-Revised-

OVERSIGHT BOARD MEETING

for the

City of San Bernardino as Successor Agency

to the

Redevelopment Agency of the City of San Bernardino

AGENDA

MONDAY, APRIL 23, 2012, 11:00 A.M.

Economic Development Agency Board Room
201 North "E" Street, Suite 301, San Bernardino, CA 92401
(909) 663-1044

CHAIRMAN MORRIS CALLS MEETING TO ORDER

1. Call to Order: Oversight Board Members

   Jim Morris, Mayor Appointee
   Carey K. Jenkins, Representing Former RDA Employees, Mayor Appointee
   Mary O'Toole, County of San Bernardino Board of Supervisors Appointee
   Doug Headrick, San Bernardino Valley Municipal Water District, Largest Special District Appointee
   John Longville, Chancellor of the California Community Colleges Appointee
   Margaret Hill, County Superintendent of Education Appointee

2. Introduction of County Appointee (if any)

3. Approval of Minutes of April 9, 2012. Present: Chairman Morris; Board Members: Headrick, Longville, Jenkins, O'Toole and Hill

4. Public Comments: A three-minute limitation shall apply to each member of the public who wishes to address the Oversight Board on a matter not on the agenda. No member of the public shall be permitted to "share" his/her three minutes with any other member of the public. (Usually any items heard under this heading are referred to Staff for further study, research, completion and/or future Oversight Board action).

5. Conflicts of Interest Considerations for Oversight Board Members

6. Recognized Obligation Payment Schedule ("ROPS") for the period of July 1, 2012 through December 31, 2012 and Discussion on Department of Finance Response to April 9, 2012 approved ROPS

7. San Bernardino Associated Governments (SANBAG) *v.* San Bernardino Joint Powers Financing Authority (SBJPFA) Settlement Agreement

8. Upcoming Oversight Board items/pending requirements

   - Successor Agency Administrative Budget
   - Audit of Successor Agency

9. Additional Supporting Documents

   A. Recognized Obligation Payment Schedule Acronym List

   B. ABX1 26 Legislation

   C. Asset Identification Map

10. Adjournment

    The next meeting will take place on Monday, May 14, 2012, 11:00 am in the Economic Development Agency Board Room.

MINUTES
INITIAL
OVERSIGHT BOARD
for the
City of San Bernardino as Successor Agency
to the
Redevelopment Agency of the City of San Bernardino

REGULAR MEETING
APRIL 9, 2012
BOARD ROOM

The Regular Meeting of the Oversight Board was called to order by Board Member Morris at 11:00 a.m., Monday, April 9, 2012, in the Economic Development Agency Board Room, 201 North "E" Street, Suite 301, San Bernardino, California.

ROLL CALL

Roll call was taken by Secretary Wyche with the following being present: Board Members Jenkins, Morris, Hill, Longville, Headrick and O'Toole; Assistant City Manager Travis-Miller; Financial Analyst Crosby; Project Manager Robles; Project Manager Oulman; Senior Urban Planner Smith; Agency Counsel Sabo; Agency Counsel Martyn; Director of Administrative Services Baker; Interim Executive Director Marzullo; Project Manager Trout and Project Manager Connor.

1. **CALL TO ORDER** – Board Member Jim Morris

2. **INTRODUCTION OF BOARD MEMBERS**

Board Member Morris provided an overview of the Oversight Board Meeting and introduced the Board Members.

3. **ELECTION OF CHAIR AND VICE CHAIR**

Board Member Jenkins made a motion, seconded by Board Member Longville to nominate Board Member Morris as Chair of the Oversight Board.

The motion carried unanimously 6-0.

Board Member Hill made a motion, seconded by Board Member O'Toole to nominate Board Member Headrick as Vice-Chair of the Oversight Board.

The motion carried unanimously 6-0.

4. **INTRODUCTION OF STAFF**

Interim Executive Director Marzullo introduced the staff of the former Redevelopment Agency (now Successor Agency staff).

