the prevailing party a
35 penalty equal to a percentage of the amount of funds found by the
36 court to be improperly withheld, as provided in Section 34179.8.
37 This percentage shall be equivalent to the number of months the
38 funds have been found by the court to be improperly withheld, not
39 to exceed 10 percent.

1 (2) If a legal action contesting an offset effectuated by the State
 2 Board of Equalization or the county auditor-controller pursuant
 3 to subdivision (h) is successful and results in a final judicial
 4 determination, the court shall order the state or the county
 5 auditor-controller to pay to the prevailing party a penalty equal
 6 to 10 percent of the amount of funds found by the court to be
 7 improperly offset, as provided in Section 34179.8.

8 (j) If a legal challenge to invalidate any provision in subdivision
 9 (h) or subparagraph (B) or (C), or subparagraphs (B) and (C) of
 10 paragraph (2) of subdivision (b) of Section 34183.5 is successful
 11 and results in a final judicial determination, the invalidated
 12 provision shall become inoperative and subdivision (i) shall
 13 become inoperative with respect to the invalidated provision.

14 SEC. 19. Section 34179.7 is added to the Health and Safety
 15 Code, to read:

16 34179.7. Upon full payment of the amounts determined in
 17 subdivision (d) or (e) of Section 34179.6 as reported by the county
 18 auditor-controller pursuant to subdivision (g) of Section 34179.6
 19 and of any amounts due as determined by Section 34183.5, or upon
 20 a final judicial determination of the amounts due and confirmation
 21 that those amounts have been paid by the county auditor-controller,
 22 the department shall issue, within five business days, a finding of
 23 completion of the requirements of Section 34179.6 to the successor
 24 agency.

25 SEC. 20. Section 34179.8 is added to the Health and Safety
 26 Code, to read:

27 34179.8. (a) If an offset or withholding of sales and use tax is
 28 ordered by the Department of Finance pursuant to this part, the
 29 State Board of Equalization shall reduce the distribution of sales
 30 and use taxes collected under Chapter 1 (commencing with Section
 31 7200) of Part 1.5 of Division 2 of the Revenue and Taxation Code
 32 to the entity that is the subject of the offset or withholding and
 33 shall direct the Controller to issue a warrant in the amount of any
 34 offset pursuant to subdivision (h) of Section 34179.6 to the county
 35 auditor-controller. The county auditor-controller shall distribute
 36 this amount to the taxing entities for the former redevelopment
 37 area according to Section 34188.

38 (b) (1) If a court has issued a final judicial determination or
 39 the department determines that some or all of the amount collected
 40 through the offset of sales and use tax has been paid by another

1 means and no additional amount is owed, the court or the
 2 department shall notify the State Board of Equalization of that
 3 determination. Upon notification, the State Board of Equalization
 4 shall reverse the relevant amount of sales and use tax offset, add
 5 any penalty payable under subdivision (i) of Section 34179.6, and
 6 adjust the next distribution of sales and use tax to the affected
 7 local entity by reducing the allocation of tax to the General Fund
 8 and increasing the distribution to the local entity by that sum.

9 (2) The board shall inform the Controller of the reversal of the
 10 offset of sales and use tax undertaken pursuant to paragraph (1).
 11 The Controller shall send a demand for payment to the county
 12 auditor-controller for the amount of the offset reversal, excluding
 13 any penalty amount determined by the court pursuant to
 14 subdivision (i) of Section 34179.6 to be applicable to the offset.
 15 The auditor-controller shall reduce allocations to taxing entities
 16 in the next distributions under Section 34188 until the amount of
 17 the reversed offset is recovered and shall pay such recovered
 18 amounts to the State Controller for deposit in the General Fund.

19 (c) (1) If an offset of property tax is ordered by the county
 20 auditor-controller pursuant to this part, the auditor-controller
 21 shall reduce the distribution of property taxes to the entity that is
 22 the subject of the offset and shall distribute the amount to the taxing
 23 entities for the former redevelopment area according to Section
 24 34188.

25 (2) If a court has issued a final judicial determination or the
 26 department determines that some or all of the amount collected
 27 through the offset made pursuant to paragraph (1) has been paid
 28 by another means and no additional amount is owed, the court or
 29 the department shall notify the county auditor-controller of that
 30 determination. Upon notification, the county auditor-controller
 31 shall reverse the relevant amount of property tax revenues offset
 32 in the next distribution of property tax to the affected local entity
 33 by reducing the allocation of tax to the taxing entities of the former
 34 redevelopment area under Section 34188 and increasing the
 35 distribution of property taxes to the local entity that was subject
 36 to the offset.

37 SEC. 21. Section 34180 of the Health and Safety Code is
 38 amended to read:

39 34180. All of the following successor agency actions shall first
 40 be approved by the oversight board:

1 (a) The establishment of new repayment terms for outstanding
 2 loans where the terms have not been specified prior to the date of
 3 this part. *An oversight board shall not have the authority to*
 4 *reestablish loan agreements between the successor agency and*
 5 *the city, county, or city and county that formed the redevelopment*
 6 *agency except as provided in Chapter 9 (commencing with Section*
 7 *34191.1).*

8 ~~(b) Refunding of outstanding bonds or other debt of the former~~
 9 ~~redevelopment agency by successor agencies in order to provide~~
 10 ~~for savings or to finance debt service spikes; provided, however,~~
 11 ~~that no additional debt is created and debt service is not accelerated.~~

12 (b) *The issuance of bonds or other indebtedness or the pledge*
 13 *or agreement for the pledge of property tax revenues (formerly*
 14 *tax increment prior to the effective date of this part) pursuant to*
 15 *subdivision (a) of Section 34177.5.*

16 (c) Setting aside of amounts in reserves as required by
 17 indentures, trust indentures, or similar documents governing the
 18 issuance of outstanding redevelopment agency bonds.

19 (d) Merging of project areas.

20 (e) Continuing the acceptance of federal or state grants, or other
 21 forms of financial assistance from either public or private sources,
 22 ~~where if that~~ assistance is conditioned upon the provision of
 23 matching funds, by the successor entity as successor to the former
 24 redevelopment agency, in an amount greater than 5 percent.

25 (f) (1) If a city, county, or city and county wishes to retain any
 26 properties or other assets for future redevelopment activities,
 27 funded from its own funds and under its own auspices, it must
 28 reach a compensation agreement with the other taxing entities to
 29 provide payments to them in proportion to their shares of the base
 30 property tax, as determined pursuant to Section 34188, for the
 31 value of the property retained.

32 (2) If no other agreement is reached on valuation of the retained
 33 assets, the value will be the fair market value as of the 2011
 34 property tax lien date as determined by ~~the county assessor~~ *an*
 35 *independent appraiser approved by the oversight board.*

36 (g) Establishment of the Recognized Obligation Payment
 37 Schedule.

38 (h) A request by the successor agency to enter into an agreement
 39 with the city, county, or city and county that formed the
 40 redevelopment agency that it is succeeding. *An oversight board*

1 shall not have the authority to reestablish loan agreements between
 2 the successor agency and the city, county, or city and county that
 3 formed the redevelopment agency except as provided in Chapter
 4 9 (commencing with Section 34191.1). Any actions to reestablish
 5 any other agreements that are in furtherance of enforceable
 6 obligations, with the city, county, or city and county that formed
 7 the redevelopment agency are invalid until they are included in
 8 an approved and valid Recognized Obligation Payment Schedule.

9 (i) A request by a successor agency or taxing entity to pledge,
 10 or to enter into an agreement for the pledge of, property tax
 11 revenues pursuant to subdivision (b) of Section 34178.

12 (j) Any document submitted by a successor agency to an
 13 oversight board for approval by any provision of this part shall
 14 also be submitted to the county administrative officer, the county
 15 auditor-controller, and the Department of Finance at the same time
 16 that the successor agency submits the document to the oversight
 17 board.

18 *SEC. 22. Section 34181 of the Health and Safety Code is*
 19 *amended to read:*

20 34181. The oversight board shall direct the successor agency
 21 to do all of the following:

22 (a) Dispose of all assets and properties of the former
 23 redevelopment agency ~~that were funded by tax increment revenues~~
 24 ~~of the dissolved redevelopment agency~~; provided, however, that
 25 the oversight board may instead direct the successor agency to
 26 transfer ownership of those assets that were constructed and used
 27 for a governmental purpose, such as roads, school buildings, parks,
 28 police and fire stations, libraries, and local agency administrative
 29 buildings, to the appropriate public jurisdiction pursuant to any
 30 existing agreements relating to the construction or use of such an
 31 asset. Any compensation to be provided to the successor agency
 32 for the transfer of the asset shall be governed by the agreements
 33 relating to the construction or use of that asset. Disposal shall be
 34 done expeditiously and in a manner aimed at maximizing value.
 35 *Asset disposition may be accomplished by a distribution of income*
 36 *to taxing entities proportionate to their property tax share from*
 37 *one or more properties that may be transferred to a public or*
 38 *private agency for management pursuant to the direction of the*
 39 *oversight board.*

1 (b) Cease performance in connection with and terminate all
2 existing agreements that do not qualify as enforceable obligations.

3 ~~(c) Transfer housing responsibilities and all rights, powers,~~
4 ~~duties, and obligations along with any amounts on deposit in the~~
5 ~~Low and Moderate Income Housing Fund to the appropriate entity~~
6 ~~assets pursuant to Section 34176.~~

7 (d) Terminate any agreement, between the dissolved
8 redevelopment agency and any public entity located in the same
9 county, obligating the redevelopment agency to provide funding
10 for any debt service obligations of the public entity or for the
11 construction, or operation of facilities owned or operated by such
12 public entity, in any instance where the oversight board has found
13 that early termination would be in the best interests of the taxing
14 entities.

15 (e) Determine whether any contracts, agreements, or other
16 arrangements between the dissolved redevelopment agency and
17 any private parties should be terminated or renegotiated to reduce
18 liabilities and increase net revenues to the taxing entities, and
19 present proposed termination or amendment agreements to the
20 oversight board for its approval. The board may approve any
21 amendments to or early termination of ~~such those~~ agreements
22 ~~where~~ if it finds that amendments or early termination would be
23 in the best interests of the taxing entities.

24 *(f) All actions taken pursuant to subdivisions (a) and (c) shall*
25 *be approved by resolution of the oversight board at a public*
26 *meeting after at least 10 days' notice to the public of the specific*
27 *proposed actions. The actions shall be subject to review by the*
28 *Department of Finance pursuant to Section 34179 except that the*
29 *department may extend its review period by up to 60 days. If the*
30 *department does not object to an action subject to this section,*
31 *and if no action challenging an action is commenced within 60*
32 *days of the approval of the action by the oversight board, the action*
33 *of the oversight board shall be considered final and can be relied*
34 *upon as conclusive by any person. If an action is brought to*
35 *challenge an action involving title to or an interest in real property,*
36 *a notice of pendency of action shall be recorded by the claimant*
37 *as provided in Title 4.5 (commencing with Section 405) of Part 2*
38 *of the Code of Civil Procedure within a 60-day period.*

39 SEC. 23. Section 34182 of the Health and Safety Code is
40 amended to read:

1 34182. (a) (1) The county auditor-controller shall conduct or
 2 cause to be conducted an agreed-upon procedures audit of each
 3 redevelopment agency in the county that is subject to this part, to
 4 be completed by ~~July~~ *October 1, 2012*.

5 (2) The purpose of the audits shall be to establish each
 6 redevelopment agency's assets and liabilities, to document and
 7 determine each redevelopment agency's passthrough payment
 8 obligations to other taxing ~~agencies~~ *entities*, and to document and
 9 determine both the amount and the terms of any indebtedness
 10 incurred by the redevelopment agency ~~and certify pursuant to the~~
 11 initial Recognized Obligation Payment Schedule.

12 (3) The county auditor-controller may charge the Redevelopment
 13 Property Tax Trust Fund for any costs incurred by the county
 14 auditor-controller pursuant to this part.

15 (b) By ~~July 15~~ *October 5, 2012*, the county auditor-controller
 16 shall provide the Controller's office *and the Department of Finance*
 17 a copy of all audits performed pursuant to this section. The county
 18 auditor-controller shall maintain a copy of all documentation and
 19 working papers for use by the Controller.

20 (c) (1) The county auditor-controller shall determine the amount
 21 of property taxes that would have been allocated to each
 22 redevelopment agency in the county had the redevelopment agency
 23 not been dissolved pursuant to the operation of the act adding this
 24 part. These amounts are deemed property tax revenues within the
 25 meaning of subdivision (a) of Section 1 of Article XIII A of the
 26 California Constitution and are available for allocation and
 27 distribution in accordance with the provisions of the act adding
 28 this part. The county auditor-controller shall calculate the property
 29 tax revenues using current assessed values on the last equalized
 30 roll on August 20, pursuant to Section 2052 of the Revenue and
 31 Taxation Code, and pursuant to statutory formulas or contractual
 32 agreements with other taxing ~~agencies~~ *entities*, as of the effective
 33 date of this section, and shall deposit that amount in the
 34 Redevelopment Property Tax Trust Fund.

35 (2) Each county auditor-controller shall administer the
 36 Redevelopment Property Tax Trust Fund for the benefit of the
 37 holders of former redevelopment agency enforceable obligations
 38 and the taxing entities that receive passthrough payments and
 39 distributions of property taxes pursuant to this part.

1 (3) In connection with the allocation and distribution by the
2 county auditor-controller of property tax revenues deposited in the
3 Redevelopment Property Tax Trust Fund, in compliance with this
4 part, the county auditor-controller shall prepare estimates of
5 amounts *of property tax* to be allocated and distributed; *and the*
6 *amounts of passthrough payments to be made in the upcoming*
7 *six-month period*, and provide those estimates to both the entities
8 receiving the distributions and the Department of Finance, no later
9 than ~~November~~ *October 1* and ~~May~~ *April 1* of each year.

10 (4) Each county auditor-controller shall disburse proceeds of
11 asset sales or reserve balances, which have been received from the
12 successor entities pursuant to Sections 34177 and 34187, to the
13 taxing entities. In making such a distribution, the county
14 auditor-controller shall utilize the same methodology for allocation
15 and distribution of property tax revenues provided in Section
16 34188.

17 (d) By October 1, 2012, the county auditor-controller shall report
18 the following information to the Controller's office and the Director
19 of Finance:

20 (1) The sums of property tax revenues remitted to the
21 Redevelopment Property Tax Trust Fund related to each former
22 redevelopment agency.

23 (2) The sums of property tax revenues remitted to each agency
24 under paragraph (1) of subdivision (a) of Section 34183.

25 (3) The sums of property tax revenues remitted to each successor
26 agency pursuant to paragraph (2) of subdivision (a) of Section
27 34183.

28 (4) The sums of property tax revenues paid to each successor
29 agency pursuant to paragraph (3) of subdivision (a) of Section
30 34183.

