



**CALIFORNIA  
SUPREME COURT RULING  
ON DECEMBER 29, 2011  
ELIMINATES  
REDEVELOPMENT**

**WHAT DOES THIS MEAN AND WHAT  
ARE THE NEXT STEPS?**

# What Now? Wind-Down Activities Next 30 days

- By February 1, 2012
  - Successor Agency determination
  - Successor Housing Agency determination
  - RDA Asset Transfer to Successor Agency
  - Amendment of Previously Adopted Enforceable Obligations Payment Schedule (EOPS) (“Payment Schedule”)

# Successor Agency

- City or County that originally created the former RDA will automatically become the Successor Agency
- That city or county may elect, by resolution, NOT to be the Successor Agency (resolution must be transmitted to County Auditor-Controller by February 1, 2012)

# Successor Agency

- Vested with any remaining authority, rights, powers, duties and obligations formerly vested to the Redevelopment Agency (“RDA”); and
- Responsible for winding down the affairs of the former RDA (in conjunction with the Oversight Board)



## **What does a Successor Agency do?**

- **Makes payments and performs obligations (per Payment Schedule)**
- **Takes control of all RDA assets, properties, contracts, leases, books and records, buildings and equipment**
- **Disposes of assets and properties of the former RDA**
- **Transfers housing functions**
- **Oversees development of projects currently underway by former RDA**

# Successor Agency

- Sets up Redevelopment Obligation Retirement Fund
- Receives Tax Increment sufficient to pay approved former RDA obligations
- Administrative budget allowance (min \$250K or 5% of TI – first year, 3% thereafter)
- Control over the agency asset disposition process
- Control over pending development projects
- Opportunity to oversee transfer of housing functions and land transfers

# Successor Housing Agency

- Assumes all rights, powers, duties and obligations of the former RDA's housing functions.
- Receives all former RDA housing assets, which may include the repayment of loans or other obligations (includes loans made for prior SERAF payments), but excluding cash deposits.
- Recommended that city take action by resolution to clarify the chosen option for selecting successor housing agency – due by February 1, 2012

# Oversight Board

Composed of seven appointed members

- 2 by County Board of Supervisors: one of the two is a public member
- 2 by the Mayor of the City of Ventura (one of the two to represent RDA employees, if any)
- 1 by largest special district located within the former RDA boundaries (who would this be?)
- 1 by the County Superintendent of Schools
- 1 member by the California Community Colleges Chancellor



