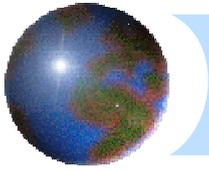


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AB X1 26

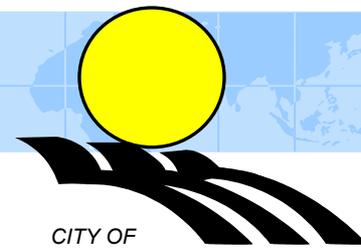
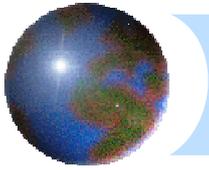
Death of Redevelopment in California

April 26, 2012



February 1, 2012
per Section 34175(b)

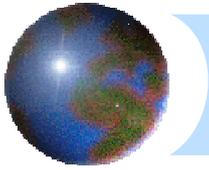
- All assets, properties, contracts, leases, books and records, buildings, and equipment of the former redevelopment agency transferred to the control of the Successor Agency.
- All cash or cash equivalents and amounts owed to the Redevelopment Agency transferred as well.



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RDA Funds

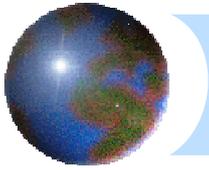
• Beginning Balance – 7/1/11 (Excluding Bonds)	\$20,700,000
• Bond Proceeds (Capital & LMI)	\$16,600,000
• Tax Increment (Gross Receipts)	\$9,900,000
• Debt Service (Bonds, Leprino, Golf Course)	\$4,200,000
• Pass Throughs (KC, Schools, Districts, City)	\$2,000,000
• Low-Moderate Income Housing 20 % Set-aside	\$2,000,000
• Other Expenditures (EOPS)	\$7,300,000
• Estimated Balance (Including Bonds & LMI)	\$31,700,000



Bond Proceeds

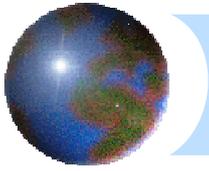
Health & Safety Code Section 34177(i) requires successor agencies to do the following:

“Continue to oversee development of properties until the contracted work has been completed or the contractual obligation of the former redevelopment agency can be transferred to other parties. Bond proceeds shall be used for the purposes for which bonds were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds.”



Administrative Cost Allowance to Successor Agency

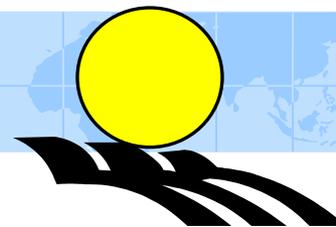
- 2011-12 fiscal year – up to 5% of the property tax revenue that is payable to the successor agency. Estimate based on \$9.9M minus pass throughs = \$7.9M. • \$395,000
- 2012-13 (and thereafter) – up to 3% of the property tax allocated to the successor agency's Redevelopment Obligation Retirement Fund (RORF), but not less than \$250,000 per year, unless a lesser amount is agreed upon by the successor agency. RORF is estimated at \$4.7M annually. • \$250,000