31 (5) The sums paid to each city, county, and special district, and
32 the total amount allocated for schools pursuant to paragraph (4)
33 of subdivision (a) of Section 34183.

34 (6) Any amounts deducted from other distributions pursuant to
35 subdivision (b) of Section 34183.

36 (e) A county auditor-controller may charge the Redevelopment
37 Property Tax Trust Fund for the costs of administering the
38 provisions of this part.

39 (f) The Controller may audit and review any county
40 auditor-controller action taken pursuant to the act adding this part.

1 As such, all county auditor-controller actions shall not be effective
 2 for three business days, pending a request for review by the
 3 Controller. In the event that the Controller requests a review of a
 4 given county auditor-controller action, he or she shall have 10 days
 5 from the date of his or her request to approve the county
 6 auditor-controller's action or return it to the county
 7 auditor-controller for reconsideration and—~~such~~ *the* county
 8 ~~auditor-controller~~ *auditor-controller's* action shall not be effective
 9 until approved by the Controller. In the event that the Controller
 10 returns the county auditor-controller's action to the county
 11 auditor-controller for reconsideration, the county auditor-controller
 12 must resubmit the modified action for Controller approval and
 13 ~~such~~ *the* modified county ~~auditor-controller~~ *auditor-controller's*
 14 action shall not become effective until approved by the Controller.

15 *SEC. 24. Section 34182.5 is added to the Health and Safety*
 16 *Code, to read:*

17 *34182.5. A county auditor-controller may review the*
 18 *Recognized Obligation Payment Schedules and object to the*
 19 *inclusion of any items that are not demonstrated to be enforceable*
 20 *obligations and may object to the funding source proposed for any*
 21 *items. This review may take place prior to the submission of the*
 22 *Recognized Obligation Payment Schedule to the oversight board*
 23 *or subsequent to oversight board action. The county*
 24 *auditor-controller shall promptly transmit notice of any of those*
 25 *objections to the successor agency, the oversight board, and the*
 26 *Department of Finance. Notice shall be given at least 60 days*
 27 *prior to an allocation date specified in Section 34183, except that*
 28 *for the January 1, 2013 to June 30, 2013 Recognized Obligation*
 29 *Payment Schedule, notice shall be given no later than October 1,*
 30 *2012. If an oversight board disputes the finding of the county*
 31 *auditor-controller, it may refer the matter to the Department of*
 32 *Finance for a determination of what will be approved for inclusion*
 33 *in the Recognized Obligation Payment Schedule.*

34 *SEC. 25. Section 34183 of the Health and Safety Code is*
 35 *amended to read:*

36 *34183. (a) Notwithstanding any other law, from February 1,*
 37 *2012, to July 1, 2012, and for each fiscal year thereafter, the county*
 38 *auditor-controller shall, after deducting administrative costs*
 39 *allowed under Section 34182 and Section 95.3 of the Revenue and*

1 Taxation Code, allocate moneys in each Redevelopment Property
2 Tax Trust Fund as follows:

3 (1) Subject to any prior deductions required by subdivision (b),
4 first, the county auditor-controller shall remit from the
5 Redevelopment Property Tax Trust Fund to each local agency and
6 school entity an amount of property tax revenues in an amount
7 equal to that which would have been received under Section 33401,
8 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections
9 read on January 1, 2011, or pursuant to any passthrough agreement
10 between a redevelopment agency and a taxing-jurisdiction entity
11 that was entered into prior to January 1, 1994, that would be in
12 force during that fiscal year, had the redevelopment agency existed
13 at that time. The amount of the payments made pursuant to this
14 paragraph shall be calculated solely on the basis of passthrough
15 payment obligations, existing prior to the effective date of this part
16 and continuing as obligations of successor entities, shall occur no
17 later than May 16, 2012, and no later than June 1, 2012, and each
18 January 16 2 and June 1 thereafter. Notwithstanding subdivision
19 (e) of Section 33670, that portion of the taxes in excess of the
20 amount identified in subdivision (a) of Section 33670, which are
21 attributable to a tax rate levied by a taxing-agency entity for the
22 purpose of producing revenues in an amount sufficient to make
23 annual repayments of the principal of, and the interest on, any
24 bonded indebtedness for the acquisition or improvement of real
25 property shall be allocated to, and when collected shall be paid
26 into, the fund of that taxing-agency entity. *The amount of*
27 *passthrough payments computed pursuant to this section, including*
28 *any passthrough agreements, shall be computed as though the*
29 *requirement to set aside funds for the Low and Moderate Income*
30 *Housing Fund was still in effect.*

31 (2) Second, on ~~May 16, 2012,~~ and June 1, 2012, and each
32 January ~~16 2~~ and June 1 thereafter, to each successor agency for
33 payments listed in its Recognized Obligation Payment Schedule
34 for the six-month fiscal period beginning January 1, 2012, ~~or~~ and
35 July 1, 2012, and each January ~~16 2~~ and June 1 thereafter, in the
36 following order of priority:

37 (A) Debt service payments scheduled to be made for tax
38 allocation bonds.

39 (B) Payments scheduled to be made on revenue bonds, but only
40 to the extent the revenues pledged for them are insufficient to make

1 the payments and only ~~where~~ *if* the agency's tax increment
2 revenues were also pledged for the repayment of the bonds.

3 (C) Payments scheduled for other debts and obligations listed
4 in the Recognized Obligation Payment Schedule that are required
5 to be paid from former tax increment revenue.

6 (3) Third, on ~~May 16, 2012,~~ and June 1, 2012, and each January
7 ~~16~~ 2 and June 1 thereafter, to each successor agency for the
8 administrative cost allowance, as defined in Section 34171, for
9 administrative costs set forth in an approved administrative budget
10 for those payments required to be paid from former tax increment
11 revenues.

12 (4) Fourth, on ~~May 16, 2012,~~ and June 1, 2012, and each January
13 ~~16~~ 2 and June 1 thereafter, any moneys remaining in the
14 Redevelopment Property Tax Trust Fund after the payments and
15 transfers authorized by paragraphs (1) to (3), inclusive, shall be
16 distributed to local agencies and school entities in accordance with
17 Section 34188.

18 (b) If the successor agency reports, no later than April 1, 2012,
19 and May 1, 2012, and each December 1 and May 1 thereafter, to
20 the county auditor-controller that the total amount available to the
21 successor agency from the Redevelopment Property Tax Trust
22 Fund allocation to that successor agency's Redevelopment
23 Obligation Retirement Fund, from other funds transferred from
24 each redevelopment agency, and from funds that have or will
25 become available through asset sales and all redevelopment
26 operations, are insufficient to fund the payments required by
27 paragraphs (1) to (3), inclusive, of subdivision (a) in the next
28 six-month fiscal period, the county auditor-controller shall notify
29 the Controller and the Department of Finance no later than 10 days
30 from the date of that notification. The county auditor-controller
31 shall verify whether the successor agency will have sufficient funds
32 from which to service debts according to the Recognized
33 Obligation Payment Schedule and shall report the findings to the
34 Controller. If the Controller concurs that there are insufficient
35 funds to pay required debt service, the amount of the deficiency
36 shall be deducted first from the amount remaining to be distributed
37 to taxing entities pursuant to paragraph (4), and if that amount is
38 exhausted, from amounts available for distribution for
39 administrative costs in paragraph (3). If an agency, pursuant to the
40 provisions of Section 33492.15, 33492.72, 33607.5, 33671.5,

1 33681.15, or 33688; or as expressly provided in a passthrough
 2 agreement entered into pursuant to Section 33401, made
 3 passthrough payment obligations subordinate to debt service
 4 payments required for enforceable obligations, funds for servicing
 5 bond debt may be deducted from the amounts for passthrough
 6 payments under paragraph (1), as provided in those sections, but
 7 only to the extent that the amounts remaining to be distributed to
 8 taxing entities pursuant to paragraph (4) and the amounts available
 9 for distribution for administrative costs in paragraph (3) have all
 10 been exhausted.

11 (c) The county treasurer may loan any funds from the county
 12 treasury to the Redevelopment Property Tax Trust Fund of the
 13 successor agency for the purpose of paying an item approved on
 14 the Recognized Obligation Payment Schedule at the request of the
 15 Department of Finance that are necessary to ensure prompt
 16 payments of redevelopment agency debts. An enforceable
 17 obligation is created for repayment of those loans.

18 (d) The Controller may recover the costs of audit and oversight
 19 required under this part from the Redevelopment Property Tax
 20 Trust Fund by presenting an invoice therefor to the county
 21 auditor-controller who shall set aside sufficient funds for and
 22 disburse the claimed amounts prior to making the next distributions
 23 to the taxing-jurisdictions entities pursuant to Section 34188.
 24 Subject to the approval of the Director of Finance, the budget of
 25 the Controller may be augmented to reflect the reimbursement,
 26 pursuant to Section 28.00 of the Budget Act.

27 (e) Within 10 days of each distribution of property tax, the
 28 county auditor-controller shall provide a report to the department
 29 regarding the distribution for each successor agency that includes
 30 information on the total available for allocation, the passthrough
 31 amounts and how they were calculated, the amounts distributed
 32 to successor agencies, and the amounts distributed to taxing entities
 33 in a manner and form specified by the department. This reporting
 34 requirement shall also apply to distributions required under
 35 subdivision (b) of Section 34183.5.

36 SEC. 26. Section 34183.5 is added to the Health and Safety
 37 Code, to read:

38 34183.5. (a) The Legislature hereby finds and declares that
 39 due to the delayed implementation of this part due to the California
 40 Supreme Court's ruling in the case California Redevelopment

1 *Association v. Matosantos et al. (2011) 53 Cal.4th 231, some*
2 *disruption to the intended application of this part and other law*
3 *with respect to passthrough payments may have occurred.*

4 (1) *If a redevelopment agency or successor agency did not pay*
5 *any portion of an amount owed for the 2011–12 fiscal year to an*
6 *affected taxing entity pursuant to Section 33401, 33492.140, 33607,*
7 *33607.5, 33607.7, or 33676, or pursuant to any passthrough*
8 *agreement entered into before January 1, 1994, between a*
9 *redevelopment agency and an affected taxing entity, and to the*
10 *extent the county auditor-controller did not remit the amounts*
11 *owed for passthrough payments during the 2011–12 fiscal year,*
12 *the county auditor-controller shall make the required payments*
13 *to the taxing entities owed passthrough payments and shall reduce*
14 *the amounts to which the successor agency would otherwise be*
15 *entitled pursuant to paragraph (2) of subdivision (a) of Section*
16 *34183 at the next allocation of property tax under this part, subject*
17 *to the provisions of subdivision (b) of Section 34183. If the amount*
18 *of available property tax allocation to the successor agency is not*
19 *sufficient to make the required payment, the county*
20 *auditor-controller shall continue to reduce allocations to the*
21 *successor agency under paragraph (2) of subdivision (a) of Section*
22 *34183 until the time that the owed amount is fully paid. Alternately,*
23 *the county auditor-controller may accept payment from the*
24 *successor agency's reserve funds for payments of passthrough*
25 *payments owed as defined in this subdivision.*

26 (2) *If a redevelopment agency did not pay any portion of the*
27 *amount owed for the 2011–12 fiscal year to an affected taxing*
28 *entity pursuant to Section 33401, 33492.140, 33607, 33607.5,*
29 *33607.7, or 33676, or pursuant to any passthrough agreement*
30 *entered into before January 1, 1994, between a redevelopment*
31 *agency and an affected taxing entity, but the county*
32 *auditor-controller did pay the difference that was owing, the*
33 *auditor controller shall deduct from the next allocation of property*
34 *tax to the successor agency under paragraph (2) of subdivision*
35 *(a) of Section 34183, the amount of the payment made on behalf*
36 *of the successor agency by the county auditor-controller, not to*
37 *exceed one-half the amount of passthrough payments owed for the*
38 *2011–12 fiscal year. If the amount of available property tax*
39 *allocation to the successor agency is not sufficient to make the*
40 *required deduction, the county auditor-controller shall continue*

1 to reduce allocations to the successor agency under paragraph
2 (2) of subdivision (a) of Section 34183 until the time that the
3 amount is fully deducted. Alternatively, the auditor-controller may
4 accept payment from the successor agency's reserve funds for
5 deductions of passthrough payments owed as defined in this
6 subdivision. Amounts reduced from successor agency payments
7 under this paragraph are available for the purposes of paragraphs
8 (2) to (4), inclusive, of subdivision (a) of Section 34183 for the
9 six-month period for which the property tax revenues are being
10 allocated.

11 (b) In recognition of the fact that county auditor-controllers
12 were unable to make the payments required by paragraph (4) of
13 subdivision (a) of Section 34183 for the period January 1, 2012,
14 through June 30, 2012, on January 16, 2012, due to the California
15 Supreme Court's ruling in the case of California Redevelopment
16 Association v. Matosantos (2011) 53 Cal.4th 231, in addition to
17 taking the actions specified in Section 34183 with respect to the
18 June 1 property tax allocations, county auditor-controllers should
19 have made allocations as provided in paragraph (1).

20 (1) From the allocations made on June 1, 2012, for the
21 Recognized Obligation Payment Schedule covering the period July
22 1, 2012, through December 31, 2012, deduct from the amount that
23 otherwise would be deposited in the Redevelopment Property Tax
24 Trust Fund on behalf of the successor agency an amount equivalent
25 to the amount that each affected taxing entity was entitled to
26 pursuant to paragraph (4) of subdivision (a) of Section 34183 for
27 the period January 1, 2012, through June 30, 2012. The amount
28 to be retained by taxing entities pursuant to paragraph (4) of
29 subdivision (a) of Section 34183 for the January 1, 2012, through
30 June 30, 2012, period is determined based on the Recognized
31 Obligation Payment Schedule approved by the Department of
32 Finance pursuant to subdivision (h) of Section 34179 and any
33 amount determined to be owed pursuant to subdivision (b). Any
34 amounts so computed shall not be offset by any shortages in
35 funding for recognized obligations for the period covering July 1,
36 2012, through December 31, 2012.

37 (2) (A) If an affected taxing entity has not received the full
38 amount to which it was entitled pursuant to paragraph (4) of
39 subdivision (a) of Section 34183 of the property tax distributed
40 for the period January 1, 2012, through June 30, 2012, and

1 paragraph (1), no later than July 9, 2012, the county
 2 auditor-controller shall determine the amount, if any, that is owed
 3 by each successor agency to taxing entities and send a demand
 4 for payment from the funds of the successor agency for the amount
 5 owed to taxing entities if it has distributed the June 1, 2012,
 6 allocation to the successor agencies. No later than July 12, 2012,
 7 successor agencies shall make payment of the amounts demanded
 8 to the county auditor-controller for deposit into the Redevelopment
 9 Property Tax Trust Fund and subsequent distribution to taxing
 10 entities. No later than July 16, 2012, the county auditor-controller
 11 shall make allocations of all money received by that date from
 12 successor agencies in amounts owed to taxing entities under this
 13 paragraph to taxing entities in accordance with Section 34183.
 14 The county auditor-controller shall make allocations of any money
 15 received after that date under this paragraph within five business
 16 days of receipt. These duties are not discretionary and shall be
 17 carried out with due diligence.

