



Mayor/Chair Mario F. Hernández  
 Mayor Pro/Vice Chair Tem Brenda Esqueda  
 Councilmember/Board Member Maribel De La Torre  
 Councilmember/Board Member Sylvia Ballin  
 Councilmember/Board Member Antonio Lopez  
City Administrator/Executive Director  
 Al Hernández

SAN FERNANDO CITY COUNCIL ACTING AS  
 GOVERNING BODY OF THE SUCCESSOR AGENCY TO THE  
 SAN FERNANDO REDEVELOPMENT AGENCY & OF THE  
 BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY  
 TO THE SAN FERNANDO REDEVELOPMENT AGENCY  
**NOTICE AND AGENDA OF A SPECIAL MEETING**

MONDAY, FEBRUARY 6, 2012 – 6:00 PM

**NOTE:** *This special meeting will commence immediately following the Regular City Council meeting scheduled at 6:00 p.m.*

COUNCIL CHAMBERS  
 117 MACNEIL STREET  
 SAN FERNANDO, CA 91340

**NOTICE IS HEREBY GIVEN** that pursuant to Section 54956 of the California Government Code, Mayor Mario F. Hernández hereby calls a Special Meeting of the San Fernando City Council acting as the Governing Body of the Successor Agency to the San Fernando Redevelopment Agency and a Special Meeting of the Successor Agency to the San Fernando Redevelopment Agency on **Monday, February 6, 2012, at 6:00 p.m.** in the Council Chambers, located at 117 Macneil Street, San Fernando, California.

The **AGENDA** for this meeting is as follows:

CALL TO ORDER/ROLL CALL

APPROVAL OF AGENDA

PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the City Council/Successor Agency to the San Fernando Redevelopment Agency. Only matters contained in this notice may be considered.

SAN FERNANDO CITY COUNCIL ACTING AS GOVERNING BODY OF  
THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT  
AGENCY & OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY  
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NEW BUSINESS

**1) RESOLUTION ESTABLISHING RULES AND REGULATIONS FOR THE OPERATIONS OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY**

Recommend that the City Council, acting as the governing body of the Successor Agency to the San Fernando Redevelopment Agency, adopt a Resolution pursuant to Part 1.85 of Division 24 of the California Health and Safety Code establishing rules and regulations for the operations of the Successor Agency to the San Fernando Redevelopment Agency as a new legal entity separate from the City and taking certain actions in connection therewith.

**2) RESOLUTION CREATING A REDEVELOPMENT OBLIGATION RETIREMENT FUND**

Recommend that the Successor Agency to the San Fernando Redevelopment Agency adopt a Resolution creating a Redevelopment Obligation Retirement Fund pursuant to Health and Safety Code Section 34170.5 and taking certain actions in connection therewith.

**3) RESOLUTION ADOPTING AN ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**

Recommend that the Successor Agency to the San Fernando Redevelopment Agency adopt a Resolution adopting an Enforceable Obligation Payment Schedule pursuant to Health and Safety Code Section 34177 and taking certain actions in connection therewith.

**4) RESOLUTION AUTHORIZING THE INVESTMENT OF SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY MONEYS IN THE LOCAL AGENCY INVESTMENT FUND**

Recommend that the Successor Agency to the San Fernando Redevelopment Agency adopt a Resolution authorizing the investment of Successor Agency to the San Fernando Redevelopment Agency moneys in the Local Agency Investment Fund of the State of California and taking certain actions in connection therewith.

**5) RESOLUTION TO REIMBURSE THE CITY FOR SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY EXPENSES**

Recommend that the Successor Agency to the San Fernando Redevelopment Agency adopt a Resolution to reimburse the City for Successor Agency to the San Fernando Redevelopment Agency expenses.



SAN FERNANDO CITY COUNCIL ACTING AS GOVERNING BODY OF  
THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT  
AGENCY & OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY  
TO THE SAN FERNANDO REDEVELOPMENT AGENCY  
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**6) ANNUAL INVESTMENT POLICY**

Recommend that the Successor Agency to the San Fernando Redevelopment Agency approve the annual Investment Policy.

**ADJOURNMENT**

*I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting.*

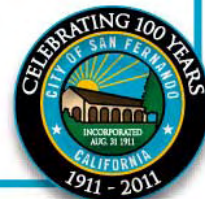
*Elena G. Chávez, Secretary*

*Signed and Posted: February 2, 2012 (7:00 p.m.)*

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web site ([www.sfcity.org](http://www.sfcity.org)). These are also available for public reviewing prior to a meeting in the City Clerk's Office.

Any public writings distributed by the City Council/Successor Agency to the San Fernando Redevelopment Agency to at least a majority of the Councilmembers/Board Members regarding any item on this special meeting agenda will also be made available at the City Clerk's Office at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at [www.sfcity.org](http://www.sfcity.org).

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/ accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk's Office at (818) 898-1204 at least 24 hours prior to the meeting.





**City Council Acting as Governing Body of the Successor Agency to the  
San Fernando Redevelopment Agency & of the Board of Directors  
of the Successor Agency to the San Fernando Redevelopment Agency**









## ADMINISTRATION DEPARTMENT

### MEMORANDUM

**TO:** Chair Mario F. Hernández and Board Members

**FROM:** Al Hernández, Executive Director

**DATE:** February 6, 2012

**SUBJECT:** Resolution Establishing Rules and Regulations for the Operations of the Successor Agency to the San Fernando Redevelopment Agency

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#### **RECOMMENDATION:**

It is recommended that the City Council, acting as the governing body of the Successor Agency to the San Fernando Redevelopment Agency (Successor Agency), adopt a Resolution (Attachment "A") pursuant to Part 1.85 of Division 24 of the California Health and Safety Code establishing rules and regulations for the operations of the Successor Agency as a new legal entity separate from the City and taking certain actions in connection therewith.

#### **BACKGROUND:**

1. AB X1 26 (AB 26) and AB X1 27 (AB 27), which were signed by the Governor of California on June, 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law. In *California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861), the California Supreme Court largely upheld AB 26, invalidated AB 27, and held that AB 26 may be severed from AB 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 (the dissolution provisions) arising before May 1, 2012 to take effect four months later.

As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved and successor agencies were designated as successor entities to the former redevelopment agencies. The successor agencies have all the authority, rights, powers, duties, and obligations previously vested with the former redevelopment agencies under the Community Redevelopment Law except for those that were repealed, restricted, or revised by AB 26.

2. On August 15, 2011, the City Council adopted Resolution No. 7452 electing for the City to serve as the Successor Agency for the San Fernando Redevelopment Agency upon the Agency's dissolution. The assets of the San Fernando Redevelopment Agency transferred to the Successor Agency by law on February 1, 2012.