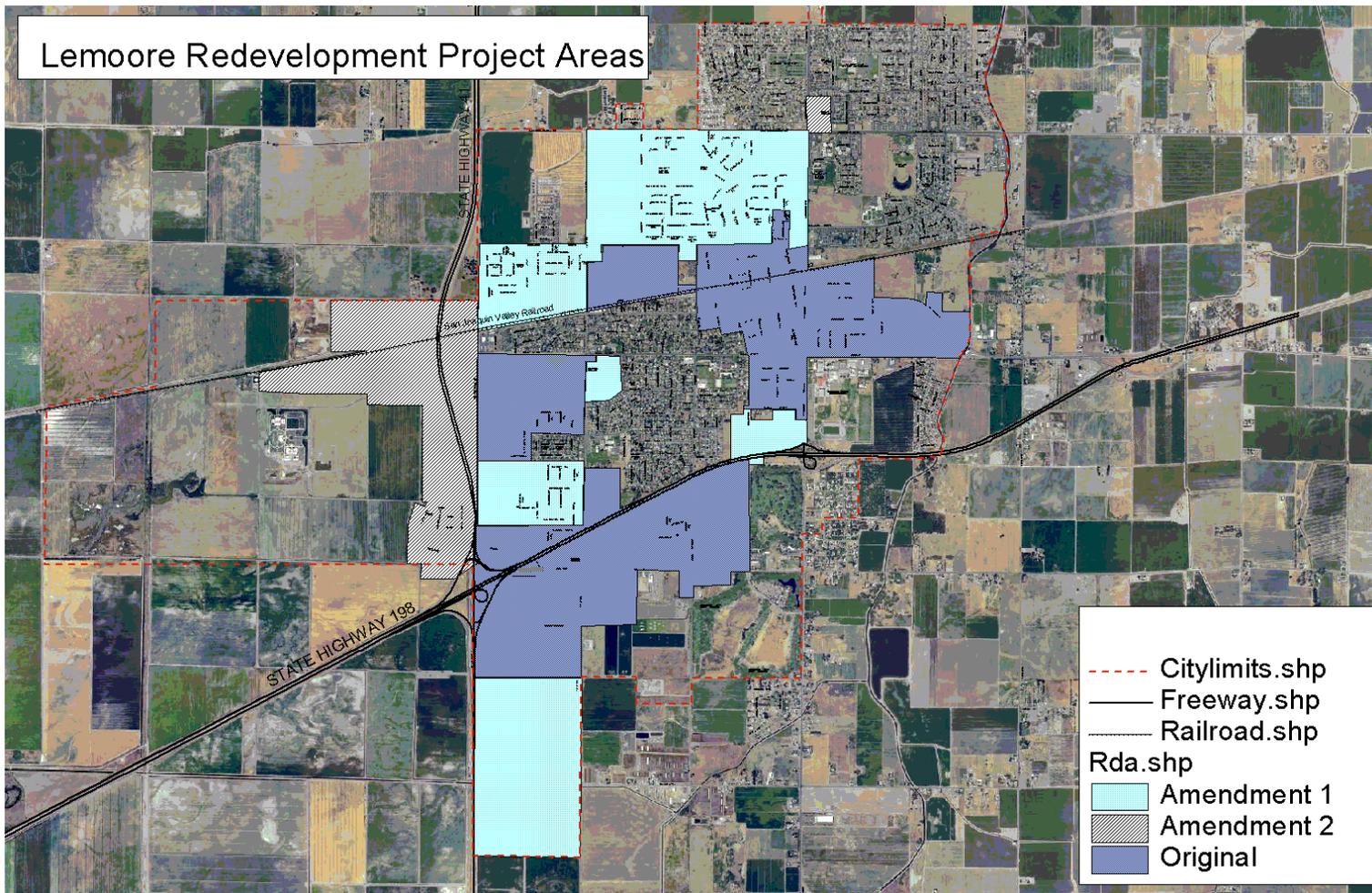
Unencumbered Funds remitted to County Auditor-Controller

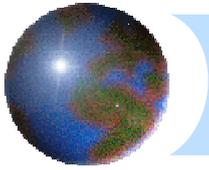
Estimated distribution percentage to the following taxing entities:

- 37.74% County General
- 2.50% County Library
- 19.78% City of Lemoore
- 2.84% Kings Mosquito
- .95% Lemoore Cemetery
- 4.93% West Hills College
- 0.07% Central Union
- 15.95% Lemoore Elementary
- 12.29% Lemoore High
- 2.95% Co. Supt. of Schools



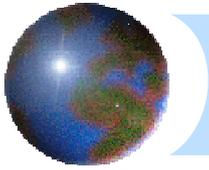
Lemoore Redevelopment Project Areas





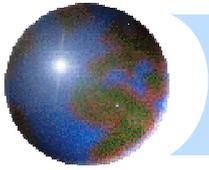
Responsibilities of the Successor Agency – Section 34177

- Continue to make payments due for enforceable obligations.
- Maintain reserves in amount required by indentures governing the issuance of bonds.
- Perform enforceable obligations.
- Expeditiously dispose of assets and properties as directed by the oversight board. RDA owns 24 parcels.



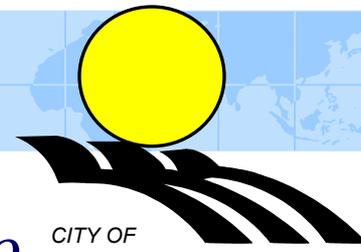
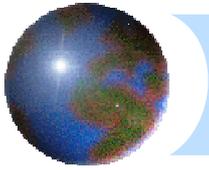
Responsibilities of the Successor Agency – Continued

- Enforce all rights for the benefit of the taxing entities, including collecting loans, rents, etc.
- Transfer housing functions and assets.
- Wind down the affairs of the Agency.
- Continue to oversee projects until complete (Bond proceeds shall be used for the purposes intended unless the purposes can no longer be achieved).
- Prepare proposed administrative budget for next six months for approval by oversight board.