18 (B) If a county auditor-controller fails to determine the amounts
 19 owed to taxing entities and present a demand for payment by July
 20 9, 2012, to the successor agencies, the Department of Finance or
 21 any affected taxing entity may request a writ of mandate to require
 22 the county auditor-controller to immediately perform this duty.
 23 Such actions may be filed only in the County of Sacramento and
 24 shall have priority over other civil matters. Any county in which
 25 the county auditor-controller fails to perform the duties under this
 26 paragraph shall be subject to a civil penalty of 10 percent of the
 27 amount owed to taxing entities plus 1.5 percent of the amount owed
 28 to taxing entities for each month that the duties are not performed.
 29 The civil penalties shall be payable to the taxing entities under
 30 Section 34183. Additionally, any county in which the county
 31 auditor-controller fails to make the required determinations and
 32 demands for payment under this paragraph by July 9, 2012, or
 33 fails to distribute the full amount of funds received from successor
 34 agencies as required by this paragraph shall not receive the
 35 distribution of sales and use tax scheduled for July 18, 2012, or
 36 any subsequent payment, up to the amount owed to taxing entities,
 37 until the county auditor-controller performs the duties required
 38 by this paragraph.

39 (C) If a successor agency fails to make the payment demanded
 40 under subparagraph (A) by July 12, 2012, the Department of

1 Finance or any affected taxing entity may file for a writ of mandate
 2 to require the successor agency to immediately make this payment.
 3 Such actions may be filed only in the County of Sacramento and
 4 shall have priority over other civil matters. Any successor agency
 5 that fails to make payment by July 12, 2012, under this paragraph
 6 shall be subject to a civil penalty of 10 percent of the amount owed
 7 to taxing entities plus one and one-half percent of the amount owed
 8 to taxing entities for each month that the payments are not made.
 9 Additionally, the city or county or city and county that created the
 10 redevelopment agency shall also be subject to a civil penalty of
 11 10 percent of the amount owed to taxing entities plus 1.5 percent
 12 of the amount owed to taxing entities for each month the payment
 13 is late. The civil penalties shall be payable to the taxing entities
 14 under Section 34183. If the Department of Finance finds that the
 15 imposition of penalties will jeopardize the payment of enforceable
 16 obligations it may request the court to waive some or all of the
 17 penalties. A successor agency that does not pay the amount
 18 required under this subparagraph by July 12, 2012, shall not pay
 19 any obligations other than bond debt service until full payment is
 20 made to the county auditor-controller. Additionally, any city,
 21 county or city and county that created the redevelopment agency
 22 that fails to make the required payment under this paragraph by
 23 July 12, 2012, shall not receive the distribution of sales and use
 24 tax scheduled for July 18, 2012, or any subsequent payment, up
 25 to the amount owed to taxing entities, until the payment required
 26 by this paragraph is made.

27 (D) The Legislature hereby finds and declares that time is of
 28 the essence. Funds that should have been received and were
 29 expected and spent in anticipation of receipt by community
 30 colleges, schools, counties, cities, and special districts have not
 31 been received resulting in significant fiscal impact to the state and
 32 taxing entities. Continued delay and uncertainty whether funds
 33 will be received warrants the availability of extraordinary relief
 34 as authorized herein.

35 (3) If an affected taxing entity has not received the full amount
 36 to which it was entitled pursuant to paragraph (4) of subdivision
 37 (a) of Section 34183 for the period January 1, 2012, through June
 38 30, 2012, and paragraph (1), the county auditor-controller shall
 39 reapply the provisions of paragraph (1) to each subsequent
 40 property tax allocation until such time as the affected taxing entity

1 *has received the full amount to which it was entitled pursuant to*
 2 *paragraph (4) of subdivision (a) of Section 34183 for the period*
 3 *January 1, 2012, through June 30, 2012.*

4 *SEC. 27. Section 34185 of the Health and Safety Code is*
 5 *amended to read:*

6 *34185. Commencing on ~~May 16, 2012~~ June 1, 2012, and on*
 7 *each January ~~16~~ 2 and June 1 thereafter, the county*
 8 *auditor-controller shall transfer, from the Redevelopment Property*
 9 *Tax Trust Fund of each successor agency into the Redevelopment*
 10 *Obligation Retirement Fund of that agency, an amount of property*
 11 *tax revenues equal to that specified in the Recognized Obligation*
 12 *Payment Schedule for that successor agency as payable from the*
 13 *Redevelopment Property Tax Trust Fund subject to the limitations*
 14 *of ~~Sections 34173 and~~ subdivision (l) of Section 34177 and Section*
 15 *34183.*

16 *SEC. 28. Section 34186 of the Health and Safety Code is*
 17 *amended to read:*

18 *34186. (a) Differences between actual payments and past*
 19 *estimated obligations on recognized obligation payment schedules*
 20 *~~must~~ shall be reported in subsequent recognized obligation payment*
 21 *schedules and shall adjust the amount to be transferred to the*
 22 *Redevelopment Obligation Retirement Fund pursuant to this part.*
 23 *These estimates and accounts shall be subject to audit by county*
 24 *auditor-controllers and the Controller.*

25 *(b) Differences between actual passthrough obligations and*
 26 *property tax amounts and the amounts used by the county*
 27 *auditor-controller in determining the amounts to be allocated*
 28 *under Sections 34183 and 34188 for a prior six-month period shall*
 29 *be applied as adjustments to the property tax and passthrough*
 30 *amounts in subsequent periods as they become known. County*
 31 *auditor-controllers shall not delay payments under this part to*
 32 *successor agencies or taxing entities based on pending*
 33 *transactions, disputes, or for any other reason, other than a court*
 34 *order, and shall use the Recognized Obligation Payment Schedule*
 35 *approved by the Department of Finance and the most current data*
 36 *for passthroughs and property tax available prior to the statutory*
 37 *distribution dates to make the allocations required on the dates*
 38 *required.*

39 *SEC. 29. Section 34187 of the Health and Safety Code is*
 40 *amended to read:*

1 34187. (a) (1) Commencing May 1, 2012, whenever a
 2 recognized obligation that had been identified in the Recognized
 3 Payment Obligation Schedule is paid off or retired, either through
 4 early payment or payment at maturity, the county auditor-controller
 5 shall distribute to the taxing entities, in accordance with the
 6 provisions of the Revenue and Taxation Code, all property tax
 7 revenues that were associated with the payment of the recognized
 8 obligation.

9 (2) *Notwithstanding paragraph (1), the Department of Finance*
 10 *may authorize a successor agency to retain property tax that*
 11 *otherwise would be distributed to affected taxing entities pursuant*
 12 *to this subdivision, to the extent the department determines the*
 13 *successor agency requires those funds for the payment of*
 14 *enforceable obligations. Upon making a determination, the*
 15 *department shall provide the county auditor-controller with*
 16 *information detailing the amounts that it has authorized the*
 17 *successor agency to retain. Upon determining the successor agency*
 18 *no longer requires additional funds pursuant to this subdivision,*
 19 *the department shall notify the successor agency and the county*
 20 *auditor-controller. The county auditor-controller shall then*
 21 *distribute the funds in question to the affected taxing entities in*
 22 *accordance with the provisions of the Revenue and Taxation Code.*

23 (b) *When all of the debt of a redevelopment agency has been*
 24 *retired or paid off, the successor agency shall dispose of all*
 25 *remaining assets and terminate its existence within one year of*
 26 *the final debt payment. When the successor agency is terminated,*
 27 *all passthrough payment obligations shall cease and no property*
 28 *tax shall be allocated to the Redevelopment Property Tax Trust*
 29 *Fund for that agency.*

30 SEC. 30. *Section 34188 of the Health and Safety Code is*
 31 *amended to read:*

32 34188. For all distributions of property tax revenues and other
 33 moneys pursuant to this part, the distribution to each taxing entity
 34 shall be in an amount proportionate to its share of property tax
 35 revenues in the tax rate area in that fiscal year, as follows:

36 (a) (1) For distributions from the Redevelopment Property Tax
 37 Trust Fund, the share of each taxing entity shall be applied to the
 38 amount of property tax available in the Redevelopment Property
 39 Tax Trust Fund after deducting the amount of any distributions
 40 under paragraphs (2) and (3) of subdivision (a) of Section 34183.

1 (2) For each taxing entity that receives passthrough payments,
 2 that agency shall receive the amount of any passthrough payments
 3 identified under paragraph (1) of subdivision (a) of Section 34183,
 4 in an amount not to exceed the amount that it would receive
 5 pursuant to this section in the absence of the passthrough
 6 agreement. However, to the extent that the passthrough payments
 7 received by the taxing entity are less than the amount that the
 8 taxing entity would receive pursuant to this section in the absence
 9 of a passthrough agreement, the taxing entity shall receive an
 10 additional payment that is equivalent to the difference between
 11 those amounts.

12 (b) Property tax shares of local agencies shall be determined
 13 based on property tax allocation laws in effect on the date of
 14 distribution, without the revenue exchange amounts allocated
 15 pursuant to Section 97.68 of the Revenue and Taxation Code, and
 16 without the property taxes allocated pursuant to Section 97.70 of
 17 the Revenue and Taxation Code.

18 (c) The total school share, including passthroughs, shall be the
 19 share of the property taxes that would have been received by school
 20 entities, as defined in subdivision (f) of Section 95 of the Revenue
 21 and Taxation Code, in the jurisdictional territory of the former
 22 redevelopment agency, including, but not limited to, the amounts
 23 specified in Sections 97.68 and 97.70 of the Revenue and Taxation
 24 Code.

25 (d) *This section shall not be construed to increase any*
 26 *allocations of excess, additional, or remaining funds that would*
 27 *otherwise have been allocated to cities, counties, cities and*
 28 *counties, or special districts pursuant to clause (i) of subparagraph*
 29 *(B) of paragraph (4) of subdivision (d) of Section 97.2, clause (i)*
 30 *of subparagraph (B) of paragraph (4) of subdivision (d) of Section*
 31 *97.3, or Article 4 (commencing with Section 98) of Chapter 6 of*
 32 *Part 0.5 of Division 1, of the Revenue and Taxation Code, had this*
 33 *section not been enacted.*

34 *SEC. 31. Section 34189 of the Health and Safety Code is*
 35 *amended to read:*

36 34189. (a) Commencing on the effective date of this part, all
 37 provisions of the Community Redevelopment Law that depend on
 38 the allocation of tax increment to redevelopment agencies,
 39 including, but not limited to, Sections 33445, 33640, 33641, 33645,
 40 and subdivision (b) of Section 33670, shall be inoperative, except

1 as those sections apply to a redevelopment agency operating
2 pursuant to Part 1.9 (commencing with Section 34192).

3 ~~(b) The California Law Revision Commission shall draft a~~
4 ~~Community Redevelopment Law cleanup bill for consideration~~
5 ~~by the Legislature no later than January 1, 2013.~~

6 ~~(c)~~

7 (b) To the extent that a provision of Part 1 (commencing with
8 Section 33000), Part 1.5 (commencing with Section 34000), Part
9 1.6 (commencing with Section 34050), and Part 1.7 (commencing
10 with Section 34100) conflicts with this part, the provisions of this
11 part shall control. Further, if a provision of Part 1 (commencing
12 with Section 33000), Part 1.5 (commencing with Section 34000),
13 Part 1.6 (commencing with Section 34050), or Part 1.7
14 (commencing with Section 34100) provides an authority that the
15 act adding this part is restricting or eliminating, the restriction and
16 elimination provisions of the act adding this part shall control.

17 ~~(d)~~

18 (c) It is intended that the provisions of this part shall be read in
19 a manner as to avoid duplication of payments.

20 *SEC. 32. Section 34189.1 is added to the Health and Safety*
21 *Code, to read:*

22 *34189.1. No party, public or private, may pursue, nor does a*
23 *court have jurisdiction over, a validation action with respect to*
24 *any action of a redevelopment agency or a successor agency to a*
25 *redevelopment agency that took place on or after January 1, 2011,*
26 *unless the Department of Finance and the Controller, representing*
27 *interests of the State of California and each of the taxing entities*
28 *who could be affected financially by the action, has been properly*
29 *noticed. All actions shall be filed in the County of Sacramento.*

30 *SEC. 33. Section 34189.2 is added to the Health and Safety*
31 *Code, to read:*

32 *34189.2. A successor agency or any party to an enforceable*
33 *obligation as defined under this part shall properly notice the state*
34 *with respect to a validation action involving any enforceable*
35 *obligation or matter of title to an asset that belonged to a*
36 *redevelopment agency. For such an action to be properly filed,*
37 *both the Controller and the Director of Finance shall be noticed*
38 *and actions shall be filed in the County of Sacramento.*

39 *SEC. 34. Section 34189.3 is added to the Health and Safety*
40 *Code, to read:*

1 34189.3. *An action contesting any act taken or determinations*
 2 *or decisions made pursuant to this part or Part 1.8 (commencing*
 3 *with Section 34161) may be brought in superior court and shall*
 4 *be filed in the County of Sacramento.*

5 SEC. 35. *Chapter 9 (commencing with Section 34191.1) is*
 6 *added to Part 1.85 of Division 24 of the Health and Safety Code,*
 7 *to read:*

8

9

CHAPTER 9. POSTCOMPLIANCE PROVISIONS

10

11 34191.1. *The provisions of this chapter shall apply to a*
 12 *successor agency upon that agency's receipt of a finding of*
 13 *completion by the Department of Finance pursuant to Section*
 14 *34179.7.*

15 34191.3. *Notwithstanding Section 34191.1, the requirements*
 16 *specified in subdivision (e) of Section 34177 and subdivision (a)*
 17 *of Section 34181 shall be suspended, except as those provisions*
 18 *apply to the transfers for governmental use, until the Department*
 19 *of Finance has approved a long-range property management plan*
 20 *pursuant to subdivision (b) of Section 34191.5, at which point the*
 21 *plan shall govern, and supersede all other provisions relating to,*
 22 *the disposition and use of the real property assets of the former*
 23 *redevelopment agency. If the department has not approved a plan*
 24 *by January 1, 2015, subdivision (e) of Section 34177 and*
 25 *subdivision (a) of Section 34181 shall be operative with respect*
 26 *to that successor agency.*

27 34191.4. *The following provisions shall apply to any successor*
 28 *agency that has been issued a finding of completion by the*
 29 *Department of Finance:*

30 (a) *All real property and interests in real property identified in*
 31 *subparagraph (C) of paragraph (5) of subdivision (c) of Section*
 32 *34179.5 shall be transferred to the Community Redevelopment*
 33 *Property Trust Fund of the successor agency upon approval by*
 34 *the Department of Finance of the long-range property management*
 35 *plan submitted by the successor agency pursuant to subdivision*
 36 *(b) of Section 34191.7 unless that property is subject to the*
 37 *requirements of any existing enforceable obligation.*

38 (b) (1) *Notwithstanding subdivision (d) of Section 34171, upon*
 39 *application by the successor agency and approval by the oversight*
 40 *board, loan agreements entered into between the redevelopment*

1 agency and the city, county, or city and county that created by the
 2 redevelopment agency shall be deemed to be enforceable
 3 obligations provided that the oversight board makes a finding that
 4 the loan was for legitimate redevelopment purposes.