5. **PUBLIC COMMENTS**

There were no public comments.

6. **OVERSIGHT BOARD ADMINISTRATIVE ACTION**

a. Designate a meeting time and place

Board Member Jenkins made a motion, seconded by Board Member O'Toole to designate the second and fourth Mondays at 11:00 a.m. in the Economic Development Agency Board Room located at 201 North "E" Street, Suite 301, San Bernardino, California 92401.

The motion carried unanimously 6-0.

b. Designate Director of Administrative Services as contact for the Department of Finance and responsible for official record keeping

Board Member Headrick made a motion, seconded by Board Member Jenkins to designate the Director of Administrative Services as contact for the Department of Finance and responsible for official record keeping.

The motion carried unanimously 6-0.

c. Designate City Clerk as filing officer

Board Member Hill made a motion, seconded by Board Member Headrick to designate the City Clerk as filing officer pursuant to the Political Reform Act of 1974, as amended.

The motion carried unanimously 6-0.

7. **REDEVELOPMENT AGENCY DISSOLUTION OVERVIEW**

Interim Executive Director Marzullo addressed the Board with a PowerPoint presentation regarding the dissolution process.

8. **APPROVE RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") FOR FORMER REDEVELOPMENT AGENCY FOR FEBRUARY 1 THROUGH JUNE 30, 2012**

Board Member Hill made a motion, seconded by Board Member Jenkins to approve the ROPS, as amended, in accordance with Health and Safety Code Section 34177.

The motion carried unanimously 6-0.

9. **UPCOMING OVERSIGHT BOARD ITEMS/PENDING REQUIREMENTS**

Chairman Morris indicated that at the next meeting of the Oversight Board items for discussion will be the July through December ROPS; the Administrative budget for Successor Agency through June 30, 2012; Asset Identification; Audit of Successor Agency and, SANBAG *v.* SBJPFA.

10. **ADJOURNMENT**

At 1:58 p.m., the meeting adjourned. The next regular meeting of the Oversight Board will take place on April 23, 2012 at 11:00 a.m., in the Economic Development Agency Board Room, 201 North "E" Street, Suite 301, San Bernardino, California.

I, Lorraine Wyche, Secretary do hereby certify that the foregoing Agenda and copy of the minutes of the Oversight Board meeting of April 9, 2012, is a full, true and correct copy of that now on file in the Economic Development Agency office. In witness whereof, I have set my hand as of the date set out below.

By:_____
Lorraine Wyche, Secretary

Draft

OVERSIGHT BOARD

FOR THE CITY OF SAN BERNARDINO AS SUCCESSOR AGENCY
TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO

TO: OVERSIGHT BOARD MEMBERS DATE: APRIL 23, 2012

FROM: ECONOMIC DEVELOPMENT AGENCY ITEM NO: **5**

SUBJECT: CONFLICTS OF INTEREST CONSIDERATIONS FOR OVERSIGHT BOARD MEMBERS

ISSUE:

The issues before the Oversight Board is compliance with the Conflicts of Interest Considerations.

RECOMMENDATIONS:

That the Oversight Board approve receive and file the attached staff report.

BACKGROUND:

The Oversight Board Chair, Jim Morris, asked us to prepare this memo regarding the potential conflicts of interest that could confront the various appointed members of the Oversight Board formed pursuant to ABx1 26 (See, Health & Safety (H&S) Code Sections 34179 through 34181 as added by that legislation, which deal with the formation, powers and other duties and responsibilities of oversight boards).

Under H&S Code Section 34179(e), an oversight board is deemed to be a "local entity." The oversight board members must adhere to the requirements of California law applicable to public officials. Specifically, they are covered by the Brown Act, the Public Records Act and the Political Reform Act. In addition, Section 34179 makes applicable the requirements of Government Code Sections 1000 et seq. and specifically Sections 1090 and 1099: 1) Section 1090 contains a prohibition on financial conflicts of interest with a separate body or board of which the official is a member; 2) Section 1099 exempts oversight board members from the prohibition of serving on multiple local agencies so that an individual may simultaneously be appointed to not to exceed five (5) oversight boards while holding an office in any other local agency.