Resolution Establishing Rules and Regulations for the Operations of the Successor Agency to the San Fernando Redevelopment Agency

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**ANALYSIS:**

This Resolution establishes basic governance, rules, and regulations for the Successor Agency as a new and distinct legal entity from the City. Assemblymember Blumenfield, the author of AB 26, stated in a letter of clarification addressed to the California State Assembly on January 10, 2012, that cities are “distinct legal entities from successor agencies, and therefore the liabilities of the former redevelopment agencies and the successor agencies do not become the liabilities of the corresponding cities.” As a new legal entity, this Resolution directs that the Secretary of the Successor Agency file the prescribed form with the Secretary of State and the County Clerk in accordance with Government Code Section 53051 that will add the Successor Agency to the Roster of Public Agencies maintained by these offices.

This Resolution further provides that the Successor Agency will be governed by a Board of Directors, which shall consist of the members of the City Council, that the Mayor and Mayor Pro Tem will serve as Chair and Vice Chair of the of the Board, and provides for regular meetings of the Board (to occur after the regular meetings of the City Council). The Resolution designates the City Administrator as Executive Director, the City Clerk as Secretary, and the City Treasurer as the Finance Officer of the Successor Agency. Councilmembers will file assuming office statements within 30 days after the adoption of the Resolution assuming office as a member of the Board of Directors of the Successor Agency. In addition, a local conflict of interest code and local CEQA guidelines will be prepared for adoption by the Board at a subsequent meeting.

The Successor Agency will exercise the powers necessary to perform all of the functions described in Health and Safety Code Section 34177, as well as any other powers granted under law. The Successor Agency’s statutory functions include making payments and performing obligations required under enforceable obligations, continuing to collect loans, rents and other revenue on behalf of the former redevelopment agency, continuing to oversee development of properties until the contracted work has been completed, and disposing of assets and properties of the former redevelopment agency as directed by the oversight board. The Successor Agency also will prepare proposed administrative budgets and submit them to the oversight board for its approval, pursuant to Health and Safety Code Section 34177(j).

As a separate legal entity, Successor Agency assets and monies shall be maintained separately from City assets and monies. Health and Safety Code Section 34173(e) states that “the liability of any successor agency shall be limited to the extent of the total sum of property tax revenues it receives pursuant to this part and the value of assets transferred to it as a successor agency for a dissolved redevelopment agency.” The Resolution provides that the Successor Agency shall indemnify the City for any claims arising from its activities, and its liabilities shall not be the City’s liabilities.

**BUDGET IMPACT:**

None. This Resolution only outlines the rules and regulations for the Successor Agency.

**ATTACHMENT:**

A. Resolution

## ATTACHMENT "A"

## RESOLUTION NO. 1

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE ESTABLISHING RULES AND REGULATIONS FOR THE OPERATIONS OF THE SUCCESSOR AGENCY AS A NEW LEGAL ENTITY SEPARATE FROM THE CITY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**

## RECITALS:

A. The San Fernando Redevelopment Agency was a redevelopment agency in the City of San Fernando (the "City"), duly created pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law").

B. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code ("Health and Safety Code").

C. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 were unconstitutional.

D. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

E. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012 to take effect four months later.

F. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved and replaced by successor agencies established pursuant to Health and Safety Code Section 34173.

G. The City Council of the City of San Fernando (the "City") adopted Resolution No. 7452 on August 15, 2011, pursuant to Part 1.85 electing for the City to serve as the Successor Agency for the San Fernando Redevelopment Agency upon the Agency's dissolution.

H. The City Council, acting as the governing board for the Successor Agency, hereby desires to adopt a name for that separate legal entity and establish rules and regulations that will apply to the governance and operations of the Successor Agency.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY, DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:**

Section 1. Designated Successor Agency. Pursuant to City Council Resolution No. 7452, by which the City elected to serve as the Successor Agency of the San Fernando Redevelopment Agency under Part 1.85 upon the Agency's dissolution (the "Successor Agency"), and the Agency having been dissolved by operation of law on February 1, 2012, the Successor Agency is hereby declared constituted.

Section 2. Separate Legal Entity. The Successor Agency is a distinct and separate legal entity from the City, and is hereby named "Successor Agency to the San Fernando Redevelopment Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85.

Section 3. Governance.

- A. Board of Directors. The Successor Agency shall be governed by a Board of Directors (the "Board"), which shall exercise the powers and perform the duties of the Successor Agency. The Board shall consist of the members of the City Council of the City.
- B. Board Officers. The Board shall have a Chair to preside at and conduct all meetings and a Vice Chair who shall act in the absence of the Chair. The offices of the Chair and Vice Chair shall be filled by the Mayor and Mayor Pro Tem, respectively, of the City Council of the City.
- C. Meetings of the Board. The Board shall hold regular meetings on the first and third Mondays of each month, at 6:00 p.m. If a regular meeting falls on a City holiday, such meeting shall be held on the immediately following day at 6:00 p.m. The Board may adopt such rules and procedures for conducting such meetings and other business as the Board deems appropriate. All meetings of the Board including, without limitation, regular, adjourned regular, and special meetings shall be called, noticed and conducted in accordance with the provisions of the Ralph M. Brown Act, Sections 54950 *et seq.* of the California Government Code.
- D. Quorum. The presence of a majority of the Board members at a meeting shall constitute a quorum for the transaction of Successor Agency business. Less than a quorum may adjourn or continue meetings from time to time.
- E. Voting. Except as otherwise provided by law or resolution of the Board, decisions of the Board shall be made by a majority of a quorum.
- F. Executive Director. The City Administrator of the City shall serve as Executive Director of the Successor Agency. The Executive Director may appoint officers and employees as necessary to perform the duties of the Successor Agency. The Executive Director also may delegate the performance of his or her duties to other officers or employees.

- G. Secretary. The City Clerk of the City shall serve as Secretary to the Successor Agency.
- H. Finance Officer. The City Treasurer shall serve as Finance Officer of the Successor Agency. The Finance Officer shall have the care and custody of all funds of the Successor Agency and shall deposit the same in the name of the Successor Agency in such bank or banks as he or she may select. The Finance Officer also may enter into agreements on behalf of the Successor Agency with any bank or trust company authorized to accept deposits of public funds, providing for the transfer of funds between accounts maintained by the Successor Agency upon request by telephone. Such agreement also may provide for the investment upon request by telephone of funds maintained in such accounts.
- I. Additional Duties. The officers of the Successor Agency shall perform such other duties and functions as may from time to time be required or directed by the Board of the Successor Agency. Any member of the Board and the Executive Director may sign, with the counter-signature of one other member of the Board, or the Executive Director or the Finance Officer, all orders and checks for the payment of money. The Chair, or Vice Chair in the absence of the Chair, and the Executive Director may sign deeds, contracts and other instruments made by the Successor Agency.
- J. General Counsel. The City Attorney of the City shall serve as the General Counsel to the Successor Agency.