5 (2) If the oversight board finds that the loan is an enforceable
 6 obligation, the accumulated interest on the remaining principal
 7 amount of the loan shall be recalculated from origination at the
 8 interest rate earned by funds deposited into the Local Agency
 9 Investment Fund. The loan shall be repaid to the city, county, or
 10 city and county in accordance with a defined schedule over a
 11 reasonable term of years at an interest rate not to exceed the
 12 interest rate earned by funds deposited into the Local Agency
 13 Investment Fund. The annual loan repayments provided for in the
 14 recognized obligations payment schedules shall be subject to all
 15 of the following limitations:

16 (A) Loan repayments shall not be made prior to the 2013–14
 17 fiscal year. Beginning in the 2013–14 fiscal year, the maximum
 18 repayment amount authorized each fiscal year for repayments
 19 made pursuant to this subdivision and paragraph (7) of subdivision
 20 (e) of Section 34176 combined shall be equal to one-half of the
 21 increase between the amount distributed to the taxing entities
 22 pursuant to paragraph (4) of subdivision (a) of Section 34183 in
 23 that fiscal year and the amount distributed to taxing entities
 24 pursuant to that paragraph in the 2012–13 base year. Loan or
 25 deferral repayments made pursuant to this subdivision shall be
 26 second in priority to amounts to be repaid pursuant to paragraph
 27 (7) of subdivision (e) of Section 34176.

28 (B) Repayments received by the city, county or city and county
 29 that formed the redevelopment agency shall first be used to retire
 30 any outstanding amounts borrowed and owed to the Low and
 31 Moderate Income Housing Fund of the former redevelopment
 32 agency for purposes of the Supplemental Educational Revenue
 33 Augmentation Fund and shall be distributed to the Low and
 34 Moderate Income Housing Asset Fund established by subdivision
 35 (d) of Section 34176.

36 (C) Twenty percent of any loan repayment shall be deducted
 37 from the loan repayment amount and shall be transferred to the
 38 Low and Moderate Income Housing Asset Fund, after all
 39 outstanding loans from the Low and Moderate Income Housing

1 *Fund for purposes of the Supplemental Educational Revenue*
 2 *Augmentation Fund have been paid.*

3 (c) (1) *Bond proceeds derived from bonds issued on or before*
 4 *December 31, 2010, shall be used for the purposes for which the*
 5 *bonds were sold.*

6 (2) (A) *Notwithstanding Section 34177.3 or any other*
 7 *conflicting provision of law, bond proceeds in excess of the*
 8 *amounts needed to satisfy approved enforceable obligations shall*
 9 *thereafter be expended in a manner consistent with the original*
 10 *bond covenants. Enforceable obligations may be satisfied by the*
 11 *creation of reserves for projects that are the subject of the*
 12 *enforceable obligation and that are consistent with the contractual*
 13 *obligations for those projects, or by expending funds to complete*
 14 *the projects. An expenditure made pursuant to this paragraph shall*
 15 *constitute the creation of excess bond proceeds obligations to be*
 16 *paid from the excess proceeds. Excess bond proceeds obligations*
 17 *shall be listed separately on the Recognized Obligation Payment*
 18 *Schedule submitted by the successor agency.*

19 (B) *If remaining bond proceeds cannot be spent in a manner*
 20 *consistent with the bond covenants pursuant to subparagraph (A),*
 21 *the proceeds shall be used to defease the bonds or to purchase*
 22 *those same outstanding bonds on the open market for cancellation.*

23 34191.5. (a) *There is hereby established a Community*
 24 *Redevelopment Property Trust Fund, administered by the successor*
 25 *agency, to serve as the repository of the former redevelopment*
 26 *agency's real properties identified in subparagraph (C) of*
 27 *paragraph (5) of subdivision (c) of Section 34179.5.*

28 (b) *The successor agency shall prepare a long-range property*
 29 *management plan that addresses the disposition and use of the*
 30 *real properties of the former redevelopment agency. The report*
 31 *shall be submitted to the oversight board and the Department of*
 32 *Finance for approval no later than six months following the*
 33 *issuance to the successor agency of the finding of completion.*

34 (c) *The long-range property management plan shall do all of*
 35 *the following:*

36 (1) *Include an inventory of all properties in the trust. The*
 37 *inventory shall consist of all of the following information:*

38 (A) *The date of the acquisition of the property and the value of*
 39 *the property at that time, and an estimate of the current value of*
 40 *the property.*

- 1 (B) *The purpose for which the property was acquired.*
 2 (C) *Parcel data, including address, lot size, and current zoning*
 3 *in the former agency redevelopment plan or specific, community,*
 4 *or general plan.*
 5 (D) *An estimate of the current value of the parcel including, if*
 6 *available, any appraisal information.*
 7 (E) *An estimate of any lease, rental, or any other revenues*
 8 *generated by the property, and a description of the contractual*
 9 *requirements for the disposition of those funds.*
 10 (F) *The history of environmental contamination, including*
 11 *designation as a brownfield site, any related environmental studies,*
 12 *and history of any remediation efforts.*
 13 (G) *A description of the property's potential for transit-oriented*
 14 *development and the advancement of the planning objectives of*
 15 *the successor agency.*
 16 (H) *A brief history of previous development proposals and*
 17 *activity, including the rental or lease of property.*
 18 (2) *Address the use or disposition of all of the properties in the*
 19 *trust. Permissible uses include the retention of the property for*
 20 *governmental use pursuant to subdivision (a) of Section 34181,*
 21 *the retention of the property for future development, the sale of*
 22 *the property, or the use of the property to fulfill an enforceable*
 23 *obligation. The plan shall separately identify and list properties*
 24 *in the trust dedicated to governmental use purposes and properties*
 25 *retained for purposes of fulfilling an enforceable obligation. With*
 26 *respect to the use or disposition of all other properties, all of the*
 27 *following shall apply:*
 28 (A) *If the plan directs the use or liquidation of the property for*
 29 *a project identified in an approved redevelopment plan, the*
 30 *property shall transfer to the city, county, or city and county.*
 31 (B) *If the plan directs the liquidation of the property or the use*
 32 *of revenues generated from the property, such as lease or parking*
 33 *revenues, for any purpose other than to fulfill an enforceable*
 34 *obligation or other than that specified in subparagraph (A), the*
 35 *proceeds from the sale shall be distributed as property tax to the*
 36 *taxing entities.*
 37 (C) *Property shall not be transferred to a successor agency,*
 38 *city, county, or city and county, unless the long-range property*
 39 *management plan has been approved by the oversight board and*
 40 *the Department of Finance.*

1 *SEC. 36. The Legislature finds and declares as follows:*

2 *(a) Certain provisions of Assembly Bill 26 of the 2011–12 First*
 3 *Extraordinary Session of 2011 (Ch. 5, 2011–12 First Ex. Sess.)*
 4 *are internally inconsistent, or uncertain in their meaning, with*
 5 *regard to the calculation of the amount to be paid by a county*
 6 *auditor-controller from the Redevelopment Property Tax Trust*
 7 *Fund to meet passthrough payment obligations to local agencies*
 8 *and school entities.*

9 *(b) Consistent with the statement in Section 34183 of the Health*
 10 *and Safety Code, as added by the measure identified in subdivision*
 11 *(a), that the provisions of that section are to apply*
 12 *“[n]otwithstanding any other law,” it was the intent of the*
 13 *Legislature in enacting that measure that the amount of the*
 14 *passthrough payments that are addressed by that section be*
 15 *determined in the manner specified by paragraph (1) of subdivision*
 16 *(a) of Section 34183 of the Health and Safety Code, and that the*
 17 *amount so calculated not be reduced or adjusted pursuant to the*
 18 *operation of any other provision of that measure.*

19 *SEC. 37. If any provision of this act or the application thereof*
 20 *to any person or circumstance is held invalid, the invalidity shall*
 21 *not affect other provisions or applications of this act which can*
 22 *be given effect without the invalid provision or application and to*
 23 *this end, the provisions of this act are severable.*

24 *SEC. 38. There is hereby appropriated up to twenty-two million*
 25 *dollars (\$22,000,000) from the General Fund, for allocation to*
 26 *departments by the Director of Finance in furtherance of the*
 27 *objectives of this act. Up to two million dollars (\$2,000,000) of*
 28 *this amount may be allocated to the Director of the Trial Court*
 29 *Trust Fund for allocation by the Administrative Office of the Courts*
 30 *to the Superior Court of California, County of Sacramento for*
 31 *work associated with Part 1.85 (commencing with Section 34170)*
 32 *of Division 24 of the Health and Safety Code. An allocation of*
 33 *funds approved by the Director of Finance under this item shall*
 34 *become effective no sooner than 30 days after the director files*
 35 *written notification thereof with the Chairperson of the Joint*
 36 *Legislative Budget Committee, and the chairpersons of the fiscal*
 37 *committees in each house of the Legislature, or no sooner than*
 38 *any lesser time the chairperson of the joint committee, or his or*
 39 *her designee, may in each instance determine.*

1 *SEC. 39. No reimbursement is required by this act pursuant*
2 *to Section 6 of Article XIII B of the California Constitution because*
3 *this act provides for offsetting savings to local agencies or school*
4 *districts that result in no net costs to the local agencies or school*
5 *districts, within the meaning of Section 17556 of the Government*
6 *Code.*

7 *SEC. 40. This act is a bill providing for appropriations related*
8 *to the Budget Bill within the meaning of subdivision (e) of Section*
9 *12 of Article IV of the California Constitution, has been identified*
10 *as related to the budget in the Budget Bill, and shall take effect*
11 *immediately.*

12 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
13 ~~changes relating to the Budget Act of 2012.~~

O

**CITY OF MORENO VALLEY
Proposed Successor Agency Oversight Board Schedule**

August 2012
<ul style="list-style-type: none"> • <u>August 29</u> – <i>Special OSB Meeting</i> to approve <i>Third ROPS</i> for January 1, 2013 through June 30, 2013

September 2012
<ul style="list-style-type: none"> • <u>September 12</u> – Regular OSB Meeting

October 2012
<ul style="list-style-type: none"> • <u>October 3</u> - <i>Special OSB Meeting</i> to review the due diligence audit of LMHF, Cash Assets, and Cash Transfers • <u>October 10</u> – Regular OSB Meeting to review and approve the due diligence audit of LMHF, Cash Assets, and Cash Transfers • <u>October 15</u> – Deadline for transmission of LMHF audit to DOF and the County Auditor-Controller.

November 2012
<ul style="list-style-type: none"> • <u>November 14</u> – Regular OSB Meeting

December 2012
<ul style="list-style-type: none"> • <u>December 12</u> – Regular OSB Meeting –Results of the review of all other SA funds and account balances by licensed accountant prior to submission to County Auditor-Controller, State Controller, and DOF.

January 2013
<ul style="list-style-type: none">• <u>January 9</u> – Regular OSB Meeting to review and approve audit of all other SA funds• <u>January 15</u> – Deadline for transmission of all funds audit to DOF and County Auditor-Controller.

February 2013
<ul style="list-style-type: none">• <u>February 27</u> – <i>Special OSB meeting</i> to review and approve Forth ROPS for July 1, 2013 through December 31, 2012.

March 2013
<ul style="list-style-type: none">• <u>March 13</u> – Regular OSB Meeting

April 2013
<ul style="list-style-type: none">• <u>April 10</u> – Regular OSB Meeting

May 2013
<ul style="list-style-type: none">• <u>May 8</u> – Regular OSB Meeting



Report to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley

TO: Members of the Board

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: August 29, 2012

TITLE: **HOUSING ASSETS REPORT**

RECOMMENDED ACTION:

There is no regulatory based response needed from the Oversight Board. It is recommended that the Oversight Board receive and file this report.

BACKGROUND:

On January 10, 2012, the City of Moreno Valley elected to serve as the successor agency to the RDA and approved a resolution providing that upon dissolution of the RDA all housing assets and functions of the RDA with regard to the Low and Moderate Income Housing Program would be transferred to the Moreno Valley Housing Authority (MVHA) pursuant to the terms of Health and Safety Code Section 34176. Section 34176 specifically allowed the MVHA to retain the housing assets and functions previously performed by the RDA.

Also on January 10, 2012, the MVHA adopted a resolution by which the MVHA assumed the RDA's housing assets, which include all funds held in the RDA's Low and Moderate Income Housing Fund, all rights, interest privileges, property (real, personal and intangible), including all loans and grants, all property such as land, buildings and dwelling units held by the RDA in connection with the production and preservation of low and moderate income housing, and all of the rights, duties, and obligations that remain under the Community Redevelopment Law, (the "CRL", found at Health and Safety Code Section 33000, et seq.) with regard to the production and preservation of low and moderate income housing.

On April 25, 2012, the Oversight Board adopted resolutions OB 2012-8 and OB 2012-9 acknowledging the transfer of affordable housing assets and obligations owned by the former RDA to the MVHA. The transferred housing assets acknowledged in the resolution included all real property held for housing purposes, Multi-Family Loans and Housing Assistance Program Loans held by the former RDA.

DISCUSSION:

AB 1484 HOUSING ASSETS FORM

On June 27, 2012, the California Legislature passed, Assembly Bill 1484 ("AB 1484") as a trailer bill to the 2012-13 state budget and a comprehensive revision of the RDA Dissolution Act ("AB 26"). AB 1484 requires Successor Agencies and Oversight Boards to implement significant new rules of conduct in addition to those mandated by AB 26 with severe penalties for non-compliance.

Several new deadlines have been imposed for the next six months. For example, by August 1, 2012, the MVHA, acting as the Housing Successor, was required to submit to the Department of Finance ("DOF") a comprehensive listing of all housing assets that were transferred to the Housing Successor from the former RDA. The legislation expanded the definition of "housing assets" that includes properties acquired or restricted for use as affordable housing, loans and grants receivable, loan repayments, and rents and other income from operations. A copy of the Moreno Valley Housing Authority - Housing Inventory Form submitted to the DOF on July 30, 2012 has been attached for your review (Attachment A). The same information in a different format was reviewed and acknowledged by the Oversight Board on April 25, 2012. The DOF may object to the transfer of any listed asset within 30 days after submission. If, following a meet and confer process, the DOF continues to object, the asset must be returned to the Successor Agency. Staff does not anticipate any challenges to the transfer of housing assets.