Oversight Board members need to be cognizant of the following conflict issues as agenda items are considered by the Oversight Board:

1. FPPC 700 forms should be filed within 30 days of appointment (as stated at the first meeting).

2. FPPC conflict analyses apply. In other words, if the confirmation of an enforceable obligation involves a source of income (other than income from the board member's government employer), an investment or management interest, real property interest, source of gifts, or personal financial interest (as defined in the FPPC Regulations) then the board member should consult the FPPC or his/her agency counsel to determine if abstention and withdrawal are required.

3. Government Code Section 1090 analyses also apply: is an enforceable obligation to be considered by the oversight board (other than one with the governmental employer) with another private body or board on which the member serves. Does a 1091 remote interest or a 1091.5 non-interest apply?

4. Campaign contribution conflict provisions also apply. Elected officials and candidates for an elected office who have been appointed to the Oversight Board must be aware of the $250.00 campaign contribution limitation under Government Code Section 84308: abstention is required if the member has received a campaign contribution greater than $250 from an individual or company in the 12 months before that agency or company has an approval before the Board or in the 3 months after such approval.

5. As with all conflict of interest rules, the oversight board member remains responsible for his/her own compliance. Specific conflict of interest, FPPC and potential 1090 issues should be presented to the FPPC or the counsel for the government employer.

OVERSIGHT BOARD

FOR THE CITY OF SAN BERNARDINO AS SUCCESSOR AGENCY
TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO

TO: OVERSIGHT BOARD MEMBERS DATE: APRIL 23, 2012

FROM: ECONOMIC DEVELOPMENT AGENCY ITEM NO: **6**

SUBJECT: RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") FOR THE PERIOD OF JULY 1, 2012 THROUGH DECEMBER 31, 2012 AND DISCUSSION ON DEPARTMENT OF FINANCE RESPONSE TO APRIL 9, 2012 APPROVED ROPS

ISSUE:

The issues before the Oversight Board is the approval of the attached July 2012 through December 2012 Recognized Obligation Payment Schedule ("ROPS") attached as Exhibit A.

RECOMMENDATIONS:

That the Oversight Board approve the attached ROPS in accordance with Health and Safety Code Section 34177 and to discuss and take possible action regarding the responses from the DOF.

BACKGROUND:

On June 29, 2011, the California Legislature enacted AB1X 26 dissolving redevelopment agencies throughout California. With the dissolution of the Redevelopment Agency, the City became the Successor Agency to the Redevelopment Agency effective February 1, 2012.

On January 31, 2012, the Redevelopment Agency submitted the final transmitted Enforceable Obligation Payment Schedule ("EOPS"). The draft ROPS was submitted to the County Auditor on March 1, 2012 for certification. On April 9, 2012, the Oversight Board met and approved the initial ROPS for submittal to the State Department of Finance ("DOF") by April 16, 2012.

On April 16, 2012, the ROPS was submitted via e-mail to the DOF. Shortly thereafter, on April 18, 2012, the DOF responded twice via e-mail with the first e-mail requesting a copy of the ROPS in an Excel format. The second e-mail acknowledged receipt of the April 9, 2012 ROPS and indicated that the e-mail would serve as notice that the DOF is requesting a review of one or more of the Enforceable Obligations contained in the ROPS. The e-mail further stated that

pending resolution of the DOF questions, the ROPS shall not be effective. Therefore, until the DOF contacts staff regarding its questions, payments will continue to be made in accordance with the EOPS.

The second ROPS for the period from July 1, 2012 to December 31, 2012 was due to the DOF by April 15, 2012 and is presented for Oversight Board approval.