Section 4. Powers and Duties of the Successor Agency. The Successor Agency shall have the authority to perform the functions and duties described in Part 1.85, including but not limited to making payments and performing obligations required by enforceable obligations and expeditiously winding down the affairs of the Agency. The Successor Agency also may exercise any other powers provided by statute or granted by law.

Section 5. Successor Agency Funds and Obligations. All assets and monies held by or under the control of the Successor Agency shall be maintained in funds and accounts established by the Successor Agency and shall be kept separate and apart from the funds and accounts of the City.

Section 6. Indemnification and Liability.

- A. Indemnification. The Successor Agency shall defend, indemnify, and hold harmless the City, and its City Council, boards, commissions, officers, employees and agents, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Successor Agency.
- B. Liability. In accordance with Health and Safety Code Section 34173(e), the liability of the Successor Agency, acting pursuant to the powers granted under Part 1.85, shall be limited to the extent of, and payable solely from, the total sum of property tax revenues it receives pursuant to Part 1.85 and the value of assets

transferred to it as a successor agency for a dissolved redevelopment agency. The debts, assets, liabilities, and obligations of the Successor Agency shall be solely the debts, assets, liabilities, and obligations of the Successor Agency and not of the City.

Section 7. Roster of Public Agencies Filing. The Secretary to the Successor Agency shall file on the prescribed form the statement of public agency with the Secretary of State and County Clerk in accordance with Government Code Section 53051.

**PASSED AND ADOPTED** this 6<sup>th</sup> day of February, 2012.

\_\_\_\_\_  
Mario F. Hernández, Chair

**ATTEST:**

\_\_\_\_\_  
Elena G. Chávez, Secretary

**STATE OF CALIFORNIA     )**  
**COUNTY OF LOS ANGELES ) ss**  
**CITY OF SAN FERNANDO    )**

**I HEREBY CERTIFY** that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 6<sup>th</sup> day of February, 2012, by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
Elena G. Chávez, Secretary







**ADMINISTRATION DEPARTMENT****MEMORANDUM**

**TO:** Chair Mario F. Hernández and Board Members

**FROM:** Al Hernández, Executive Director

**DATE:** February 6, 2012

**SUBJECT:** Resolution Creating the Redevelopment Obligation Retirement Fund

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**RECOMMENDATION:**

It is recommended that the Successor Agency to the San Fernando Redevelopment Agency adopt a Resolution (Attachment "A") creating a Redevelopment Obligation Retirement Fund pursuant to Health and Safety Code Section 34170.5 and taking certain actions in connection therewith.

**BACKGROUND:**

This agenda item addresses an outcome of the California Supreme Court's decision in *California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861), the litigation challenging AB X1 26 (AB 26) and AB X1 27 (AB 27). AB 26 and AB 27, which were signed by the Governor of California on June, 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law.

The Supreme Court largely upheld AB 26 (which provides for the windup and dissolution of redevelopment agencies), invalidated AB 27 (which provided for an alternative voluntary redevelopment program), and held that AB 26 may be severed from AB 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 (the dissolution provisions) arising before May 1, 2012 to take effect four months later. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved and cities do not have the option of making remittance payments to enable the continued operation of redevelopment agencies. The City is the Successor Agency of the San Fernando Redevelopment Agency (Successor Agency) and the Board of the Successor Agency (the Board) consists of the members of the City Council.

Pursuant to Health and Safety Code Section 34170.5, each successor agency to a former redevelopment agency shall create within its treasury a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

Resolution Creating the Redevelopment Obligation Retirement Fund

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**BUDGET IMPACT:**

Creation of the Redevelopment Obligation Retirement Fund will allow the Successor Agency to the San Fernando Redevelopment Agency to receive funds from the County Auditor-Controller to pay enforceable obligations of the former redevelopment agency.

**ATTACHMENT:**

A. Resolution

## ATTACHMENT "A"

## RESOLUTION NO. 2

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY CREATING A REDEVELOPMENT OBLIGATION RETIREMENT FUND PURSUANT TO HEALTH AND SAFETY CODE SECTION 34170.5 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**

## RECITALS:

A. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), including adding Part 1.8 (commencing with Section 34161)("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85").

B. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case, largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

C. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later.

D. As a result of the Supreme Court's decision, the San Fernando Redevelopment Agency (the "Redevelopment Agency"), a redevelopment agency in the City of San Fernando (the "City"), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012.

E. By its Resolution No. 7452, adopted on August 15, 2011, the City Council of the City made an election to serve as the Successor Agency of the Redevelopment Agency under Part 1.85 (the "Successor Agency").

F. By its Resolution No. 1, adopted on February 6, 2012, the City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors (the "Board") consisting of the members of the City Council of the City.

G. Health and Safety Code Section 34170.5 provides that each successor agency shall create within its treasury a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

H. Accordingly, the Board desires to adopt this Resolution creating a Redevelopment Obligation Retirement Fund within the treasury of the Successor Agency.

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34170.5

Section 3. The Executive Director and the Finance Officer are hereby authorized and directed to create within the treasury of the Successor Agency a Redevelopment Obligation Retirement Fund to be administered by the Successor Agency.

Section 4. The Secretary is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor-Controller.

Section 5. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

**PASSED AND ADOPTED** this 6<sup>th</sup> day of February, 2012.

\_\_\_\_\_  
Mario F. Hernández, Chair

**ATTEST:**

\_\_\_\_\_  
Elena G. Chávez, Secretary

**STATE OF CALIFORNIA     )**  
**COUNTY OF LOS ANGELES   ) ss**  
**CITY OF SAN FERNANDO     )**

**I HEREBY CERTIFY** that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency of the San Fernando Redevelopment Agency held on the 6<sup>th</sup> day of February, 2012, by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
Elena G. Chávez, Secretary





**ADMINISTRATION DEPARTMENT****MEMORANDUM**

**TO:** Chair Mario F. Hernández and Board Members

**FROM:** Al Hernández, Executive Director

**DATE:** February 6, 2012

**SUBJECT:** Resolution Adopting an Enforceable Obligation Payment Schedule

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**RECOMMENDATION:**

It is recommended that the Successor Agency to the San Fernando Redevelopment Agency adopt a Resolution (Attachment "A") adopting an Enforceable Obligation Payment Schedule pursuant to Health and Safety Code Section 34177 and taking certain actions in connection therewith.

**BACKGROUND:**

This agenda item addresses an outcome of the California Supreme Court's decision in *California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861), the litigation challenging AB X1 26 (AB 26) and AB X1 27 (AB 27). AB 26 and AB 27, which were signed by the Governor of California on June, 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law.