# Oversight Board

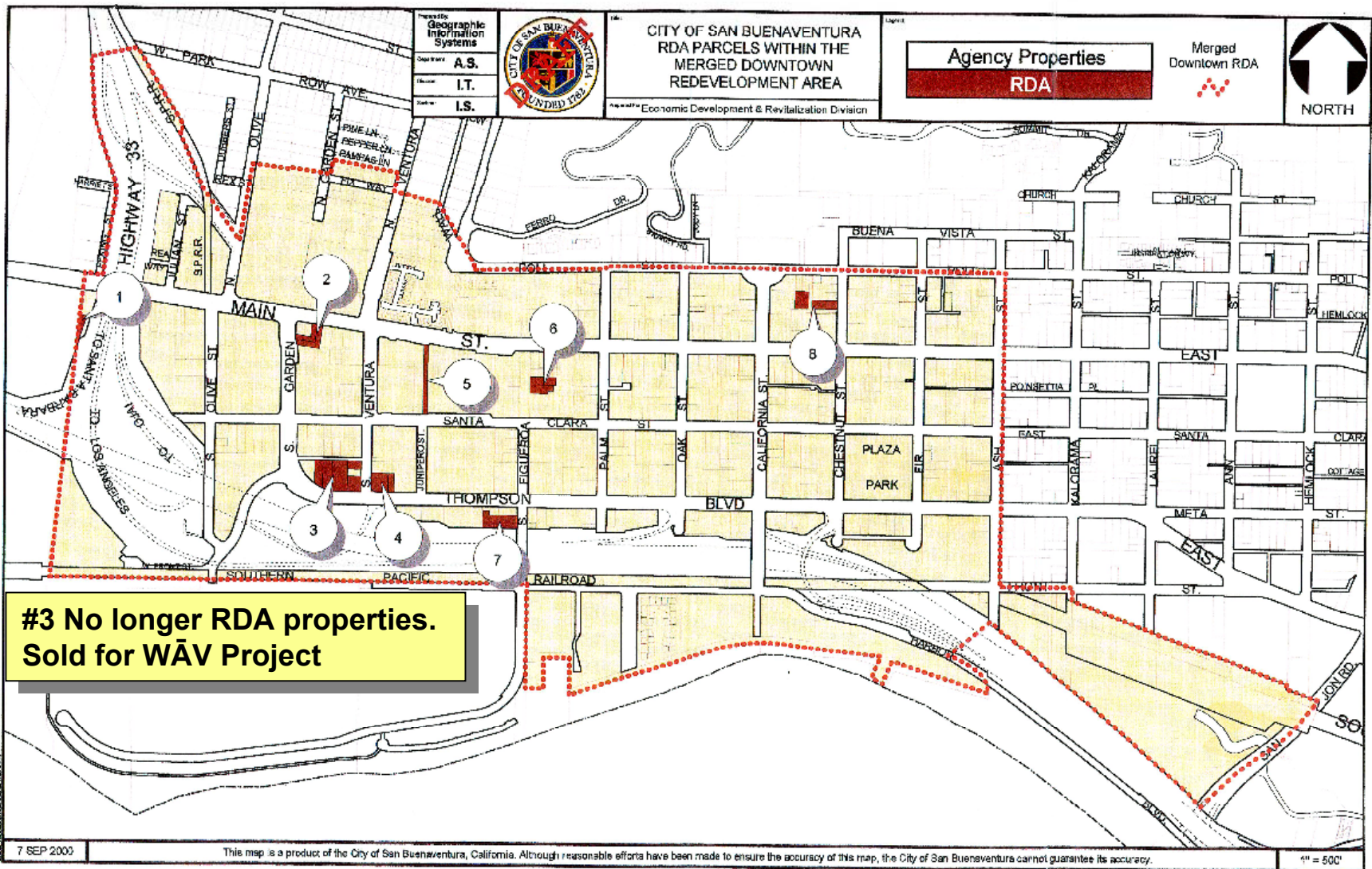
- Oversight board may direct staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities.
- Successor agency shall pay for all of the costs of meetings of the oversight board – costs may be included in administrative budget.
- Oversight board members shall serve without compensation or reimbursement for expenses.
- Oversight Board membership submitted to the State Department of Finance by May 1, 2012.

# **Enforceable Obligation Payment Schedule (EOPS) ("Payment Schedule")**

- **Adopted Payment Schedule on August 22, 2011**
  - (Covered period of August 2011 – December 2011)
- **Submitted Initial Draft of the recognized Payment Schedule to State Dept of Finance on September 30, 2011**
  - (Covered period of January 2012 – June 2012)
- **Recommendation that the RDA update the Initial Draft Payment Schedule and submit as Recognized Payment Schedule to Successor Agency by February 1, 2012**

## **RDA Asset Transfer**

- All assets of the Agency must be transferred to the Successor Agency prior to February 1, 2012.
- Currently a total of 7 locations.
- Proper process to accomplish this is pending legal recommendation.



## **NEXT STEPS/ACTIONS**

- Review previous Payment Schedules for consistency with legislative definitions
- Adopt Recognized Payment Schedule
- Transfer Agency Assets to Successor Agency
- Review City/Agency agreements to determine “survivability” per legislation
- Mayor’s Oversight Board appointment(s)

# **Salvaging Redevelopment in California?**

The California Redevelopment Association and the California League of Cities are currently working with state legislators to introduce legislation to salvage redevelopment.

*City of Cerritos et.al. v. State of California*  
case and request for injunction