Responsibilities of the Successor Agency – Continued

- Provide administrative cost estimates to county auditor-controller.
- Prepare a Recognized Obligation Payment Schedule.
- Agreements after December 31, 2010, between the former Agency and the City, are invalid.
- However, the successor entity may enter or re-enter into agreements with the City upon approval of its oversight board.

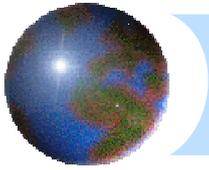


Oversight Board per Section 34179

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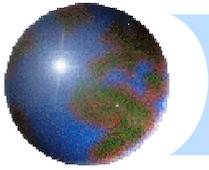
Each successor agency shall have an oversight board composed of seven members appointed as follows:

- Kings County Board of Supervisors – representative – Doug Verboon
- City of Lemoore – representative – John Plourde
- Mosquito Abatement District – largest special district – Mike Cavanagh
- KC Office of Education – school representative – Steve Corl
- Appointed by the California Chancellor of Community Colleges – unfilled
- KC Board of Supervisors – public representative – John Murray
- City of Lemoore – employee representative – Judy Holwell



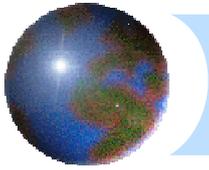
Purpose of the Oversight Board per Section 34181

- Direct the Successor Agency to do all of the following:
 - Dispose of all assets and properties.
 - Transfer properties constructed and used for governmental purpose.
 - Transfer housing responsibilities.
 - Determine if agreements with private parties should be terminated or renegotiated for the benefit of the taxing entities.



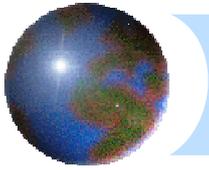
AB X1 26 Timeline

- By February 1st
 - Redevelopment Agencies are dissolved. ✓
 - Successor Agency must create Redevelopment Obligation Retirement Fund. ✓
 - Successor Agency must decide whether to retain affordable housing function or transfer to local housing authority. ✓
 - Successor Agency must review Enforceable Obligation Payment Schedule, modify (if necessary) and re-adopt. ✓



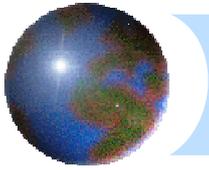
AB X1 26 Timeline Cont.

- By March 1st ✓
 - Successor Agency must adopt Recognized Obligation Payment Schedule (ROPS).
- By April 1st ✓
 - Successor Agency reports to County Auditor-Controller whether property tax available is sufficient to fund ROPS over next 6 months.
- By April 15th ✓
 - Successor Agency must send adopted ROPS to State Controller and State Department of Finance for approval.



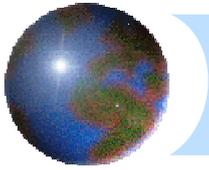
AB x1 26 Timeline Cont.

- By May 1st
 - Oversight Boards begin operations.
 - Report of membership filed with State Department of Finance.
 - Successor Agency may only pay obligations listed on a certified ROPS which has been approved by the Oversight Board and submitted to the County, State Controller, and State Department of Finance.
- By May 16th
 - County Auditor-Controller transfers property tax to successor agency in amount equal to cost of obligations in ROPS.



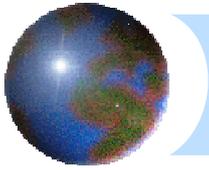
Bill Watch

- SB 654 – Transfer of Housing Funds & Functions
- SB 986 – Bond Proceeds
- SB 1151 – Sustainable Econ. Dev. & Housing (JPA)
- SB 1156 – Community Development & Housing (JPA)
- SB 1220 – Ongoing Source of Funds for Housing
- SB 1335 – Brownfield Sites
- SB 1472 – Blighted Foreclosed Properties
- AB 1585 – Clean Up Language for AB X1 26



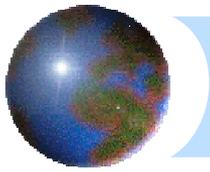
SB 654 – Transfer Housing Funds & Functions

- SB 654 (Steinberg). This bill would revise the definition of the term "enforceable obligation" and permit the retention of unencumbered balances in the Low and Moderate Income Housing Fund.
- 4/16/12 Referred to Comm. on Housing & Comm. Dev. and L. Gov.
- Non-urgency. Law would take effect January 1, 2013.