The Supreme Court largely upheld AB 26 (which provides for the windup and dissolution of redevelopment agencies), invalidated AB 27 (which provided for an alternative voluntary redevelopment program), and held that AB 26 may be severed from AB 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 (the dissolution provisions) arising before May 1, 2012 to take effect four months later. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved and cities do not have the option of making remittance payments to enable the continued operation of redevelopment agencies. The City is the successor agency for the San Fernando Redevelopment Agency (Successor Agency) and the Board of the Successor Agency (the Board) consists of the members of the City Council.

Pursuant to Health and Safety Code Section 34177, successor agencies are required to continue to make payments due for enforceable obligations of the former redevelopment agencies. On and after February 1, 2012, and until a Recognized Obligation Payment Schedule becomes operative, only payments required pursuant to an enforceable obligation payment schedule shall

**Resolution Adopting an Enforceable Obligation Payment Schedule**

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be made. Accordingly, the Successor Agency must adopt an enforceable obligation payment schedule.

**BUDGET IMPACT:**

Adoption of an enforceable obligation payment schedule will allow the Successor Agency to pay enforceable obligations of the former redevelopment agency.

**ATTACHMENT:**

A. Resolution



## ATTACHMENT "A"

## RESOLUTION NO. 3

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY ADOPTING AN ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**

## RECITALS:

A. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85").

B. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the Matosantos case largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

C. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later.

D. As a result of the Supreme Court's decision, the San Fernando Redevelopment Agency (the "Redevelopment Agency"), a redevelopment agency in the City of San Fernando (the "City"), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012.

E. By its Resolution No. 7452, adopted on August 15, 2011, the City Council of the City made an election to serve as the successor agency for the Redevelopment Agency under Part 1.85 (the "Successor Agency").

F. By its Resolution No. 1, adopted on February 6, 2012, the City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors (the "Board") consisting of the members of the City Council of the City.

G. By its Resolution No. 1128, the Redevelopment Agency approved an Enforceable Obligation Payment Schedule, as amended.

H. Health and Safety Code Section 34177(a) provides that successor agencies are required to continue to make payments due for enforceable obligations. Health and Safety Code Section 34177(a)(1), as modified by the Supreme Court, provides that on and after February 1, 2012, and until a Recognized Obligation Payment Schedule becomes operative, only payments required pursuant to an enforceable obligation payment schedule shall be made. The enforceable obligation schedule may be amended by the successor agency at any public meeting and shall be subject to the approval of the oversight board as soon as the board has sufficient members to form a quorum.

I. Accordingly, the Board desires to adopt this Resolution adopting an Enforceable Obligation Payment Schedule.

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34177.

Section 3. The Board hereby adopts the Enforceable Obligation Payment Schedule attached as Exhibit "A" to this Resolution and incorporated herein by reference (the "Enforceable Obligation Payment Schedule").

Section 4. The Secretary is hereby authorized and directed to post the Enforceable Obligation Payment Schedule on the City's website.

Section 5. The Enforceable Obligation Payment Schedule may be amended from time to time at any public meeting of the Board.

Section 6. The Secretary is hereby authorized and directed to transmit a copy of the Enforceable Obligation Payment Schedule by mail or electronic means to the County Auditor-Controller, the State Controller, and the California Department of Finance (the "Department of Finance"). A notification providing the Internet Website location shall suffice.

Section 7. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including providing documents associated with the Enforceable Obligation Payment Schedule to the Department of Finance and the State Controller in the manner of their choosing, and any such actions previously taken by such officers are hereby ratified and confirmed. The Board hereby designates the Finance Officer as the official to whom the Department of Finance may make requests for review in connection with the Enforceable Obligation Payment Schedule.

**PASSED AND ADOPTED** this 6<sup>th</sup> day of February, 2012.

\_\_\_\_\_  
Mario F. Hernández, Chair

**ATTEST:**

\_\_\_\_\_  
Elena G. Chávez, Secretary

**STATE OF CALIFORNIA     )**  
**COUNTY OF LOS ANGELES ) ss**  
**CITY OF SAN FERNANDO    )**

**I HEREBY CERTIFY** that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 6<sup>th</sup> day of February, 2012, by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
Elena G. Chávez, Secretary



Name of Successor Agency: Successor Agency to the San Fernando Redevelopment Agency  
Project Area(s): All

**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE  
Per AB 26 - Section 34167 and 34169(\*)**

Project Name / Debt Obligation	Payee	Description	Payment by Month					
			Oct. 2011	Nov	Dec	Jan. 2012	Feb	
1) 1998 Tax Allocation Bonds Series	US Bank	Bonds issue to fund non-housing projects						
2) 2006 Tax Allocation Bonds Series	US Bank	Bonds issue to fund housing projects						
3) 1998 & 2006 Tax Allocation Bonds	US Bank	Fiscal agent fees & continuing disclosure fees	4,965.00					
4) State CalHFA Loan	CalHFA	Loan for affordable housing project						
5) City Loan entered into with County of L. County of Los Angeles	County of Los Angeles	deferral of tax increment in order to meet Agency's debt service obligations						
6) Notes payable	City of San Fernando	Conveyance of City yard to Agency - 15yr note				50,000.00		50,000.00
7) Letter of Credit/Section 108	CDC	2006 pool facility				17,388.00		
8) Employee Costs	Employees of Agency	Payroll for employees						
9) DDA with Haagen/Tiangus	Haagen	1989 S.F. Mission Partners/Tiangus ( 1, 2 )	35,254.00	35,254.00	35,254.00			35,254.00
10) Notes payable	City of San Fernando	City loan for start-up of PA #4	60,000.00					
11) SERAF Loan Payments	LMHF	Loan to project areas to make FY 2009-10 SERAF						
12) Loan payable to City's Sewer Fund	City of San Fernando	PA #2 & #4 borrowed funds from Sewer Fund				231,550.00		
13) Section 108 Loan	Community Development Commission	Loan issued to Agency to fund the Aquatic Center		25,430.00				
14) Annual Audit	Diehls, Evans, & Company LLP & HdL	Annual Financial Audit Reports			4,125.00			
15) Legal Services	Richards, Watson & Gershon	Legal services provided to the RDA	6,333.00	6,333.00	6,333.00			6,333.00
16) Legal Services	Richards, Watson & Gershon	Legal services provided to the RDA	4,041.00	4,041.00	4,041.00			4,041.00
17) Historical Lopez Adobe Retrofit	Various	Retrofit of a designated historical building within the RDA Project Area			25,000.00			25,000.00
18) SCO Transaction Report	Thales Consulting	Preparation of the State Controller's Financial Transaction Report				3,540.00		
19) Overhead Cost Allocation	City of San Fernando	Reimbursement of direct & indirect allocation overhead costs to the General Fund	34,873.00	34,873.00	34,873.00			34,873.00
20) Advertising for Reso/Ordinance	Various	Required public notices & outreach	2,000.00	2,000.00	2,000.00			2,000.00
21) 1422 San Fernando Rd - Reso #	City of San Fernando	1422 San Fernando Rd - Reso #						
22) Advertising for Reso/Ordinance	Various	Required public notices & outreach	2,000.00	2,000.00	2,000.00			2,000.00
23) Annual Audit	Diehls, Evans, & Company LLP & HdL	Annual Financial Audit Reports				1,650.00		
24) Overhead Cost Allocation	City of San Fernando	Fund	10,407.00	10,407.00	10,407.00			10,407.00
25) Retirement override assessment	City of San Fernando - Retirement Fund	prior period adjusting accounting entry from FY 2004-05 through FY 2009-10						
26) LAUSD Litigation	Attorney representing City	Ongoing litigation						
27) Wilshire Ventures - Attorney Fees	Attorney representing City	Ongoing litigation for Wilshire Venture						
28) General legal services	Richards, Watson & Gershon	Legal services provided to the RDA						
29)								
30)								
Totals - This Page			\$ 159,873.00	\$ 120,338.00	\$ 149,698.00	\$ 428,161.00	\$ 169,908.00	
Totals - Page 2			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 3			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Other Obligations			\$ -	\$ -	\$ 1,735,116.50	\$ 102,785.50	\$ -	\$ -
Totals - All Pages			\$ 159,873.00	\$ 120,338.00	\$ 1,884,814.50	\$ 530,946.50	\$ 169,908.00	

