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**Oversight Board
to the
Successor Agency**

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Staff Report

ITEM NO. 8

To: Lemoore Oversight Board to the Successor Agency
From: Jeff Britz, City Manager
Date: April 23, 2012
Subject: Discussion regarding the Dissolution of Redevelopment

Discussion

As you know, AB X1 26 (AB 26), the law that dissolved all California redevelopment agencies, went into effect on February 1, 2012. On that date, all rights, powers, duties, and obligations of the former redevelopment agency, including all agreements, properties, contracts, records, books, and other assets, were transferred through an act of law to a successor agency; with the exception of the Low Moderate Income housing assets, which were transferred by the Lemoore Redevelopment Agency to the Lemoore Housing Authority via Resolution 2012-03 on January 31, 2012. In Lemoore, the City of Lemoore chose to accept the duties of Successor Agency.

The purpose of the Successor Agency is to wind down the affairs of the former Redevelopment Agency for the benefit of the taxing entities. Successor agencies are required to perform the following:

- 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
- 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
- Prepare proposed administrative budget for next six months for approval by oversight board
- Prepare a Recognized Obligation Payment Schedule

AB 26 also established oversight boards, which are to oversee the activities of successor agencies. On or before May 1st, the Oversight Board must meet, elect a Chairperson, and report the name of the Chairperson and all other Board Members to

the California Department of Finance. The following Successor Agency actions shall first be approved by the Oversight Board:

- Setting aside of amounts in reserves as required by indentures governing the issuance of outstanding RDA bonds
- Merging of project areas
- Continuing the acceptance of state/federal grants that require greater than 5% matching funds from the Successor Agency
- Agreements to retain properties or other assets by the City or County
- Establishment of the Recognized Obligation Payment Schedule (ROPS)
- A request by the Successor Agency to pledge property tax revenues or enter into an agreement with the City or County that formed the RDA

The Oversight Board shall direct the Successor Agency to do all of the following:

- Dispose of all assets and properties of the former RDA or transfer properties constructed and used for governmental purpose, per agreements
- Transfer housing responsibilities
- Determine if agreements with private parties should be terminated or renegotiated for the benefit of the taxing entities

The Oversight Board has no direct staff. However, AB 26 permits the staff performing work for the Successor Agency to also perform work in furtherance of the duties and responsibilities of the Oversight Board. City staff will perform services for the Successor Agency and the Oversight Board. The law allows the cost of such services and meetings to be paid from redevelopment property tax revenues, provided that such revenue is available after other obligations are paid. However, Oversight Board Members are to serve without compensation or reimbursement for expenses.

On April 26, the Lemoore Successor Agency will hold its first meeting of the Oversight Board. At the Meeting, additional information will be presented, as well as the proposed ROPS for the periods January 1, 2012 to June 30, 2012 and July 1, 2012 to December 31, 2012. These two Schedules have been approved in draft form by the Successor Agency and submitted to the County and State agencies as required. The two Schedules will be presented in greater detail in Agenda Item No. 9.

On April 11, Kings County held a Special Meeting Study Session; during that meeting a PowerPoint presentation was given, if you did not attend that workshop, the presentation can be viewed at the following link:

http://www.lemoore.com/successor_agency/pdf/county_of_kings_roles_and_responsibilities_of_oversight_boards.pdf

At the meeting, staff will provide the Oversight Board with a presentation regarding AB 26 and its effect on the Lemoore Redevelopment Agency and the requirements of the newly created Successor Agency and Oversight Board. Staff will also address any questions you may have. Attached for your information is a map depicting the boundaries of the former Redevelopment Agency as well as a listing of properties owned by the former Agency.

Budget Impact

None.

Recommendation

Update and discussion only.