Attachment:
- Exhibit A – Recognized Obligation Payment Schedule - July 1, 2012 to December 31, 2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE July 1 to December 31, 2012 PERIOD

Name of Successor Agency City of San Bernardino

	Current	
	Total Outstanding Debt or Obligation	**Total Due During Fiscal Year**
Outstanding Debt or Obligation	$ 875,578,911.13	$ 51,851,380.36
	Total Due for Six Month Period	
Outstanding Debt or Obligation	$ 38,552,930.39	
Available Revenues other than anticipated funding from RPTTF	$ -	
Enforceable Obligations paid with RPTTF	$ 38,552,930.39	
Administrative Cost paid with RPTTF	$ -	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	$ 1,156,587.91	

Certification of Oversight Board Chairman:
Pursuant to Section 34177(l) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized Enforceable Payment Schedule for the above named agency.

Name Title

Signature Date

FORM A - Redevelopment Property Tax Trust Fund (RPTTF)

Name of Redevelopment Agency: City of San Bernardino

Project Area(s) 14 RDA Project Area All

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area/Agency Code-Account Code(RR01-RG01)	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF) Payments by month						
									Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Total
	BONDED INDEBTEDNESS														
1	1996 COP	5500, 96-366, J-41/ 12/2/1996	US Bank	Bonds issued to rehab/update City Hall. Maturity 1/2023	M/CC	11,056,785.00	1,007,395.00	RPTTF	228,697.50					778,697.50	$ 1,007,395.00
2	1997A Bond	5513, 97-214, J-42/ 7/14/1997	US Bank	Pub Fac Lease Revenue Refunding Bonds. Maturity 9/2013	M/CC	1,843,875.00	921,375.00	RPTTF		898,875.00					$ 898,875.00
3	1998A TAB	5538/ 3/2/1998	US Bank	Bonds for Central City Projects Maturity 7/2020	M/CC	12,809,602.50	1,432,995.00	RPTTF	1,174,737.50					258,257.50	$ 1,432,995.00
4	1998B TAB	5538/ 3/2/1998	US Bank	Bonds for Central City Projects Maturity 7/2020	M/CC	6,563,973.75	660,157.50	RPTTF	523,016.25					137,141.25	$ 660,157.50
5	1999 COP	1999-30,CDC/1999-3, J-45 2/15/1999 1999-157,CDC/1999-21,J-47 6/21/1999	US Bank	Bonds for South Valle, Bldg 201, PD HQ Maturity 9/2024	SV, M/CC, CCN	14,538,200.00	1,131,187.50	RPTTF		861,000.00					$ 861,000.00
6	2002A TAB	2002-81,CDC/2002-13,J-51 3/4/2002	US Bank	Bonds for Mt Vernon projects Maturity 12/2031	MTV	5,344,333.75	257,718.75	RPTTF					167,343.75		$ 167,343.75
7	2002 TAB	2001-355,CDC/2001-53,J-49 11-19-2001	US Bank	Bonds for SC, CCN, SEIP, NW, TRI, UP and SV Maturity 4/2026	SC,CCN,SEIP, NW,TRI,UP,SV	31,667,286.00	2,524,776.00	RPTTF			667,388.00				$ 667,388.00
8	2005A TAB	2001-356,CDC/2001-54,J-30 11/19/2001	US Bank	Forward Purchase - Bonds for SC, CCN, SEIP, NW, TRI, UP and SV Maturity 10/2025	SC,CCN,SEIP ,NW,TRI,UP,SV	59,369,388.26	5,016,958.18	RPTTF			3,867,468.65				$ 3,867,468.65