\*\* All payment amounts are estimates

Footnotes:

- 1 / \$17M debt obligation per DDA agreement entered between the City of San Fernando Redevelopment Agency and San Fernando Mission Partnership. Debt is to be repaid by Tax Increment generated by the Project Area on or before June 27, 2018 or the unpaid balance is forgiven.
- 2 / Annual payments are estimated by the project area total tax increment minus the 20% set aside for the LMHF, any obligated statute or agreement entered prior to this agreement to pay affected taxing entities, and any portion of such revenues that Agency is required by law to set aside for other purposes.

Name of Successor Agency: Successor Agency to the San Fernando Redevelopment Agency  
Project Area(s): All

**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE  
Per AB 26 - Section 34167 and 34169(\*)**

Project Name / Debt Obligation	Payee	Description	Payment by Month						Total
			Mar	Apr	May	June			
1) 1998 Tax Allocation Bonds Series	US Bank	Bonds issue to fund non-housing projects	49,613.00						\$ 49,613.00
2) 2006 Tax Allocation Bonds Series	US Bank	Bonds issue to fund housing projects	161,722.50						\$ 161,722.50
3) 1998 & 2006 Tax Allocation Bonds	US Bank	Fiscal agent fees & continuing disclosure fees							\$ 4,965.00
4) State CalHFA Loan	CalHFA	Loan for affordable housing project				250,000.00			\$ 250,000.00
5) City Loan entered into with County of L. County of Los Angeles	County of Los Angeles	deferral of tax increment in order to meet Agency's debt service obligations				100,000.00			\$ 100,000.00
6) Notes payable	City of San Fernando	Conveyance of City yard to Agency - 15yr note	50,000.00			49,015.00			\$ 99,015.00
7) Letter of Credit/Section 108	CDC	2006 pool facility							\$ 17,388.00
8) Employee Costs	Employees of Agency	Payroll for employees	35,254.00	35,254.00					\$ 317,286.00
9) DDA with Haagen/Tiangus	Haagen	1989 S.F. Mission Partners/Tiangus ( 1, 2 )							\$ 60,000.00
10) Notes payable	City of San Fernando	City loan for start-up of PA #4							\$ 24,015.00
11) SERAF Loan Payments	LMHF	Loan to project areas to make FY 2009-10 SERAF							\$ 250,000.00
12) Loan payable to City's Sewer Fund	City of San Fernando	PA #2 & #4 borrowed funds from Sewer Fund				250,000.00			\$ 463,100.00
13) Section 108 Loan	Community Development Commission	Loan issued to Agency to fund the Aquatic Center							\$ 25,430.00
14) Annual Audit	Diehls, Evans, & Company LLP & HdL	Annual Financial Audit Reports							\$ 8,250.00
15) Legal Services	Richards, Watson & Gershon	Legal services provided to the RDA	6,333.00	6,333.00		6,333.00			\$ 56,997.00
16) Legal Services	Richards, Watson & Gershon	Legal services provided to the RDA	4,041.00	4,041.00		4,041.00			\$ 36,369.00
17) Historical Lopez Adobe Retrofit	Various	Retrofit of a designated historical building within the RDA Project Area	25,000.00	25,000.00		25,000.00			\$ 150,000.00
18) SCO Transaction Report	Thales Consulting	Preparation of the State Controller's Financial Transaction Report							\$ 3,540.00
19) Overhead Cost Allocation	City of San Fernando	Reimbursement of direct & indirect allocation overhead costs to the General Fund	34,873.00	34,873.00		34,873.00			\$ 313,857.00
20) Advertising for Reso/Ordinance	Various	Required public notices & outreach	1,000.00						\$ 11,000.00
21) 1422 San Fernando Rd - Reso #	City of San Fernando	1422 San Fernando Rd - Reso #				150,000.00			\$ 150,000.00
22) Advertising for Reso/Ordinance	Various	Required public notices & outreach							\$ 10,000.00
23) Annual Audit	Diehls, Evans, & Company LLP & HdL	Annual Financial Audit Reports							\$ 3,300.00
24) Overhead Cost Allocation	City of San Fernando	Fund	10,407.00	10,407.00		10,407.00			\$ 93,659.00
25) Retirement override assessment	City of San Fernando - Retirement Fund	prior period adjusting accounting entry from FY 2004-05 through FY 2009-10							\$ 492,348.09
26) LAUSD Litigation	Attorney representing City	Ongoing litigation							\$ -
27) Wilshire Ventures - Attorney Fees	Attorney representing City	Ongoing litigation for Wilshire Venture							\$ -
28) General legal services	Richards, Watson & Gershon	Legal services provided to the RDA							\$ -
29)									\$ -
30)									\$ -
Totals - This Page			\$ 378,243.50	\$ 115,908.00	\$ 115,908.00	\$ 1,613,817.09	\$ 1,613,817.09	\$ 3,251,854.59	
Totals - Page 2			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Totals - Page 3			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Totals - Other Obligations			\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,837,902.00	
Totals - All Pages			\$ 378,243.50	\$ 115,908.00	\$ 115,908.00	\$ 1,613,817.09	\$ 1,613,817.09	\$ 5,089,756.59	

\*\* All payment amounts are estimates

Footnotes:

1 / \$17M debt obligation per DDA agreement entered between the City of San Fernando Redevelopment Agency and San Fernando Mission Partnership. Debt is to be repaid by Tax Increment generated by the Project Area on or before June 27, 2018 or the unpaid balance is forgiven.

2 / Annual payments are estimated by the project area total tax increment minus the 20% set aside for the LMHF, any obligated statute or agreement entered prior to this agreement to pay affected taxing entities, and any portion of such revenues that Agency is required by law to set aside for other purposes.