There is no regulatory response needed from the Oversight Board. This item is presented for informational purposes only at this time.

ATTACHMENTS:

Attachment A: Moreno Valley Housing Authority - Housing Inventory Form

SUCCESSOR AGENCY STAFF:

Prepared by:

Dante Hall
Redevelopment & Neighborhood
Programs Administrator

Approved by:

Barry Foster
Community & Economic
Development Department Director

DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)

Former Redevelopment Agency: The Community Redevelopment Agency of the City of Moreno Valley

Successor Agency to the Former Redevelopment Agency: The City of Moreno Valley Serving as the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley

Entity Assuming the Housing Functions of the former Redevelopment Agency: The Moreno Valley Housing Authority

Entity Assuming the Housing Functions Contact Name: Barry Foster Title Assistant Executive Director Phone 951.413.3443 E-Mail Address barryf@moval.org

Entity Assuming the Housing Functions Contact Name: Richard Teichert Title Finance Officer Phone 951.413.3021 E-Mail Address richardt@moval.org

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	x	As of 7/26/2012
Exhibit B- Personal Property		
Exhibit C - Low-Mod Encumbrances	x	As of 7/26/2012
Exhibit D - Loans/Grants Receivables	x	As of 7/26/2012
Exhibit E - Rents/Operations	x	As of 7/26/2012
Exhibit F- Rents		
Exhibit G - Deferrals		

Prepared By: Annie Clark - Financial Analyst

Date Prepared: 7/26/2012

Exhibit B - Personal Property

City of Moreno Valley
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
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a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

Exhibit C - Low-Mod Encumbrances

City of Moreno Valley
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	Rancho Dorado Apts - South*	03/01/10	N/A	\$6,950,000	Yes	Redvpmnt Law	MV Rancho Dorado Limited Partnership	\$0	\$0	\$0	Not Yet Started
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3											
4											
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*To meet enforceable obligation per Affordable Housing Agreement to be paid in 2013-2014 - Total encumbered to date is \$4,877,000 (based on actual of \$4,177,000 and \$700,000 estimated encumbrance based on the remaining fund balance as of 6/30/2012 and the Second ROPS -July - December 2012). Encumbrance of funds was approved as an enforceable obligation by the DOF.

a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit D - Loans/Grants Receivables

City of Moreno Valley
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance as of 7/26/2012
1	Loan - HAP	\$ 5,597.00	12/23/11	Palma, Juvencio & Alicia	Down Payment Asst	Yes	12/15/41	0%	\$ 5,597.00
2	Loan - HAP	\$ 4,375.00	12/23/11	Perez, Eloisa	Down Payment Asst	Yes	12/15/41	0%	\$ 4,375.00
3	Loan - HAP	\$ 25,500.00	06/10/11	Rabe, Brian	Down Payment Asst	Yes	06/02/41	0%	\$ 25,500.00
4	Loan - HAP	\$ 28,881.98	04/21/11	Marcia, J & F	Down Payment Asst	Yes	04/13/41	0%	\$ 28,881.98
5	Loan - HAP	\$ 28,800.00	03/22/11	Vera, Denise	Down Payment Asst	Yes	03/14/41	0%	\$ 28,800.00
6	Loan - HAP	\$ 30,029.37	02/23/11	Gallegos, L	Down Payment Asst	Yes	02/15/41	0%	\$ 30,029.37
7	Loan - HAP	\$ 34,625.24	02/01/11	Gonzalez, Julio	Down Payment Asst	Yes	01/24/41	0%	\$ 34,625.24
8	Loan - HAP	\$ 52,199.03	11/30/10	Odero, Christobel	Down Payment Asst	Yes	11/22/40	0%	\$ 52,199.03
9	Loan - HAP	\$ 3,888.27	10/01/10	Figuera, Mario	Down Payment Asst	Yes	09/23/40	0%	\$ 3,888.27
10	Loan - HAP	\$ 30,425.33	09/02/09	Whitmore, Kenneth	Down Payment Asst	Yes	08/26/39	0%	\$ 30,425.33
11	Loan - HAP	\$ 45,000.00	09/26/08	Keo, Pranom & Nong	Down Payment Asst	Yes	09/19/38	0%	\$ 45,000.00
12	Loan - HAP	\$ 26,000.00	08/12/08	Marino, Pete & Carissa	Down Payment Asst	Yes	08/05/38	0%	\$ 26,000.00
13	Loan - HAP	\$ 44,000.00	08/11/08	Jones, Asha D.	Down Payment Asst	Yes	08/04/38	0%	\$ 44,000.00
14	Loan - HAP	\$ 44,293.31	05/02/08	Castillo, Vincent	Down Payment Asst	Yes	04/25/38	0%	\$ 44,293.31
15	Loan - HAP	\$ 45,000.00	02/06/08	Sanders, Andresa	Down Payment Asst	Yes	01/29/38	0%	\$ 45,000.00
16	Loan - HAP	\$ 58,000.00	11/22/05	Gonzalez, R. & M.	Down Payment Asst	Yes	11/15/35	0%	\$ 58,000.00
17	Loan - HAP	\$ 19,604.06	11/25/03	Gomes, Virginia	Down Payment Asst	Yes	11/17/33	0%	\$ 19,604.06
18	Loan - HAP	\$ 18,984.65	05/05/99	Gutierrez, Dolores	Down Payment Asst	Yes	04/27/29	0%	\$ 18,984.65
19	Loan - HAP	\$ 10,713.72	01/12/99	Adams, Christopher	Down Payment Asst	Yes	01/04/29	0%	\$ 10,713.72
20	Loan - HAP	\$ 20,000.00	12/10/98	Quijano, Joe and Maria	Down Payment Asst	Yes	12/02/28	0%	\$ 20,000.00
21	Loan - HAP	\$ 16,558.00	11/03/98	Torres, Juan and Maria	Down Payment Asst	Yes	10/26/28	0%	\$ 16,558.00
22	Loan - HAP	\$ 2,581.88	08/19/98	Lugo, Michael & Rhonda	Down Payment Asst	Yes	08/11/28	0%	\$ 2,581.88
								HAP Total	\$ 595,056.84

Exhibit D - Loans/Grants Receivables

**City of Moreno Valley
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance as of 7/26/2012
1	Loan - Cottonwood I Apts	\$ 1,700,000.00	12/01/97	Palm Desert Development Co	Increase Affdble Units	Yes	05/01/27	1%	\$ 1,452,682.19
2	Loan - Cottonwood II Apts	\$ 762,000.00	10/29/03	Palm Desert Development Co	Increase Affdble Units	Yes	10/31/58	1%	\$ 828,886.67
3	Loan - Cottonwood III Apts	\$ 913,000.00	01/15/05	Palm Desert Development Co	Increase Affdble Units	Yes	05/01/37	1%	\$ 977,949.81
4	Loan - Cottonwood IV Apts	\$ 750,000.00	10/15/05	Palm Desert Development Co	Increase Affdble Units	Yes	05/01/38	1%	\$ 770,862.15
5	Loan - RHDC Sunridge	\$ 320,000.00	10/27/98	Riverside Housing Development	Increase Affdble Units	Yes	06/29/54	0%	\$ 233,591.36
6	Loan - RHDC Bay	\$ 410,000.00	11/26/02	Riverside Housing Development	Increase Affdble Units	Yes	11/01/57	0%	\$ 333,133.75
7	Loan - RHDC Adrienne IV	\$ 1,340,000.00	04/10/07	Riverside Housing Development	Increase Affdble Units	Yes	05/01/61	0%	\$ 1,299,832.15
8	Loan - RHDC Sheila I	\$ 1,445,000.00	07/01/07	Riverside Housing Development	Increase Affdble Units	Yes	07/01/61	0%	\$ 1,336,939.99
9	Loan - RHDC Sheila II	\$ 1,495,000.00	01/01/08	Riverside Housing Development	Increase Affdble Units	Yes	07/01/62	0%	\$ 1,314,935.25
10	Loan - CVHC	\$ 1,650,000.00	02/22/05	Casitas del Valle Housing Assoc	Increase Affdble Units	Yes	02/22/60	0%	\$ 1,639,450.04
11	Loan - Ability First	\$ 824,916.78	05/23/94	Moreno Valley Housing Corp.	Increase Affdble Units	Yes	05/23/34	0%	\$ 824,916.78
12	Loan - Perris Isle	\$ 413,000.00	04/14/09	Perris Isle Limited Partnership	Increase Affdble Units	Yes	12/23/38	3%	\$ 447,003.67
13	Loan - Oakwood Apts	\$ 2,250,000.00	01/27/09	One Moreno Valley 240, L.P.	Increase Affdble Units	Yes	07/24/62	3%	\$ 2,455,875.00
14	Loan - Rancho Dorado - North	\$ 4,250,000.00	05/26/09	MV Rancho Dorado II Limited P	Increase Affdble Units	Yes	01/01/66	1%	\$ 4,332,500.00
15	Loan - Bay Family Apts	\$ 755,000.00	07/11/08	Moval Bay Apartments	Increase Affdble Units	Yes	04/01/36	3%	\$ 855,918.33
16	Loan - Hemlock Family Apts	\$ 5,300,000.00	06/01/11	MV Hemlock Limited Partnersp	Increase Affdble Units	Yes	07/01/66	1%	\$ 5,341,958.33
17	Loan - Rancho Dorado South	\$ 1,300,000.00	03/01/10	MV Rancho Dorado Limited Partnership	Increase Affdble Units	Yes	04/15/13	3%	1,395,116.67
19									
20									
21									
22									
23									
								Total	\$ 25,841,552.13

*To meet enforceable obligation per Affordable Housing Agreement to be paid in 2013-2014 - encumbrance of funds was discussed and approved by the DOF.

Exhibit E - Rents/Operations

**City of Moreno Valley
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments *	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
1	Residual Receipt Pymts	Cottonwood I Apts	Palm Desert Development Co	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
2	Residual Receipt Pymts	Cottonwood II Apts	Palm Desert Development Co	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
3	Residual Receipt Pymts	Cottonwood III Apts	Palm Desert Development Co	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
4	Residual Receipt Pymts	Cottonwood IV Apts	Palm Desert Development Co	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
5	Residual Receipt Pymts	RHDC Sunridge Apts	Riverside Housing Development	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
6	Residual Receipt Pymts	RHDC Bay Apts	Riverside Housing Development	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
7	Residual Receipt Pymts	RHDC Adrienne IV Apts	Riverside Housing Development	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
8	Residual Receipt Pymts	RHDC Sheila I Apts	Riverside Housing Development	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
9	Residual Receipt Pymts	RHDC Sheila II Apts	Riverside Housing Development	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
10	Residual Receipt Pymts	Perris Isle Apts	Perris Isle Limited Partnership	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
11	Residual Receipt Pymts	Oakwood Apts	One Moreno Valley 240, L.P.	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
12	Residual Receipt Pymts	Rancho Dorado North Apts	MV Rancho Dorado II Limited P	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
13	Residual Receipt Pymts	Bay Family Apts	Moval Bay Apartments	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
14	Residual Receipt Pymts	Hemlock Family Apts	MV Hemlock Limited Partnersp	MHA	MHA	Repayment of Loan	Yes	Redvpmnt Law	N/A
15									
16									
17									
18									
19									
20									

* Moreno Valley Housing Authority

a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit F - Rents

City or County of xxxx
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

a/ May include rents or home loan payments.

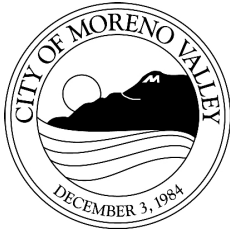
b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit G - Deferrals

City or County of xxxxx
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						



Report to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley

TO: Members of the Board

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: August 29, 2012

TITLE: **CONSIDERATION OF A RESOLUTION APPROVING THE THIRD
RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE
PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013**

RECOMMENDED ACTION:

Adopt a Resolution Approving a Third Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013 with Chairman Moss abstaining as to items 20 (on page 1), 21-27 (on page 4), and 67-82 (on page 5).

Adopt a Resolution Approving a Third Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013 with Board Member Strickler abstaining as to items 25 (on page 2) and 1-2 (on page 7).

BACKGROUND:

ABx1 26 requires the Oversight Board to approve a Recognized Obligation Payment Schedule ("ROPS"). The ROPS is to be updated for each six-month period.

In connection with its activities pursuant to ABx1 26, the Successor Agency has prepared and is hereby submitting for consideration and approval by the Oversight Board a Third Recognized Obligation Payment Schedule, including the required payments for the period of January 1, 2013 through June 30, 2013 ("Third ROPS").

The Oversight Board approved the Second Recognized Obligation Payment Schedule (Second ROPS), for the period of July 1, 2012 through December 31, 2012 on May 09, 2012.

ALTERNATIVES:

The alternatives available to the Oversight Board are:

1. Adopt a resolution approving the Third ROPS; or
2. Adopt a resolution approving the Third ROPS, with edits made by the Oversight Board;
3. Provide staff with alternative direction.

FISCAL IMPACT:

Approval of payments listed on the Third Recognized Obligation Payment Schedule would allow the Successor Agency to meet debt obligations in an effort to wind down the affairs of the former Redevelopment Agency.

ATTACHMENTS:

Attachment A: Resolution No. OB 2012-17

Exhibit A: Third Recognized Obligation Payment Schedule

SUCCESSOR AGENCY STAFF:

Prepared by:

Annie Clark
Sr. Financial Analyst

Reviewed by:

Dante Hall
Redevelopment & Neighborhood Programs
Administrator

Approved by:

Barry Foster
Community & Economic
Development Department Director

RESOLUTION NO. OB 2012-17

A RESOLUTION OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING A THIRD RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013

WHEREAS, the Oversight Board for Successor Agency to Community Redevelopment Agency of the City of Moreno Valley ("Oversight Board" as applicable) has met and has duly considered a Third Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013 in the form submitted by the Successor Agency (the "Third ROPS"); and

WHEREAS, prior to its meeting on August 29, 2012, the members of the Oversight Board have been provided with copies of the Third ROPS and instruments referenced in the Third ROPS; and

WHEREAS, the Oversight Board desires to express and memorialize its approval of the Third Recognized Obligation Payment Schedule in the form attached hereto;

NOW, THEREFORE, THE OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Oversight Board approves as the Third Recognized Obligation Payment Schedule for the period January 1, 2013 through June 30, 2013 (the "Third ROPS") in the form attached hereto.

SECTION 3. The Successor Agency is authorized and directed to submit the Third ROPS to the California Department of Finance, the California State Controller's Office, and the County of Riverside Auditor-Controller Office.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution and the Third ROPS as approved hereby

APPROVED AND ADOPTED this 29th Day of August, 2012.

