

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** David C. Moe II, Redevelopment Manager

**DATE:** January 3, 2012 (City Council Special Meeting of 1/4/12) *DCM*

**SUBJECT:** Consider Resolution Designating the City of Moorpark as the Successor Agency and Successor Housing Agency of the Redevelopment Agency of the City of Moorpark

**BACKGROUND**

On January 10, 2011, Governor Jerry Brown released his Fiscal Year 2011-12 State budget proposal, which proposed to eliminate redevelopment agencies. On June 29, 2011, the Governor signed ABX1 26 eliminating redevelopment agencies and ABX1 27 which allows cities to resurrect their redevelopment agency for a large payment in Fiscal Year 2011-12 and continuing payments for the life of the agency.

The California Redevelopment Association and the League of California Cities filed a petition July 18, 2011, asking the California Supreme Court ("Court") to overturn AB 1X 26 and AB 1X 27 because they violate the Constitution ("CRA v. Matosantos"). The Cities of San Jose and Union City joined as plaintiffs against the State of California.

On December 29, 2011 the Court announced its decision in *CRA v. Matosantos* upholding ABX1 26 (the redevelopment "elimination" bill), but struck down ABX1 27, the bill that would have allowed agencies to continue after making a payment to the state. This decision winds down and dissolves the Redevelopment Agency of the City of Moorpark ("Agency").

**DISCUSSION**

As of February 1, 2012, every redevelopment agency will be dissolved and a successor agency will be created for each former redevelopment agency. The successor agency will be the City of Moorpark ("City") of the Agency unless City elects not to serve in that capacity. If the City does not wish to serve as the successor agency, the successor agency will be the first taxing entity submitting to the County Auditor-Controller a duly adopted resolution electing to become the successor agency. The City only needs to

adopt a resolution and deliver it to the County Auditor-Controller no later than January 13, 2012, if it does not want to serve as the successor agency.

All assets, properties, contracts, leases, records, buildings, equipment and the existing MRA Low/Mod Income Housing Fund balance of the Agency need to be transferred to the control of the successor agency no later than February 1, 2012, according to the Supreme Court's modified timeline.

The successor agency is required to make payments and perform other obligations as required by enforceable obligations of the Agency. To facilitate this payment of enforceable obligations, the successor agency is required to prepare a Recognized Obligation Payment Schedule for each six month period of each fiscal year, including identifying the funding sources by March 1, 2012, and should cover the balance of the current fiscal year through June 30, 2012. The draft of the initial Recognized Obligation Payment Schedule should be based on the draft Recognized Obligation Payment Schedule prepared by the Agency.

The successor agency is required to dispose of the Agency's assets expeditiously and in a manner aimed at maximizing value. All proceeds of the sale would be sent to the County for distribution to the taxing agencies.

The successor agency is also required to prepare administrative budgets for Oversight Board approval and pay administrative costs. Subject to the approval of the Oversight Board, the successor agency's annual administrative costs will be an amount up to five percent of the property tax allocated to the Successor Agency for FY 2011-12 and up to three percent of the property tax allocated to the Successor Agency each succeeding fiscal year; provided, that the annual amount shall not be less than \$250,000 for any fiscal year.

The Oversight Board of the successor agency will consist of 7 members appointed by/representing:

- County Board of Supervisors (two members);
- Mayor (one member);
- County Superintendent of Education (one member);
- Chancellor of California Community Colleges (one member);
- Largest special district taxing entity (one member); and
- A former RDA employee appointed by Mayor/Board of Supervisors (one member).

Under the Court's decision, the Oversight Board membership must be completed by May 1, 2012.

The City may also elect to assume the housing functions and takeover the housing assets of the Agency, excluding amounts in the MRA Low/Mod Income Housing Fund, along with related rights, powers, liabilities, duties and obligations thereby becoming a successor housing agency of the Agency. If the City does not wish to assume the Agency's housing functions, such housing functions and all related assets will be transferred to the Area Housing Authority of the County of Ventura for disposition.

Staff recommends the City serve as the successor agency and successor housing agency of the Agency. Staff also recommends adopting a resolution to indicate a clear statement of intent to serve as the successor agency and electing to assume the housing functions and assets of the Agency.

#### **FISCAL IMPACT**

None.

#### **STAFF RECOMMENDATION**

Adopt Resolution No. 2012 - \_\_\_\_\_, designating the City of Moorpark as the successor agency and successor housing agency of the Redevelopment Agency of the City of Moorpark.

#### **ATTACHMENT:**

1. Resolution No. 2012 - \_\_\_\_\_

ATTACHMENT 1

RESOLUTION NO. 2012 - \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, DESIGNATING THE CITY OF MOORPARK AS THE SUCCESSOR AGENCY AND SUCCESSOR HOUSING AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF MOORPARK

WHEREAS, on January 10, 2011, Governor Jerry Brown released his Fiscal Year 2011-12 State budget proposal, which proposed to eliminate redevelopment agencies; and

WHEREAS, on June 29, 2011, the Governor signed ABx1 26 eliminating redevelopment agencies and ABx1 27 which would have allowed cities to resurrect their redevelopment agency for a large payment in Fiscal Year 2011-12 and continuing payments for the life of the agency; and

WHEREAS, the California Redevelopment Association and the League of California Cities filed a petition July 18, 2011, asking the California Supreme Court ("Court") to overturn ABx1 26 and ABx1 27 on the grounds that they violate the Constitution ("*CRA v. Matosantos*"); and

WHEREAS, on December 29, 2011, the Court announced its decision in *CRA v. Matosantos* upholding ABx1 26 as a constitutional exercise of the Legislature's power, but striking down ABx1 27 as unconstitutional; and

WHEREAS, as of February 1, 2012, every redevelopment agency will be dissolved and a successor agency will be created for each former redevelopment agency; and

WHEREAS, the successor agency for the Redevelopment Agency of the City of Moorpark ("Agency") will be the City of Moorpark ("City") unless City elects not to serve in that capacity; and

WHEREAS, the City may also and separately elect to assume the housing functions, duties, and obligations of the Agency and by doing so also receive all of the housing assets of the Agency, excluding amounts in the Agency's Low and Moderate Income Housing Fund, thereby becoming successor to all of the housing rights and responsibilities of the Agency.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City of Moorpark elects to serve as the successor agency of the Redevelopment Agency of the City of Moorpark.

SECTION 2. The City of Moorpark elects to assume the housing functions and take over the housing assets of the Redevelopment Agency of the City of Moorpark, along with all related rights, powers, liabilities, duties and obligations, thereby becoming the successor housing agency.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original Resolutions, and the City Clerk shall transmit this resolution to the County of Ventura Auditor-Controller or the State Controller's office or State Department of Finance as requested by any or all of those offices.

PASSED AND ADOPTED this 4th day of January, 2012.

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Janice S. Parvin, Mayor

ATTEST:

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Maureen Benson, City Clerk