Name of Successor Agency: Successor Agency to the San Fernando Redevelopment Agency  
 Project Area(s): All

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34167 and 34169 (\*)**

Project Name / Debt Obligation	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payment by Month		
						Oct. 2011	Nov	Dec
1) Statutory Payments	Comm College	Payments per CRL 33607.5 and .7	Tax Trust Fund	175,176.00	9,732.00			9,732.00
2) Statutory Payments	County Office of Ed	Payments per CRL 33607.5 and .7	Tax Trust Fund	24,246.00	1,347.00			1,347.00
3) Statutory Payments	L.A. Unified SD	Payments per CRL 33607.5 and .7	Tax Trust Fund	1,304,748.00	72,486.00			72,486.00
4) Pass Through Agreement	L.A. County	Payments per former CRL 33401	Tax Trust Fund	1,508,598.00	83,811.00			83,811.00
5) Pass Through Agreement	County Library	Payments per former CRL 33401	Tax Trust Fund	167,472.00	9,304.00			9,304.00
6) Pass Through Agreement	Flood Control Dist	Payments per former CRL 33401	Tax Trust Fund	102,384.00	5,688.00			5,688.00
7) Statutory Payments	City of San Fernando	Payments per CRL 33607.5 and .7	Tax Trust Fund	3,306,096.00	183,672.00			80,886.50
8) Statutory Payments	L.A. County Vector Control	Payments per CRL 33607.5 and .7	Tax Trust Fund	2,790.00	155.00			155.00
9) Statutory Payments	Metropolitan Water District	Payments per CRL 33607.5 and .7	Tax Trust Fund	25,452.00	1,414.00			1,414.00
10) Statutory Payments	L.A. City Fire	Payments per CRL 33607.5 and .7	Tax Trust Fund	41,058.00	2,281.00			2,281.00
11) AB1290	L.A. County	Pass Through Agreement (H&S 33607.7)	Tax Trust Fund	1,328,925.00	53,157.00			53,157.00
12) AB1290	L.A. County	Pass Through Agreement (H&S 33607.5)	Tax Trust Fund	701,175.00	28,047.00			28,047.00
13) Contract Agreement #47190	L.A. County	County Taxing Entities (CTE) deferral	Tax Trust Fund	30,269,825.00	1,210,793.00			1,210,793.00
14) Contract Agreement	L.A. County	Contract Agreement #60882	Tax Trust Fund	4,260,950.00	170,438.00			170,438.00
15) SB 813	L.A. County	Administrative Cost	Tax Trust Fund	139,425.00	5,577.00			5,577.00
16) SB 2557	L.A. County	Administrative Cost	Tax Trust Fund	2,186,475.00	87,459.00			87,459.00
17) AB 1924	L.A. County	Administrative Cost	Tax Trust Fund	72,000.00	2,880.00			2,880.00
18)								
19)								
20)								
21)								
22)								
23)								
24)								
25)								
26)								
27)								
28)								
29)								

<b>Totals - Other Obligations</b>	<b>\$ 43,358,320.00</b>	<b>\$ 1,837,902.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,735,116.50</b>
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\* Draft Recognized Obligation Payment Schedule (ROPS) must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.)

\*\* All payment amounts are estimates

Name of Successor Agency: Successor Agency to the San Fernando Redevelopment Agency  
 Project Area(s): All

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34167 and 34169 (\*)**

Project Name / Debt Obligation	Payee	Description	Payment by Month						Total	
			Jan. 2012	Feb	Mar	Apr	May	June		
1) Statutory Payments	Comm College	Payments per CRL 33607.5 and .7							\$ 9,732.00	
2) Statutory Payments	County Office of Ed	Payments per CRL 33607.5 and .7							\$ 1,347.00	
3) Statutory Payments	L.A. Unified SD	Payments per CRL 33607.5 and .7							\$ 72,486.00	
4) Pass Through Agreement	L.A. County	Payments per former CRL 33401							\$ 83,811.00	
5) Pass Through Agreement	County Library	Payments per former CRL 33401							\$ 9,304.00	
6) Pass Through Agreement	Flood Control Dist	Payments per former CRL 33401							\$ 5,688.00	
7) Statutory Payments	City of San Fernando	Payments per CRL 33607.5 and .7	102,785.50						\$ 183,672.00	
8) Statutory Payments	L.A. County Vector Control	Payments per CRL 33607.5 and .7							\$ 155.00	
9) Statutory Payments	Metropolitan Water District	Payments per CRL 33607.5 and .7							\$ 1,414.00	
10) Statutory Payments	L.A. City Fire	Payments per CRL 33607.5 and .7							\$ 2,281.00	
11) AB1290	L.A. County	Pass Through Agreement (H&S 33607.7)							\$ 53,157.00	
12) AB1290	L.A. County	Pass Through Agreement (H&S 33607.5)							\$ 28,047.00	
13) Contract Agreement #47190	L.A. County	County Taxing Entities (CTE) deferral							\$ 1,210,793.00	
14) Contract Agreement	L.A. County	Contract Agreement #60882							\$ 170,438.00	
15) SB 813	L.A. County	Administrative Cost							\$ 5,577.00	
16) SB 2557	L.A. County	Administrative Cost							\$ 87,459.00	
17) AB 1924	L.A. County	Administrative Cost							\$ 2,880.00	
18)									\$ -	
19)									\$ -	
20)									\$ -	
21)									\$ -	
22)									\$ -	
23)									\$ -	
24)									\$ -	
25)									\$ -	
26)									\$ -	
27)									\$ -	
28)									\$ -	
29)									\$ -	
<b>Totals - Other Obligations</b>			<b>\$ 102,785.50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,837,902.00</b>

\* Draft Recognized Obligation Payment Schedule (ROPS), must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.)  
 \*\* All payment amounts are estimates







**ADMINISTRATION DEPARTMENT****MEMORANDUM**

**TO:** Chair Mario F. Hernández and Board Members

**FROM:** Al Hernández, Executive Director

**DATE:** February 6, 2012

**SUBJECT:** Authorizing the Investment of Successor Agency to the San Fernando Redevelopment Agency Moneys in the Local Agency Investment Fund

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**RECOMMENDATION:**

It is recommended that the Successor Agency to the San Fernando Redevelopment Agency adopt a Resolution (Attachment "A") authorizing the investment of Successor Agency moneys in the Local Agency Investment Fund (LAIF) of the State of California and taking certain actions in connection therewith.

**BACKGROUND:**

This agenda item addresses an outcome of the California Supreme Court's decision in *California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861), the litigation challenging AB X1 26 (AB 26) and AB X1 27 (AB 27). AB 26 and AB 27, which were signed by the Governor of California on June, 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law. The Supreme Court largely upheld AB 26 (which provides for the windup and dissolution of redevelopment agencies), invalidated AB 27 (which provided for an alternative voluntary redevelopment program), and held that AB 26 may be severed from AB 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 (the dissolution provisions) arising before May 1, 2012 to take effect four months later.