Chairperson
Oversight Board of Successor
Agency to Community
Redevelopment Agency of the
City of Moreno Valley

ATTEST:

Oversight Board Secretary

Successor Agency Contact Information

Name of Successor Agency:	<u>The City of Moreno Valley Serving as the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley</u>
County:	<u>Riverside</u>
Primary Contact Name:	<u>Annie Clark</u>
Primary Contact Title:	<u>Sr. Financial Analyst</u>
Address:	<u>14177 Frederick Street, Moreno Valley, CA</u> <u>92552</u>
Contact Phone Number:	<u>951.413.3475</u>
Contact E-Mail Address:	<u>anocharc@moval.org</u>
Secondary Contact Name:	<u>Richard Teichert</u>
Secondary Contact Title:	<u>Financial & Administrative Services Director</u>
Secondary Contact Phone Number:	<u>951.413.3021</u>
Secondary Contact E-Mail Address:	<u>richardt@moval.org</u>

EXHIBIT A

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: The City of Moreno Valley Serving as the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley

	Total Outstanding Debt or Obligation
Outstanding Debt or Obligation	\$ 161,932,013
Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	15,022,617
B Anticipated Enforceable Obligations Funded with RPTTF	6,927,229
C Anticipated Administrative Allowance Funded with RPTTF	208,000
D Total RPTTF Requested (B + C = D)	7,135,229
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ -
E *Enter Total Six-Month Anticipated RPTTF Funding (Obtain from county auditor-controller)	6,835,311.86
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ (299,917)
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G **Enter Estimated Obligations Funded by RPTTF (Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)	9,241,398
H ***Enter Actual Obligations Paid with RPTTF	11,866,792
I Enter Actual Administrative Expenses Paid with RPTTF	117,648
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	\$ (2,743,042)
K Adjusted RPTTF (The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)	\$ 9,878,271.00

DOF formula is not computing correctly

* We have not receive any confirmation of the anticipated RPTTF funding from the County, and therefore, are using the amount received previously from the County Auditor-Controller for the payment of ROPS I's obligations (property tax payment received in January 2012).
 ** Gross Property Tax Amount \$9,241,398 (actual amount received from the County Auditor-Controller was \$6,835,312 - net of the pass throughs and fees of \$2,406,086).
 ***Includes amount encumbered to be paid in 2013-2014 per Affordable Housing Agreement and enforceable obligations paid from former RDA fund balance.

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) of the Health and Safety code,
 I hereby certify that the above is a true and accurate Recognized
 Obligation Payment Schedule for the above named agency.

_____	_____
Name	Title
_____	_____
Signature	Date

Name of Successor Agency:
City of

The City of Moreno Valley Serving as the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley
Riverside

Oversight Board Approval Date: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
							LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
Grand Total							\$ -	\$ 14,714,528	\$ 308,089	\$ 208,000	\$ 6,927,229	\$ -	\$ -
1	2007 Tax Allocation Bonds	Wells Fargo Bank	Debt service payments for bonds issued to finance various capital projects	Original Area	79,412,021.88	2,263,483.75					2,263,483.76		2,263,484
2	2007 Special Tax Refunding Bonds - Towngate 87-1	Wells Fargo Bank	Debt service payments for bonds issued to finance the acquisition of public facilities	Original Area	9,546,333.49	1,182,347.05					1,182,347.06		1,182,347
3	Improvement Area No. 1 Special Tax Refunding Bonds	Wells Fargo Bank	Debt service payments for bonds issued to finance the construction of public facilities	Original Area	2,804,115.88	277,181.39					139,168.01		139,168
4	CFD No. 3 - Auto Mall Refinance	Wells Fargo Bank	Debt service payments for bonds issued to finance the construction of public facilities	Original Area	2,000,060.61	109,450.50					91,881.68		91,882
5	2011 Refunding of 97 LRB Bonds	Bank of America	Debt service payments for bonds issued to finance the construction of a public facility	Original Area	1,500,000.00	150,000.00					75,000.00		75,000
6	2005 Lease Revenue Bonds	Wells Fargo Bank	Debt service payments for bonds issued to finance Sunnymead Blvd project	Original Area	13,535,660.41	600,147.50					195,348.75		195,349
7	On-going Housing Monitoring Requirements	City of Moreno Valley/Successor Agency	Costs to perform the recertification and monitoring of housing units	Original Area	40,000.00	40,000.00					20,000.00		20,000
8	Contract for Legal Services	Stradling, Yocca, Carlson & Rauth	Legal services - General	Original Area	72,000.00	72,000.00					36,000.00		36,000
9	Contract for Legal Services	Kronick Moskovitz Tiedemann & Girard	Legal services - Oversight Board Legal Counsel	Original Area	72,000.00	72,000.00					36,000.00		36,000
10	Contract for Abatement of Properties	Fire Prevention/Inland Empire Property Service, Inc.	Nuisance/weed abatement of Agency owned properties	Original Area	7,500.00	7,500.00					2,500.00		2,500
11	Contract for Audit Services	Lance Soil & Iunghard, LLP or Approved Audit Firm	Preparation of Required Due Diligent Reviews and Annual Audit	Original Area	15,000.00	15,000.00					15,000.00		15,000
12	Contract for Special Tax Reporting	Willdan/Staff Administration	Preparation of Continuing Disclosure Report	Original Area	5,000.00	5,000.00					2,500.00		2,500
13	CalPERS Retirement Liability	The California Public Employees' Retirement System (CalPERS)	Unfunded PERS Retirement Liability Acct	Original Area	599,992.00	13,855.14					-		-
14	Retiree Medical Trust (CERBT)	Medical	Unfunded Retiree Medical Trust Acct	Original Area	193,221.00	4,461.90					-		-
15	Agency Loans #1 & #2	City of Moreno Valley	City/Agency Loan Agreement	Original Area	2,217,643.00	-					-		-
16	Price Club Acquisition Note	The Price Family Charitable Fund	Participation Agreement	Original Area	1,410,529.68	480,000.00					240,000.00		240,000
17	Towngate Acquisition Note	City of Moreno Valley	Participation Agreement	Original Area	15,655,083.42	480,000.00					240,000.00		240,000
18	Moss Bros. Autogroup Participation Agreement	Moss Bros. Autogroup	Participation Agreement	Original Area	250,000.00	250,000.00					-		-
19	Robertson's Ready Mix, Inc. OPA	Robertson's Ready Mix, Inc.	Owner Participation Agreement	Original Area	4,000,000.00	-					-		-
20	Hemlock Family Apartments	Rancho Belago, Inc.	Affordable Housing Agreement	Original Area	1,000,000.00	-					-		-
21	Rancho Dorado Apts - South (Second Phase)	Moreno Valley Housing Authority/MV Rancho Dorado Limited Partnership	Affordable Housing Agreement	Original Area	6,950,000.00	2,973,000.00					2,373,000.00		2,373,000
22		Stradling, Yocca, Carlson & Rauth	Legal services - Specific to Affordable Housing Agreement w/ Rancho Dorado Apts.	Original Area	25,000.00	25,000.00					12,500.00		12,500
23		Strickler Association	Title & Closing Costs	Original Area	5,000.00	5,000.00					2,500.00		2,500
24	Payroll Costs/Operating Costs	City of Moreno Valley/Employees	Successor Agency's Payroll & Operating Costs	Original Area	447,514.00	447,514.00				208,000			208,000
25		Excel	Capital Project Contract, CIP 79221	Original Area	50,000.00	50,000.00				50,000.00			50,000
26		Harris & Assoc.	Capital Project Contract, CIP 79221	Original Area	176,000.00	176,000.00				176,000.00			176,000
27	Sunnymead Blvd. CIP 79221	City of Moreno Valley, cost allocation, and extra admin. costs	Project Management CIP 79221	Original Area	37,300.00	37,300.00				25,000.00			25,000
28		City Consultants	Project Management CIP 79221	Original Area	9,960.00	9,960.00				8,000.00			8,000
29		Gibbs, Giden, Locher, Turner & Senet LLP	Additional Legal Fees - CIP 79221	Original Area	85,089.15	85,089.15				49,089.00			49,089
30	Storm Drain/Day Street to Cottonwood CIP 79222	Gibbs, Giden, Locher, Turner & Senet	Contractual Services PO# 42123 CIP 79222	Original Area	5,174.00	5,174.00							-
31		City of Moreno Valley	Project Management CIP 79222	Original Area									-

Name of Successor Agency:
County:

The City of Moreno Valley Serving as the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley
Riverside

Oversight Board Approval Date: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
							LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
Grand Total							\$ -	\$ 14,714,528	\$ 308,089	\$ 208,000	\$ 6,927,229	\$ -	\$ -
32	Day Street/Alessandro Blvd to Cottonwood CIP 79724	DMC Design	Contractual Services PO#40920 CIP 79724	Original Area	5,880.84	5,880.84							
33		AEI-CASC	Contractual Services PO#35423 CIP 79724	Original Area	8,775.83	8,775.83							
34		Group Delta	Contractual Services PO#39328 CIP 79724	Original Area	7,359.00	7,359.00							
35		KDM Meridian	Contractual Services PO#41865 CIP 79724	Original Area	3,992.50	3,992.50							
36		STI Inc.	Contractual Services PO#41859 CIP 79724	Original Area	73,322.22	73,322.22							
37		City of Moreno Valley	Project Management CIP 79724	Original Area	20,395.33	20,395.33							
38	Auto Mall Street Upgrades CIP 79725	VA Consulting	Capital Project Contract, CIP 79725	Original Area	11,093.00	11,093.00							
39		City of Moreno Valley	Project Management CIP 79725	Original Area	12,000.00	12,000.00							
40		United Inspection (Geotech)	Capital Project Contract, CIP 79725	Original Area	2,294.00	2,294.00							
41		VA Consulting Inc. (Survey)	Capital Project Contract, CIP 79725	Original Area	782.00	782.00							
42		SME&C (Contractor)	Capital Project Contract, CIP 79725	Original Area	195,721.00	195,721.00							
43		Lim & Nascimento Engineering	Contractual Services PO#35828 CIP 79726	Original Area	88,528.00	88,528.00		38,528.00					38,528
44	Indian Basin, Appurtenant CIP 79728	City of Moreno Valley, cost allocation, and minor expenses	Project Management CIP 79726	Original Area	38,000.00	38,000.00		18,000.00					18,000
45		AEI-CASC Engineering	Capital Project Contract, CIP 79727	Original Area	49,532.11	49,532.11		25,000.00					25,000
46	Ironwood Ave-Day St/Barclay Dr CIP 79727	City of Moreno Valley, cost allocation, and minor expenses	Project Management CIP 79727	Original Area	73,000.00	73,000.00		63,000.00					63,000
47		Contractor	Capital Project Contract, CIP 79727	Original Area	500,000.00	500,000.00		500,000.00					500,000
48		Survey Consultant	Project Management CIP 79727	Original Area	50,000.00	50,000.00		50,000.00					50,000
49		Geotechnical Consultant	Capital Project Contract, CIP 79727	Original Area	50,000.00	50,000.00		50,000.00					50,000
50		Southern California Edison	Project Management CIP 79727	Original Area	50,000.00	50,000.00		50,000.00					50,000
51		Singer & Coffin, APC	Legal services CIP 79718	Original Area	2,310.00	-		-					-
52	Nason/SR-60 Bridge CIP 79718	City of Moreno Valley	Project Management and associated costs CIP 79718	Original Area	160,000.00	160,000.00		100,000.00					100,000
53		Staff Consultants	Project Management CIP 79718	Original Area	36,000.00	36,000.00		6,000.00					6,000
54		Moreno Valley Utility	Lighting CIP 79718	Original Area	80,000.00	80,000.00		80,000.00					80,000
55		Caltrans	State-furnished materials CIP 79718	Original Area	50,000.00	50,000.00		50,000.00					50,000
56		Caltrans	State source inspection fees CIP 79718	Original Area	50,000.00	50,000.00		50,000.00					50,000
57		CHP	Construction zone enforcement (COZEEP) CIP 79718	Original Area	30,000.00	12,000.00		12,000.00					12,000
58		Parsons Transportation	Design-related costs CIP 79718	Original Area	222,571.00	222,571.00		66,000.00					66,000
59		Falcon Engineering	Construction mgmt and Inspection Services CIP 79718	Original Area	1,947,220.00	950,000.00		840,000.00					840,000
60		Contractor	Construction Contract CIP 79718	Original Area	9,700,000.00	7,000,000.00		7,000,000.00					7,000,000
61		Survey Consultant	Construction Services - Survey CIP 79718	Original Area	145,000.00	60,000.00		60,000.00					60,000
62		Geotechnical Consultant	Construction Services - Geotechnical CIP 79718	Original Area	170,000.00	90,000.00		90,000.00					90,000
63		SCE	Utility relocation CIP 79718	Original Area	20,000.00	20,000.00		20,000.00					20,000
64		EMWD	Permits/Fees, CIP 79718	Original Area	5,000.00	5,000.00		5,000.00					5,000
65		RCFC&WCD	Permits/Fees, CIP 79718	Original Area	5,000.00	5,000.00		5,000.00					5,000

Name of Successor Agency:
County:

The City of Moreno Valley Serving as the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley
Riverside

Oversight Board Approval Date: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source							
							LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total	
Grand Total					\$ 161,932,013	\$ 25,512,927	\$ -	\$ 14,714,528	\$ 308,089	\$ 208,000	\$ 6,927,229	\$ -	\$ -	
66	Moreno Beach Ramps - Phase 1 CIP 79731	City of Moreno Valley	Project Management and associated costs CIP 79731	Original Area	160,000.00	160,000.00		100,000.00					100,000	
67		City of Moreno Valley	City-furnished equipment - CIP 79731	Original Area	10,000.00	10,000.00		10,000.00						10,000
68		City of Moreno Valley	Project Management and associated costs CIP 79731	Original Area	6,000.00	6,000.00		6,000.00						6,000
69		Parsons Transportation	Design-related costs CIP 79731	Original Area	11,331.00	11,331.00								-
70		Parsons Transportation	Construction support CIP 79731	Original Area	130,000.00	130,000.00		54,000.00						54,000
71		Falcon Engineering	Constructability review CIP 79731	Original Area	11,885.00	11,885.00								-
72		Falcon Engineering	Construction mgmt and Inspection Services CIP 79731	Original Area	797,821.56	600,000.00		600,000.00						600,000
73		So. Calif. Edison	Utility Relocation CIP 79731	Original Area	10,000.00	10,000.00		10,000.00						10,000
74		Caltrans	State-furnished materials CIP 79731	Original Area	2,000.00	2,000.00		2,000.00						2,000
75		Caltrans	State source inspection fees CIP 79731	Original Area	50,000.00	50,000.00		50,000.00						50,000
76		CHP	CHP - construction zone enforcement (COZEEP) CIP 79731	Original Area	30,000.00	30,000.00		30,000.00						30,000
77		Contractor	Construction Contract CIP 79731	Original Area	4,500,000.00	4,500,000.00		4,500,000.00						4,500,000
78		Survey Consultant	Construction Svcs - Survey CIP 79731	Original Area	98,000.00	54,000.00		54,000.00						54,000
79		Geotechnical Consultant	Construction Svcs - Geotechnical CIP 79731	Original Area	88,000.00	84,000.00		84,000.00						84,000
80		RCFC&WCD	Permits/Fees, CIP 79731	Original Area	5,000.00	5,000.00		5,000.00						5,000
81		EMWD	Permits/Fees, CIP 79731	Original Area	31,000.00	31,000.00		31,000.00						31,000