SB 986 – Bond Proceeds

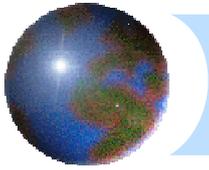
- SB 986 (Dutton). This bill would allow successor agencies to use bond proceeds derived from bonds sold on or before December 31, 2010 for the purposes for which they were sold.
- RDAs issued \$1.5 Billion in tax allocation bonds during the first 6-months of 2011, which was greater than the \$1.3 Billion issued during all of 2010.
- Legislators do not want to reward RDAs that issued unnecessary and expensive debt in 2011.
- Proceeds from bonds issued in 2011 shall be used to defease the bonds or to purchase outstanding bonds on the open market for cancellation.
- 4/23/12 From comm. do pass as amended, and re-refer to comm. on appropriations.
- Urgency statute. Law would take effect immediately.



SB 1151 – Sustainable Econ. Dev. & Hsg.

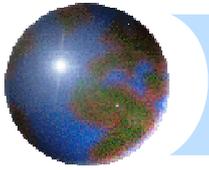


- SB 1151 (Steinberg). This bill provides that the process for disposing of RDA assets & remitting unencumbered funds does not apply to jurisdictions that have by August 1, 2012, formed a Community Development and Housing JPA pursuant to SB 1156.
- Requires a long-range asset management plan to govern the trust fund and requires the successor agency to submit the plan to the DOF and the Oversight Board by December 1, 2012, and requires approval of the plan by the DOF and Oversight Board by December 31, 2012. Annual reporting required.
- Requires jurisdictions to incorporate into all agreements a jobs plan describing how the project will create construction careers that pay prevailing wages, and include a program for community outreach, local hire, and job training.
- Hearing 4/24/12.
- Non-urgency.



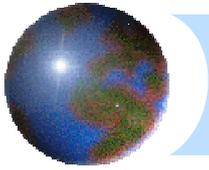
SB 1156 – Comm. Dev. & Housing (JPA)

- SB 1156 (Steinberg). Permits a city and county representing the territory of a former redevelopment agency to form a Comm. Dev. & Housing JPA after July 1, 2012.
- May adopt a redevelopment plan that must terminate not more than 30 years after the first issuance of bond indebtedness.
- Limits project areas to only the following: a) Within a Metropolitan Planning Organization (MPO) with an adopted sustainable communities strategy (SCS) that the Air Resources Board has accepted. b) Within or outside of an MPO, sites that have land use approvals or other controls that restrict the sites to clean energy manufacturing and are consistent with the SCS strategy, where applicable.
- Hearing 4/24/12.
- Non-urgency.



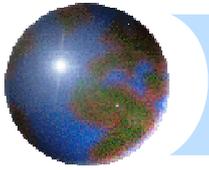
SB 1220 – Ongoing Source of Funds for Housing

- SB 1220 (DeSaulnier & Steinberg). This bill imposes a fee of \$75 on the recording of each real-estate related document, except for those documents recorded in connection with a transfer subject to a documentary transfer tax, and directs the money to the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund.
- Legislature may appropriate these funds for the development, acquisition, rehabilitation, and preservation of homes affordable to low-moderate income households, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities.
- Hearing 4/24/12.
- Non-urgency.



SB 1335 – Brownfield Sites

- (Pavley) This bill would authorize a successor agency to retain land of the former redevelopment agency that is a brownfield site for specified remediation or removal purposes using available financing, funds obtained from a responsible party, grants, or any other funds at the disposal of the successor agency. Upon completion of remediation, the bill would require the successor agency to dispose of the land pursuant to existing asset disposition provisions.
- Does not provides same statutory power that RDAs had.
- Does not provide funding for clean up.
- Hearing date 4/25/12.
- Non-Urgency.



AB 1585 – Clean Up Language regarding AB X1 26

- AB 1585 (Perez). This bill makes several significant changes to the provisions in AB 26 X1.
- Keeps the money on deposit in an LMI Fund with the succeeding housing entity to be spent on activities allowed under the housing provisions in the Community Redevelopment Law.
- Requires the succeeding housing entity to expend or encumber 80% of the funds within four years but gives option to petition HCD for more time.
- Designates the types of affordable housing projects that HCD can fund from monies that are transferred from jurisdictions that decide not to keep the housing functions of the former RDA.
- Authorizes the transfer of LMI Funds between jurisdictions within the county if certain conditions are met.
- 4/19/12 Referred to Comm. on Governance & Finance and Transportation & Housing.
- Urgency statute. Law would take effect immediately.