As a result of the Supreme Court's decision, the San Fernando Redevelopment Agency (Redevelopment Agency) was dissolved as of February 1, 2012. The City is the Successor Agency to the Redevelopment Agency (Successor Agency). All assets and properties of the Redevelopment Agency were transferred to the control of the Successor Agency on February 1, 2012.

From time to time the Redevelopment Agency maintained moneys in the Local Agency Investment Fund (LAIF) in the State Treasury. Any LAIF account maintained by the

## Authorizing the Investment of Successor Agency Moneys in the Local Agency Investment Fund

Page 2

Redevelopment Agency (the Agency LAIF Account) is now an account of the Successor Agency.

The State Treasurer's Office, in a letter dated January 25, 2012, indicated that the State Treasurer's Office will be unable to process any transaction with respect to the Agency LAIF Account until the Successor Agency has taken action to authorize the investment of Successor Agency moneys in LAIF and to designate authorized representatives of the Successor Agency to make deposits in and withdrawals from the Agency LAIF Account on behalf of the Successor Agency (Attachment "B").

### **BUDGET IMPACT:**

The adoption of this Resolution is necessary for the Successor Agency to have continued access to the Agency LAIF Account.

### **ATTACHMENTS:**

- A. Resolution
- B. LAIF Authorization for Transfer of Funds

## ATTACHMENT "A"

## RESOLUTION NO. 4

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE INVESTMENT OF MONEYS IN THE LOCAL AGENCY INVESTMENT FUND OF THE STATE OF CALIFORNIA AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**

## RECITALS:

A. AB X1 26 and AB X1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85").

B. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the Matosantos case largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

C. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012, to take effect four months later.

D. As a result of the Supreme Court's decision, the San Fernando Redevelopment Agency (the "Redevelopment Agency"), a redevelopment agency in the City of San Fernando (the "City"), created pursuant to the Redevelopment Law, was dissolved pursuant to Part 1.85 on February 1, 2012.

E. By its Resolution No. 7452, adopted on August 15, 2011, the City Council of the City made an election to serve as the Successor Agency to the Redevelopment Agency under Part 1.85 (the "Successor Agency").

F. By its Resolution No. 1, adopted on February 6, 2012, the City Council, acting as the governing board for the Successor Agency, established rules and regulations applicable to the governance and operation of the Successor Agency, and pursuant to such resolution provided that the Successor Agency will be governed by a Board of Directors (the "Board") consisting of the members of the City Council of the City.

G. Pursuant to Chapter 730 of the statutes of 1976, Section 16429.1 was added to the California Government Code to create the Local Agency Investment Fund ("LAIF") in the State Treasury for the deposit of moneys of local agencies for investment by the State Treasurer.

H. The Redevelopment Agency from time to time invested its money in LAIF in accordance with the provisions of Section 16429.1 of the California Government Code.

I. Pursuant to Part 1.85, all assets and properties of the Redevelopment Agency are transferred to the control of the Successor Agency as of February 1, 2012.

J. In response to a request of the State Treasurer's Office, the Board wishes to adopt this resolution authorizing the investment of Successor Agency moneys in LAIF and authorizing certain officers of the Successor Agency to order the deposit or withdrawal of moneys in LAIF on behalf of the Successor Agency.

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Board hereby finds that it is in the best interest of the Successor Agency to deposit and withdraw moneys in LAIF from time to time in accordance with the provisions of Section 16429.1 of the California Government Code for the purpose of investment as stated therein.

Section 3. The deposit and withdrawal of the Successor Agency's monies in LAIF in accordance with the provisions of Section 16429.1 of the California Government Code from time to time for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard, are hereby authorized.

Section 4. The Executive Director and the Finance Officer of the Successor Agency, whose signature specimens are set forth in Exhibit "A" to this Resolution, or their successors in such offices, are hereby authorized to order the deposit or withdrawal of monies in LAIF on behalf of the Successor Agency for any account of the Successor Agency (including accounts maintained by the Redevelopment Agency which are now accounts of the Successor Agency).

Section 5. The officers of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any additional instruments which they may deem necessary or advisable in order to effectuate the purposes of this Resolution and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 6. The Secretary of the Successor Agency is hereby authorized and directed to submit a certified copy of this Resolution and such forms as may be required to the Office of the State Treasurer to effectuate the purposes of this Resolution.

**PASSED AND ADOPTED** this 6<sup>th</sup> day of February, 2012.

\_\_\_\_\_  
Mario F. Hernández, Chair

**ATTEST:**

\_\_\_\_\_  
Elena G. Chávez, Secretary

**STATE OF CALIFORNIA     )**  
**COUNTY OF LOS ANGELES   ) ss**  
**CITY OF SAN FERNANDO     )**

**I HEREBY CERTIFY** that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 6<sup>th</sup> day of February, 2012, by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
Elena G. Chávez, Secretary

**EXHIBIT "A"**

<u>Name</u>	<u>Office</u>	<u>Signature</u>
Al Hernández	Executive Director of the Successor Agency to the San Fernando Redevelopment Agency	_____
Margarita Solis	Finance Officer of the Successor Agency to the San Fernando Redevelopment Agency	_____



**ATTACHMENT "B"**

**LOCAL AGENCY INVESTMENT FUND**

**AUTHORIZATION FOR TRANSFER OF FUNDS  
REGULAR ACCOUNT AUTHORIZED PERSONS**

AGENCY NAME: \_\_\_\_\_

ATTENTION (title only): \_\_\_\_\_

DATE ADDRESS: \_\_\_\_\_

PHONE/FAX NUMBER: \_\_\_\_\_

NAME	TITLE	SIGNATURE

**LOCAL AGENCY INVESTMENT FUND**

**AUTHORIZATION FOR TRANSFER OF FUNDS  
REGULAR ACCOUNT BANKING INFORMATION \***

BANK NAME, BRANCH NUMBER ADDRESS & TELEPHONE NUMBER	ACCOUNT & ABA NUMBER (attach complete wiring instructions if applicable)	CORRESPONDENT BANK (STO RECEIVING BANK)

\*Subject to verification by State Treasurer's Office

**PLEASE MAIL COMPLETED CARD TO:**

STATE TREASURER'S OFFICE  
LOCAL AGENCY INVESTMENT FUND  
P.O. Box 942809  
SACRAMENTO, CA 94209-0001

X \_\_\_\_\_  
Authorized Signature  
(Must be authorized on Resolution)

X \_\_\_\_\_  
Authorized Signature  
(Must be authorized on Resolution)