Name of Successor Agency: The City of Moreno Valley Serving as the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley
 County: Riverside

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
January 1, 2013 through June 30, 2013

Item #	Notes/Comments			
25	Sunnymead Blvd. CIP 79221	Excel	Pending Litigation	
26		Harris & Assoc.		
29		Gibbs, Giden, Locher, Turner & Senet LLP		
19	Storm Drain/Day Street to Cottonwood CIP 79222 (old 77922)	Gibbs, Giden, Locher, Turner & Senet LLP	Pending Litigation	
55	Nason/SR-60 Bridge	Contract/Agreement Termination Date	Note 1: Agreement terminates upon completion of work or upon 30 days' notice.	
56				
57				
91	Moreno Beach Ramps - Phase 1	Contract/Agreement Termination Date	Note 2: Contract terminates upon completion of obligation or upon amendment to agreement, whichever occurs first.	
92				
93				

of Successor Agency:
y:

The City of Moreno Valley Serving as the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley
Riverside

Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 through June 30, 2012

Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
ROPS I		Grand Total				\$ -	\$ -	\$ 7,067,970	\$ 3,556,627	\$ 394,296	\$ 115,033	\$ 307,665	\$ 117,648	\$ 12,229,290	\$ 11,866,792	\$ 9,026,101	\$ 9,026,101
Page 1 of 8	1)	2007 Tax Allocation Bonds	Wells Fargo Bank	Debt service payments for bonds issued to finance various capital projects	Original Area									2,268,783.76	2,268,783.76		
Page 1 of 8	2)	2007 Special Tax Refunding Bonds - Towngate 87-1	Wells Fargo Bank	Debt service payments for bonds issued to finance the acquisition of public facilities	Original Area									1,175,145.00	1,175,145.00		
Page 1 of 8	3)	Improvement Area No. 1 Special Tax Refunding Bonds	Wells Fargo Bank	Debt service payments for bonds issued to finance the construction of public facilities	Original Area									274,445.00	274,445.00		
Page 1 of 8	4)	CFD No. 3 - Auto Mall Refinance	Wells Fargo Bank	Debt service payments for bonds issued to finance the construction of public facilities	Original Area									29,292.00	29,292.00		
Page 1 of 8	5)	2005 Lease Revenue Bonds	Wells Fargo Bank	Debt service payments for bonds issued to finance Sunnymead Blvd project	Original Area									599,597.50	599,597.50		
Page 1 of 8	6)	2011 Refunding of 97 LRB Bonds	Bank of America	Debt service payments for bonds issued to finance the construction of a public facility	Original Area									150,000.00	150,000.00		
Page 1 of 8	7)	On-going Housing Monitoring Requirements	City of Moreno Valley/Successor Agency	Costs to perform the recertification and monitoring of housing units	Original Area									20,000.00	-		
Page 1 of 8	8)	Contract for Legal Services	Stradling, Yocca, Carlson & Rauth	Legal services - General	Original Area									106,678.00	50,648.20		
Page 1 of 8	9)	Contract for Legal Services	Kronick Moskovitz Tiedemann & Girard	Legal services - Oversight Board Legal Counsel	Original Area									12,500.00	13,063.50		
Page 1 of 8	10)	Contract for Abatement of Properties	Inland Empire Property Service, Inc.	Nuisance/weed abatement of Agency owned properties	Original Area									7,090.00	-		
Page 1 of 8	11)	Contract for Audit Services	Lance Solt & Iunghard, LLP	Preparation of Financial Statements/RDA Closing Statement	Original Area									10,000.00	8,000.00		
Page 1 of 8	12)	Contract for Special Tax Reporting	Willidan/Staff Administration	Preparation of Continuing Disclosure Report	Original Area									2,000.00	2,500.00		
Page 1 of 8	13)	CalPERS Retirement Liability	The California Public Employees' Retirement System (CalPERS)	Unfunded PERS Retirement Liability Acct	Original Area									5,371.00	5,371.00		
Page 1 of 8	14)	Retiree Medical Trust (CERBT)	California Employers' Retiree Medical Trust(CERBT)/CalPERS	Unfunded Retiree Medical Trust Acct	Original Area									1,730.00	1,730.00		
Page 1 of 8	15)	Agency Loans #1 & #2	City of Moreno Valley	City/Agency Loan Agreement	Original Area									-	-		
Page 1 of 8	17)	Price Club Acquisition Note	The Price Family Charitable Fund	Participation Agreement	Original Area									240,000.00	265,806.00		
Page 1 of 8	18)	Towngate Acquisition Note	City of Moreno Valley	Participation Agreement	Original Area									550,000.00	552,160.00		
Page 1 of 8	20)	Moss Bros. Autogroup Participation Agreement	Moss Bros. Autogroup	Participation Agreement	Original Area									232,041.00	232,041.00		
Page 1 of 8	21)	Robertson's Ready Mix, Inc. OPA	Robertson's Ready Mix, Inc.	Owner Participation Agreement	Original Area									-	-		
Page 2 of 8	21)	Hemlock Family Apartments	Rancho Belago, Inc.	Affordable Housing Agreement	Original Area									-	-		
Page 2 of 8	22)	Oakwood Apartments	One Moreno Valley 240, L.P.	Affordable Housing Agreement	Original Area									750,000.00	750,000.00		
Page 2 of 8	23)	Rancho Dorado Apts - South	Moreno Valley Housing Authority (MVHA)	Affordable Housing Agreement - \$2,300,000 is encumbered to be paid in 2013-2014 per Affordable Housing Agreement.	Original Area									2,500,000.00	2,300,000.00		
Page 2 of 8	24)		Stradling, Yocca, Carlson & Rauth	Legal services - Specific to AHA	Original Area									33,000.00	-		
Page 2 of 8	25)		Strickler Association	Title & Closing Costs	Original Area									5,000.00	550.00		
Page 3 of 8	1)	Day St/Eucalyptus	KDM Meridian, Inc.	Capital Project Contract, CIP 79230	Original Area					3,000.00	-						
Page 3 of 8	2)	CIP 79230(old 80030)	Gas Tax Allocation (Required)	Capital Project Contract, CIP 79230	Original Area					7,500.00	6,178						

Pursuant to Health and Safety Code section 34186 (a)
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Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other			
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual		
ROPS I		Grand Total				\$ -	\$ -	\$ 7,067,970	\$ 3,556,627	\$ 394,296	\$ 115,033	\$ 307,665	\$ 117,648	\$ 12,229,290	\$ 11,666,792	\$ 9,026,101	\$ 9,026,101		
Page 3 of 8	3)	Sunnymead Blvd CIP 79221 (old 80221)	Gibbs, Giden, Locher, Turner & Senet	Capital Project Contract, CIP 79221	Original Area					34,096.19	31,757								
Page 3 of 8	4)		Excel	Capital Project Contract, CIP 79221	Original Area						50,000.00	-							
Page 3 of 8	5)		Harris & Assoc.	Capital Project Contract, CIP 79221	Original Area						176,000.00	-							
Page 3 of 8	6)		City of Moreno Valley	Project Management CIP 79221	Original Area						18,000.00	30,973							
Page 3 of 8	7)		City Consultants	Project Management CIP 79221	Original Area						6,000.00	7,395							
Page 3 of 8	8)		Gibbs, Giden, Locher, Turner & Senet LLP	Additional Legal Fees - CIP 79221	Original Area						74,700.00	10,911							
Page 3 of 8	9)		DMC Design	Contractual Services PO#40920 CIP 79724	Original Area				14,790.84	8,910									
Page 3 of 8	10)		AEI-CASC	Contractual Services PO#35423 CIP 79724	Original Area				5,006.61	-									
Page 3 of 8	11)		AEI-CASC	Contractual Services PO#40288 CIP 79724	Original Area				350.00	-									
Page 3 of 8	12)		Group Delta	Contractual Services PO#39326 CIP 79724	Original Area				11,579.00	4,168									
Page 3 of 8	13)		KDM Meridian	Contractual Services PO#41865 CIP 79724	Original Area				13,145.00	9,152									
Page 3 of 8	14)		Day Street/Alessandro Blvd CIP 79724 (old 91724)	STI Inc.	Contractual Services PO#41859 CIP 79724	Original Area			240,760.71	169,779									
Page 3 of 8	15)		Vali Cooper & Assoc	Contractual Services PO#39743 CIP 79724	Original Area				10,400.00	-									
Page 3 of 8	16)		James & Bertha Patterson	Contractual Services PO#42011 CIP 79724	Original Area				19,884.00	19,884									
Page 3 of 8	17)	Gibbs, Giden, Locher, Turner & Senet	Contractual Services PO#40924 CIP 79724	Original Area				6,944.20	6,944										
Page 3 of 8	18)	City of Moreno Valley	Project Management CIP 79724	Original Area				35,363.80	48,492										
Page 3 of 8	19)	Storm Drain/Day Street to Cottonwood CIP 79222 (old 77922)	Gibbs, Giden, Locher, Turner & Senet	Contractual Services PO# 42123 CIP 79222	Original Area					20,000.00	14,826								
Page 3 of 8	20)		City of Moreno Valley	Project Management CIP 79222	Original Area						5,000.00	12,993							
Page 4 of 8	21)	Auto Mall Street Upgrades CIP 79725 (old 91725)	VA Consulting	Capital Project Contract, CIP 79725	Original Area					13,500.00	7,636								
Page 4 of 8	22)		City of Moreno Valley	Project Management CIP 79725	Original Area						57,300.00	41,403							
Page 4 of 8	23)		VA Consulting Inc.	Capital Project Contract, CIP 79725	Original Area						14,900.00	3,807							
Page 4 of 8	24)		United Inspection (Geotech)	Capital Project Contract, CIP 79725	Original Area						4,725.00	2,431							
Page 4 of 8	25)		VA Consulting Inc. (Survey)	Capital Project Contract, CIP 79725	Original Area						4,950.00	4,168							
Page 4 of 8	26)		SME&C (Contractor)	Capital Project Contract, CIP 79725	Original Area						496,641.72	300,920							
Page 4 of 8	27)		Gas Tax Allocation (Required)	Capital Project Contract, CIP 79725	Original Area						19,000.00	10,795							
Page 4 of 8	28)		Lim & Nascimento Engineering	Contractual Services PO#35828 CIP 79726	Original Area						62,521.73	38,736							
Page 4 of 8	29)		Ninyo & Moore Geotech	Contractual Services PO#41060 CIP 79726	Original Area						3,194.50	-							
Page 4 of 8	30)		Indian Basin, Appurtenant CIP 79726 (old 91726)	Guida Surveying	Contractual Services PO#40163 CIP 79726	Original Area					906.00	12,926							
Page 4 of 8	31)			City of Moreno Valley	Project Management CIP 79726	Original Area						20,000.00	17,752						
Page 4 of 8	32)			City Consultants	Project Management CIP 79726	Original Area						1,000.00	113						
Page 4 of 8	33)			Hillcrest Contracting, Inc.	Contractual Services PO#41587 CIP 79726	Original Area						15,078.96	15,079						
Page 4 of 8	34)	Ironwood Ave-Day St/Barclay Dr CIP 79727 (old 91727)	Federal Emergency Mgmt. Agency	Capital Projects Contract-CIP Environmental Fees - CIP 79726	Original Area					3,000.00	-								
Page 4 of 8	35)		EMWD	Cost-sharing agreement Reconciliation CIP 79727	Original Area						43,720.48	7,630							
Page 4 of 8	36)		AEI-CASC Engineering	Capital Project Contract, CIP 79727	Original Area						62,424.79	12,505							
Page 4 of 8	37)		City of Moreno Valley	Project Management CIP 79727	Original Area						30,000.00	14,819							
Page 4 of 8	38)		City of Moreno Valley	Secure title reports for ROW dedication CIP 79727	Original Area						1,500.00	2,200							
Page 4 of 8	39)		Construction Contractor, Surveyor, Geo-tech Consultant	Capital Project Contract CIP 79727	Original Area						262,700.00	-							

Item No. 4.

