



# REDEVELOPMENT AGENCY AND CITY COUNCIL

ITEM NO. V. 1

AGENDA REPORT

MEETING DATE:  
01.17.12

**SUBJECT: ADOPTION OF AMENDMENTS TO THE AGENCY'S ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AND INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

**DATE :** January 12, 2012

**FROM:** THOMAS R. HATCH, CEO AND AGENCY EXECUTIVE DIRECTOR

**CONTACT:** BOBBY YOUNG, FINANCE & I.T. DIRECTOR / 714-754-5241

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## RECOMMENDED ACTIONS:

Adopt Resolution of the Costa Mesa Redevelopment Agency, City of Costa Mesa, California ("Agency") amending the Enforceable Obligation Payment Schedule ("EOPS") pursuant to Section 34169(g) of the Health & Safety Code and the Initial Recognized Obligation Payment Schedule ("IROPS") pursuant to Section 34169(h) of the Health & Safety Code; and that the City Council, acting as successor agency, by minute order, accept transmittal of the amended Initial Recognized Obligation Payment Schedule from the Agency.

## DISCUSSION/BACKGROUND:

As presented at your January 10, 2012 Joint Agency/City Council meeting the California Supreme Court's decision in *California Redevelopment Association, et al., v. Matosantos* ("Matosantos") upholds AB X1 26 and causes the dissolution of all California redevelopment agencies, and invalidates AB X1 27 that would have allowed redevelopment agencies to remain in existence if the agency opted in to the "Voluntary Alternative Redevelopment Program" ("Program").

On August 26, 2011, pursuant to Health & Safety Code Section 34169(g), the Agency adopted a resolution approving the Agency's Enforceable Obligation Schedule ("EOPS"). The EOPS is a comprehensive list of all of the Agency's obligations for which tax increment revenue will be allocated to pay in the event that of redevelopment dissolution.

Additionally, on September 20, 2011 pursuant to Health & Safety Code Section 34169(h), the Agency adopted a resolution approving an Initial Recognized Obligation Payment Schedule (IROPS) and transmitting the schedule to the City. The IROPS also lists all of the Agency's enforceable obligations to which tax increment revenue will be allocated and describes the sources for all payments to be made by the successor agency for the applicable six-month period (then through December 31, 2011).

The EOPS and IROPS adopted in August and September 2011 should now be updated to include payments required to be made in January through June, 2012, and to include certain enforceable obligations that were inadvertently omitted from the original EOPS and IROPS. Pursuant to Health and Safety Code Section 34169(g), the Agency can amend the EOPS from time to time at any public meeting of the Agency. Due to the stay issued by the California Supreme Court when it agreed to consider the constitutionality of AB X1 26 and AB X1 27 in *Matosantos*, and the Court's opinion, which extended certain deadlines in AB X1 26 by four months, it is now also necessary and appropriate to amend the IROPS to provide for payments required to be made on enforceable obligations from January through June 2012.

Although the League of California Cities and the California Redevelopment Agency are working to secure an extension to the February 1, 2012 date provided in the *Matosantos* decision for the dissolution of all redevelopment agencies (and seeking to revive redevelopment in the state), Agency staff is working towards having all AB X1 26 requirements met by the February 1, 2012 deadline currently set forth in the *Matosantos* decision.

The attached Agency resolution adopts an amendment to the Enforceable Obligation Schedule and an amendment to the Initial Recognized Obligation Payment Schedule.

#### **CONCLUSION:**

Staff recommends the following:

- Agency adopt the attached resolution amending the Enforceable Obligation Payment Schedule and the Initial Recognized Obligation Payment Schedule and transmitting the Initial Recognized Obligation Payment Schedule to the City, as successor agency; and
- City Council, acting as successor agency to the Agency, by minute order, accept transmittal of the amended Initial Recognized Obligation Payment Schedule from the Agency.

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**Thomas R. Hatch, Executive Director**  
**Costa Mesa Redevelopment Agency**

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**Muriel Ullman**  
**Neighborhood Improvement Manager**

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**Hilda Veturis**  
**Management Analyst**

[Attachment 1: Agency Resolution](#)

[Attachment 2: Amended EOPS](#)

[Attachment 3: Amended IROPS](#)