**RESOLUTION #5**

**A RESOLUTION TO REIMBURSE THE CITY OF SAN FERNANDO FOR  
EXPENSES MADE ON BEHALF OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO  
REDEVELOPMENT AGENCY IN ACCORDANCE WITH APPROVED REIMBURSEMENT AGREEMENTS.**

**THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE  
AND ORDER AS FOLLOWS:**

<b>PAYEE</b>	<b>PURPOSE</b>	<b>FUND</b>	<b>AMOUNT</b>	<b>TOTAL</b>
<b>PAYROLL:</b>				
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	80-105-0000-4101	\$244.55	
		80-105-0000-4105	\$2.29	
		80-105-0000-4120	\$18.89	
		80-105-0000-4124	\$73.65	
		80-105-0000-4130	\$3.91	
		80-105-0000-4390		
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	80-155-0000-4101	\$1,454.28	
		80-155-0000-4105	\$0.00	
		80-155-0000-4120	\$111.28	
		80-155-0000-4124	\$352.69	
		80-155-0000-4130	\$22.82	
		80-155-0000-4390		
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	86-105-0000-4101	\$0.00	
		86-105-0000-4105	\$0.00	
		86-105-0000-4120	\$0.00	
		86-105-0000-4124	\$0.00	
		86-105-0000-4130	\$0.00	
		86-105-0000-4390	\$0.00	
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	86-155-0000-4101	\$0.00	
		86-155-0000-4105	\$0.00	
		86-155-0000-4120	\$0.00	
		86-155-0000-4124	\$0.00	
		86-155-0000-4130	\$0.00	
		86-155-0000-4390	\$0.00	
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	92-105-0000-4101	\$1,388.41	
		92-105-0000-4105	\$2.29	
		92-105-0000-4120	\$106.42	
		92-105-0000-4124	\$295.50	
		92-105-0000-4130	\$21.98	
		92-105-0000-4390		
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	92-155-0000-4101	\$1,454.22	
		92-155-0000-4105	\$0.00	
		92-155-0000-4120	\$111.28	
		92-155-0000-4124	\$352.65	
		92-155-0000-4130	\$22.83	
		92-155-0000-4390		
<b>PAYROLL:</b>				
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	94-105-0000-4101	\$2,910.22	
		94-105-0000-4105	\$5.84	
		94-105-0000-4120	\$223.04	
		94-105-0000-4124	\$631.01	
		94-105-0000-4130	\$46.06	
		94-105-0000-4390		

**RESOLUTION #5**

**A RESOLUTION TO REIMBURSE THE CITY OF SAN FERNANDO FOR  
EXPENSES MADE ON BEHALF OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO  
REDEVELOPMENT AGENCY IN ACCORDANCE WITH APPROVED REIMBURSEMENT AGREEMENTS.**

**THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

<b>PAYEE</b>	<b>PURPOSE</b>	<b>FUND</b>	<b>AMOUNT</b>	<b>TOTAL</b>
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	94-155-0000-4101	\$1,201.40	
		94-155-0000-4105	\$0.00	
		94-155-0000-4120	\$91.90	
		94-155-0000-4124	\$190.56	
		94-155-0000-4130	\$18.99	
		94-155-0000-4390	\$0.00	
CITY OF SAN FERNANDO	REIMB. FOR PAYROLL 12/17/11-01/13/12	94-191-0000-4101	\$8,924.91	
		94-191-0000-4105	\$0.00	
		94-191-0000-4120	\$682.67	
		94-191-0000-4124	\$2,147.88	
		94-191-0000-4130	\$140.19	
		94-191-0000-4390		
<b>SUB-TOTAL</b>				<b>\$23,254.61</b>
<b>SPECIAL CHECKS:</b>				
<b>SUB-TOTAL</b>				<b>\$0.00</b>
<b>WARRANT REGISTER:</b>				
ALESHIRE & WYNDER, LLP	LEGAL SERVICES	94-110-1055-4270	\$14,295.11	
HDL COREN & CONE	PROPERTY TAX ANALYSIS FY 2010-2011	92-190-0000-4270	\$748.00	
	PROPERTY TAX ANALYSIS FY 2010-2011	94-190-0000-4270	\$1,252.00	
RICHARD, WATSON & ASSOCIATES	LEGAL SERVICES	92-110-0000-4270	\$2,455.74	
	LEGAL SERVICES	94-110-0000-4270	\$2,455.75	
	LEGAL SERVICES	94-110-1055-4270	\$32.00	
THALES CONSULTING INC	ANNUAL REDEVELOPMENT REPORTS	94-190-0000-4270	\$2,000.00	
EVANS LLP	FINANCIAL STATEMENTS AUDIT - FY 10/11	94-190-0000-4270	\$2,170.00	
<b>SUB-TOTAL</b>				<b>\$25,408.60</b>
<b>FUND SUMMARY:</b>				
	80 CAPITAL PROJECTS		\$2,284.36	
	81 PROJECT 1 - TAX ALLOCATION		\$0.00	
	82 PROJECT 1 - PROJECT FUND		\$0.00	
	83 PROJECT 1A - DEBT SERVICE		\$0.00	
	85 PROJECT 2 - TAX ALLOCATION		\$0.00	
	86 PROJECT 2 - TAX ALLOCATION		\$0.00	
	88 PROJECT 3 - TAX ALLOCATION		\$0.00	

**RESOLUTION #5**

**A RESOLUTION TO REIMBURSE THE CITY OF SAN FERNANDO FOR EXPENSES MADE ON BEHALF OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY IN ACCORDANCE WITH APPROVED REIMBURSEMENT AGREEMENTS.**

**THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

<b>PAYEE</b>	<b>PURPOSE</b>	<b>FUND</b>	<b>AMOUNT</b>	<b>TOTAL</b>
	89 PROJECT 3 - PROJECT		\$0.00	
	91 PROJECT 3A - TAX ALLOCATION		\$0.00	
	92 PROJECT 3A - PROJECT FUND		\$6,959.32	
	93 SFRA AREA 4-DEBT SERVICE		\$0.00	
	94 LOW INCOME HOUSING FUND		\$39,419.53	
	95 SFRA AREA 4-PROJECT FUND		\$0.00	
	<b>TOTAL</b>		<b>\$48,663.21</b>	

**PASSED, APPROVED, AND ADOPTED this 6th day of February, 2012.**

**ATTEST:**

\_\_\_\_\_  
Mario F. Hernández, Chair

\_\_\_\_\_  
Elena G. Chávez, Secretary

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) ss  
CITY OF SAN FERNANDO        )

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the Successor Agency to the San Fernando Redevelopment Agency held on the 6th day of February, 2012, by the following vote to wit:

**AYES:**  
**NOES:**  
**ABSENT:**

\_\_\_\_\_  
Elena G. Chávez, Secretary





**PLEASE REFER TO  
CITY COUNCIL  
ITEM #4  
FOR FULL REPORT**

**6**