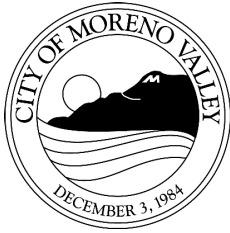
Pursuant to Health and Safety Code section 34186 (a)
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Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other			
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual		
		Grand Total				\$ -	\$ -	\$ 7,067,970	\$ 3,556,627	\$ 394,296	\$ 115,033	\$ 307,665	\$ 117,648	\$ 12,229,290	\$ 11,866,792	\$ 9,026,101	\$ 9,026,101		
Page 4 of 8	40)	Nason/SR-60 Bridge CIP 79728 (old 91728)	Singer & Coffin, APC	Legal Services CIP 79728	Original Area			2,000.00	-										
Page 4 of 8	41)		Parsons Transportation	Contractual Services CIP 79728	Original Area			25,000.00	25,000										
Page 4 of 8	42)		City Consultants	Project Management CIP 79728	Original Area			2,000.00	263										
Page 4 of 8	43)		Caltrans	CIP 79728	Original Area			25,000.00	-										
Page 4 of 8	44)		City of Moreno Valley	Utility relocation CIP 79728	Original Area			83,642.62	-										
Page 4 of 8	45)		City of Moreno Valley	Project Management CIP 79728	Original Area			145,000.00	52,551										
Page 4 of 8	46)		Caltrans	Source Inspection CIP 79728	Original Area			50,000.00	-										
Page 4 of 8	47)		Caltrans	State-furnished Materials CIP 79728	Original Area			50,000.00	-										
Page 4 of 8	48)		Caltrans	Construction Zone Enfrcemnt CIP 79728	Original Area			50,000.00	-										
Page 5 of 8	49)		Survey Consultant	Capital Project Contract, CIP 79728	Original Area			5,000.00	-										
Page 5 of 8	50)		Contractor	Capital Project Contract, CIP 79728	Original Area			-	-										
Page 5 of 8	51)		Falcon Engineering	Capital Project Contract, CIP 79728	Original Area			70,000.00	-										
Page 5 of 8	52)		Falcon Engineering	Constructability Review CIP 79728	Original Area			32,157.00	27,716										
Page 5 of 8	53)		Geotechnical Consultant	Capital Project Contract, CIP 79728	Original Area			5,000.00	-										
Page 5 of 8	54)		City of Moreno Valley	Project Management CIP 79728	Original Area			70,000.00	-										
Page 5 of 8	55)		Parsons Transportation	Contractual Services CIP 79728	Original Area			350,000.00	426,466										
Page 5 of 8	56)		City of Moreno Valley	Advertising/Bidding Expenses CIP 79728	Original Area			10,000.00	-										
Page 5 of 8	57)		EMWD	Meters - CIP 79728	Original Area			15,000.00	-										
Page 5 of 8	58)		RCFC&WCD	Fees CIP 79728	Original Area			5,000.00	-										
				Gibbs, Giden, Locher, Tumer & Sanet	Advertising/bidding expenses - Spec Revisions CIP 79728	Original Area				7,287									
Page 5 of 8	59)		Morrison Park Fire Station CIP 79729 (old 91729)	City of Moreno Valley	Project Management CIP 79729	Original Area			108,344.60	103,677									
Page 5 of 8	60)			STK Architecture	Capital Project Contract, CIP 79729	Original Area			200,000.00	146,784									
Page 5 of 8	61)			Silver Creek Industries	Capital Project Contract, CIP 79729	Original Area			3,000,000.00	1,649,492									
Page 5 of 8	62)			Enco Utility	Capital Project Contract, CIP 79729	Original Area			2,100.00	1,260									
Page 5 of 8	63)			Riverside County IT	Capital Project Contract, CIP 79729	Original Area			13,210.00	4,534									
Page 5 of 8	64)			McCain Traffic Supply	Capital Project Contract, CIP 79729	Original Area			5,200.00	-									
Page 5 of 8	65)			Southern Ca Gas Co	Capital Project Contract, CIP 79729	Original Area			5,600.00	11,173									
Page 5 of 8	66)			Construction Contract	Construction Costs CIP 79729	Original Area			345,579.49	10,343									
Page 5 of 8	67)	City of Moreno Valley		Project Management CIP 79731	Original Area			80,000.00	45,566										
Page 5 of 8	68)	Parsons Transportation		Capital Project Contract, CIP 79731	Original Area			27,054.25	27,054										
Page 5 of 8	69)	Staff Consultants		Capital Project Contract CIP 79731	Original Area			10,873.88	210										
Page 5 of 8	70)	So. Calif. Edison		Utility relocation CIP 79731	Original Area			240,472.00	-										
Page 5 of 8	71)	Caltrans		State Furnished Materials CIP 79731	Original Area			50,000.00	-										
Page 5 of 8	72)	Caltrans		Source Inspection CIP 79731	Original Area			50,000.00	-										
Page 5 of 8	73)	Survey Consultant		Capital Project Contract CIP 79731	Original Area			5,000.00	-										
Page 5 of 8	74)	City of Moreno Valley - CM/Inspection		Capital Project Contract CIP 79731	Original Area			30,000.00	-										
Page 5 of 8	75)	Geotechnical Consultant		Capital Project Contract CIP 79731	Original Area			5,000.00	-										
Page 5 of 8	76)	Falcon Engineering		Constructability Review CIP 79731	Original Area			25,000.00	7,987										
Page 5 of 8	77)	City of Moreno Valley	Project Management CIP 79731	Original Area			74,449.00	-											
Page 5 of 8	78)	RCFC&WCD	Inspection fees CIP 79731	Original Area			10,000.00	-											
Page 5 of 8	79)	CHP	Const. zone enforcement CIP 79731	Original Area			-	-											
Page 5 of 8	80)	City of Moreno Valley	Advertising & bidding CIP 79731	Original Area			10,000.00	-											
Page 5 of 8	81)	EMWD	Inspection fees CIP 79731	Original Area			-	-											
Page 5 of 8	82)	Parsons Transportation	Capital Project Contract CIP 79731	Original Area			300,000.00	238,718											
			Gibbs Gidden Locher Tumer & Sanet	Advertising/bidding expenses - Spec Revisions CIP 79731	Original Area				7,287										
			A&I Reprographics	Advertising/bidding expenses - Spec Revisions CIP 79732	Original Area				3,010										
Page 6 of 8	83)	Tax Sharing Agreement/Flood Control Agreement	Riverside Flood Control and Water Conservation Dist.	Pass Through for the Construction of Storm Drain Projects CIP 99524	Original Area											5,639,404.43	5		
Page 6 of 8	84)	Acquisition of Properties/Loan	Moreno Valley Housing Authority	Satisfaction of Debt	Original Area											3,386,697.00	3		

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						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
ROPS I		Grand Total				\$ -	\$ -	\$ 7,067,970	\$ 3,556,627	\$ 394,296	\$ 115,033	\$ 307,665	\$ 117,648	\$ 12,229,290	11,866,792	\$ 9,026,101	\$ 9,026,101
Page 7 of 8	1)	City/Agency Employee Payroll	City of Moreno Valley/Employees	Payroll Costs	Original Area							247,665.00	111,553.53				
Page 7 of 8	2)	City/Agency - Operating Costs	City of Moreno Valley	Operating Costs	Original Area							60,000.00	6,094.25				
Page 8 of 8	1)	Section 33676 2% Pass Through*	Moreno Valley & Val Verde Unified SDs	Payments per former CRL 33676 - Estimates on ROP I included payments to be made in Jan & June 2012 - Actual payment made from Jan 2012 RPTTF only.										409,807.97	409,807.97		
Page 8 of 8	2)	Section 33676 2% Pass Through*	Riverside City Community College	Payments per former CRL 33676 - Estimates on ROP I included payments to be made in Jan & June 2012 - Actual payment made from Jan 2012 RPTTF only.										81,284.27	81,284.27		
Page 8 of 8	3)	Section 33676 2% Pass Through*	School Funds	Payments per former CRL 33676 - Estimates on ROP I included payments to be made in Jan & June 2012 - Actual payment made from Jan 2012 RPTTF only.										862.51	862.51		
Page 8 of 8	4)	Section 33676 2% Pass Through*	Co Supt of Schools	Payments per former CRL 33676 - Estimates on ROP I included payments to be made in Jan & June 2012 - Actual payment made from Jan 2012 RPTTF only.										65,300.32	65,300.32		
Page 8 of 8	5)	Tax Sharing Agreement/County Pass Through Agreement*	County of Riverside	Per Pass Through Agreement - Estimates on ROP I included payments to be made in Jan & June 2012 - Actual payment made from Jan 2012 RPTTF only.										1,684,143.00	1,615,184.67		
Page 8 of 8	6)	SB 2557 County Admin Fees	County of Riverside	County Administrative Fees										233,646.02	233,646.02		
Page 8 of 8	7)	Tax Sharing Agreement/Flood Control Agreement	Riverside Flood Control and Water Conservation Dist	Per Pass Through Agreement										781,573.00	781,573.00		

* Estimates in the original ROPS for January 1, 2012 through June 30, 2012 included pass through payments estimates for January and June Payments. Actual payments for the same period were only for January 2012 payments. The June 2012 actual payments were made from the RPTTF for the period covering July 1, 2012 through December 31, 2012 and will be reported as such. Pass Through payments to the Taxing Agencies and to the County of Riverside were made by the Riverside County Auditor-Controller.



Report to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley

TO: Members of the Board

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: August 29, 2012

TITLE: **CONSIDERATION OF A RESOLUTION ADOPTING
ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY
FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30,
2013**

RECOMMENDED ACTION:

Adopt a Resolution of the Oversight Board of Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley approving Administrative Budget for the Successor Agency

BACKGROUND:

The City of Moreno Valley is the Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley pursuant to Part 1.85 of Division 24 of the Health and Safety Code. As Successor Agency, the City is responsible for winding down the affairs of the redevelopment agency, including the preparation of a proposed administrative budget for each six-month Recognized Obligations Payment Schedule (ROPS) period for Oversight Board approval.

The Administrative Budget is to include: (1) estimated amounts for successor agency administrative costs for the six-month fiscal period; (2) proposed sources of payment for the items identified in item (1); and (3) proposals for arrangements for administrative and operations services provided by a city or other entity. The Oversight Board is required to adopt an administrative budget for the six month period in order to designate the administrative allowance amount to be funded from the distribution of property tax revenues.

ALTERNATIVES:

The alternatives available to the Oversight Board are:

1. Adopt a Resolution of the Oversight Board of Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley approving the Successor Agency's Administrative Budget for the period of January 1, 2013 through June 30, 2013, in the form submitted by Successor Agency staff; or
2. Adopt a Resolution of the Oversight Board of Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley approving the Successor Agency's Administrative Budget for the period of January 1, 2013 through June 30, 2013, in the form submitted by Successor Agency staff with those modifications as made by the Oversight Board; or
3. Provide staff with alternative direction.

FISCAL IMPACT:

The Successor Agency has incurred and will incur administrative expenses in the preparation of the materials being presented to the Oversight Board. The Successor Agency will seek reimbursement for the costs related to administration of the Oversight Board. The Administrative Budget, as prepared by Successor Agency staff, reflects the current estimates for anticipated costs in the views of Successor Agency staff. Costs are as estimated in the Administrative Budget submitted with this report.

ATTACHMENTS:

Attachment A: Resolution No. OB 2012-18
Exhibit A: Administrative Budget

SUCCESSOR AGENCY STAFF:

Prepared by:

Annie Clark
Sr. Financial Analyst

Submitted by:

Dante Hall
Redevelopment & Neighborhood
Programs Administrator

Approved by:

Barry Foster
Community & Economic
Development Department Director

RESOLUTION NO. OB 2012-18

**A RESOLUTION OF THE OVERSIGHT BOARD
OF SUCCESSOR AGENCY TO THE MORENO
VALLEY REDEVELOPMENT AGENCY
ADOPTING AN ADMINISTRATIVE BUDGET FOR
JANUARY 1, 2013 THROUGH JUNE 30, 2013
FOR THE SUCCESSOR AGENCY**

WHEREAS, the Oversight Board of Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley ("Oversight Board", as applicable) 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 and Safety Code Section 34177(j) provides, in part, that a Successor Agency is to "Prepare a proposed administrative budget and submit it to the oversight board for its approval", and that such administrative budget is to include: (1) estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period; (2) proposed sources of payment for the items identified in item (1); and (3) proposals for arrangements for administrative and operations services provided by a city or other entity; and

WHEREAS, the Successor Agency has submitted a proposed administrative budget for the period of January 1, 2013 through June 30, 2013, as approved by the Executive Director of the Successor Agency on behalf of the Successor Agency, for consideration and approval by the Oversight Board; and

WHEREAS, the Successor Agency has duly considered the proposed administrative budget;

NOW, THEREFORE, the Oversight Board of Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley does hereby resolve as follows:

SECTION 1. The Oversight Board approves as the administrative budget for the Successor Agency the proposed administrative budget in the form as submitted by the Successor Agency as attached hereto as Exhibit "A" together with such additions, deletions and modifications as made by the Oversight Board at its meeting of August 29, 2012. The official records of the Oversight Board shall reflect all such additions, deletions and modifications.

SECTION 2. The Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 29th day of August, 2012.

Chairperson
Oversight Board of Successor
Agency to Community
Redevelopment Agency of the
City of Moreno Valley

ATTEST:

Oversight Board Secretary

79110 SUCCESSOR AGENCY ADMINISTRATIVE BUDGET		Period Covering July-December 2012	
Obj	Acct Sub Account Description		
6100	SALARIES AND BENEFITS		
6110	SALARIES		
6111	Salaries/Exempt	\$ 49,201	
6114	Salaries/Non-exempt	\$ 10,359	
6116	Salaries/Part-time	\$ 4,380	
6111	Salaries Other Staff (temp assigned)	\$ 65,427	
6124	BENEFITS	\$ 17,622	
6134	Retirement Plan	\$ 271	
6136	Annuity Program	\$ 903	
6138	Medicare Insurance	\$ 11,383	
6144	Benefit Bank	\$ 383	
6145	Group Life Insurance	\$ 602	
6146	ST/ LT Disability	\$ 985	
6147	Addl 2, 4, 6% Mgmt Package	\$ 1,500	
6150	Workers Compensation	\$ 4,000	
SALARIES AND BENEFITS		\$ 167,015	
6253	Audit Services	\$ 12,000	
6255	Other Profess. Services	\$ 25,000	
6311	Office Supplies	\$ 2,500	
6313	Printed Supply	\$ 1,430	
OPERATING COSTS		\$ 40,930	
TOTALS		\$ 207,945	

EXHIBIT A

		RDA & Neighborhood Administrator	Sr. Financial Analyst	Sr. Admin Assistant	Sr. Office Assistant	Staff - Temp assigned	Operating Costs	Total		July-Dec 2012 ROPS	Jan-June 2013 ROPS
	Salary Allocation	40%	80%	40%	50%						
	SALARIES										
6111	Salaries/Exempt	37,184	61,218					\$ 98,402		\$ 49,201	\$ 49,201
6114	Salaries/Non-exempt			20,718				\$ 20,718		\$ 10,359	\$ 10,359
6116	Salaries/Part-time				8,759			\$ 8,759		\$ 4,380	\$ 4,380
6111	Salaries Other Staff					154,539		\$ 154,539		\$ 89,112	\$ 65,427
6134	Retirement Plan	10,997	18,112	6,135				\$ 35,244		\$ 17,622	\$ 17,622
6136	Annuity Program	180	362					\$ 542		\$ 271	\$ 271
6138	Medicare Insurance	550	906	350				\$ 1,806		\$ 903	\$ 903
6144	Benefit Bank	5,692	11,382	5,691				\$ 22,765		\$ 11,383	\$ 11,383
6145	Group Life Insurance	238	394	134				\$ 766		\$ 383	\$ 383
6146	ST/ LT Disability	376	619	209				\$ 1,204		\$ 602	\$ 602
6147	Addl 2, 4, 6% Mgmt Package	743	1,226					\$ 1,969		\$ 985	\$ 985
6,150	Workers Compensation							\$ 3,000		\$ 1,500	\$ 1,500
6,155	Accrued Benefit Liabilities							\$ 4,000			\$ 4,000
								\$ 353,714	Salaries/Ben	\$ 186,700	\$ 167,015
6253	Audit Services						16,000	\$ 16,000		\$ 4,000	\$ 12,000
6255	Other Profess. Services						70,000	\$ 70,000		\$ 45,000	\$ 25,000
6311	Office Supplies						5,000	\$ 5,000		\$ 2,500	\$ 2,500
6313	Printed Supply						2,800	\$ 2,800		\$ 1,370	\$ 1,430
								\$ 93,800	Operating Costs	\$ 52,870	\$ 40,930
	TOTAL	\$ 55,960	\$ 94,219	\$ 33,237	\$ 8,759	\$ 154,539	\$ 93,800	\$ 447,514	Total	\$ 239,570	\$ 207,945