9	2005B TAB	2001-356,CDC/2001-54,J-30 11/19/2001	US Bank	Forward Purchase - Bonds for SC, CCN, SEIP, NW, TRI, UP and SV Maturity 10/2025	SC,CCN,SEIP, NW,TRI,UP,SV	22,183,543.39	1,910,951.73	RPTTF			1,480,065.08				$ 1,480,065.08
10	2010A Recovery Zone	2010-386,CDC/2010-63,J-56 12/6/2010	US Bank	Bonds for Recovery Zone Maturity 4/2030	CCN,M/CC,NW	12,892,937.50	718,100.00	RPTTF			269,050.00				$ 269,050.00
11	2010B TAB	2010-386,CDC/2010-63,J-56 12/6/2010	US Bank	Bonds for Northwest projects Maturity 4/2028	NW	5,038,450.00	352,500.00	RPTTF			96,250.00				$ 96,250.00
12	1995H Highland Lutheran Sr Housing	5445 6/19/1955	US Bank	Bonds for Senior Housing Complex Maturity 7/2025	IVDA	2,066,431.25	149,740.63	RPTTF	103,418.75					46,321.88	$ 149,740.63
13	1995R Casa Ramona	5444 6/19/1995	US Bank	Bonds for Ramona Senior Complex Maturity 7/2025	MTV	1,842,137.00	131,428.13	RPTTF	89,100.00					42,328.13	$ 131,428.13
14	Reimbursement to LMIHF for 2006 LM Bond Issue	3/20/2006	Housing Fund	Downtown 5th & G Street area, repayment to low-mod fund, successor agencies obligation to repay the LMIHF	CCN	25,678,000.00		RPTTF							$ -
15	CMB $15,000,000	CDC/2006-61 10/5/2009	CMB Infrastructure Group	Loan Agreement for (1) sbX, (2) courthouse sewer line relocation, (3) solar project, (4) La Placita, (5) I-215/University interchange project Maturity 9/2015	SC,UP,CCN,CCS, SEIP,TRI	18,662,500.00	787,500.00	RPTTF			196,875.00			196,875.00	$ 393,750.00
16	CMB $10,000,000	CDC/20011-10 3/3/2011	CMB Infrastructure Group	Loan Agreement for Projects Under SB EDC Funding Agreement Maturity 12/2017	CCE,CCS,CCN, M/CC	12,362,500.00	525,000.00	RPTTF			131,250.00			131,250.00	$ 262,500.00
17	CMB $8,000,000	2010-331,CDC/2010-331 9/20/2010	CMB Infrastructure Group	Loan Agreement for public infrastructure located along "E" Street and Inland Center Drive Maturity 10/2016	IVDA	9,365,000.00	420,000.00	RPTTF			105,000.00			105,000.00	$ 210,000.00
18	Cinema Section 108	5546 6/15/1988	Bank of New York	HUD Section 108 loan, Cinema Project Maturity 8/2018	CCN	4,411,591.20	687,715.60	RPTTF	569,675.00						$ 569,675.00
19	Arden Guthrie Section 108	2006-271, IDIS #2010 7/24/2006	Bank of New York	HUD Section 108 loan, North Arden Guthrie Maturity 8/2025	IVDA	10,325,497.00	728,375.80	RPTTF	540,530.90						$ 540,530.90
20	Arden Guthrie Loan	CDC/2007-6 3/5/2007	Housing Fund	Conversion of properties to commercial	IVDA	11,000,000.00	11,000,000.00	RPTTF		11,000,000.00					$ 11,000,000.00
21	Carousel Mall Note	CDC/2010-25 5/5/52010	Citizens Business Bank	Loan Agreement, purchase of Carousel Mall due	M/CC	16,250,000.00	660,000.00	RPTTF	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	$ 330,000.00
22	Auto Plaza Loan - Reader Board	CDC/2010-28 5/17/2010	Citizens Business Bank	$850k Certificate 0f Deposit w/Citizens Bank	M/CC	850,000.00	850,000.00	RPTTF	850,000.00						$ 850,000.00
23	Merged Area B	CDC/2010-30 6/7/2010	RBF	EIR - Merged Area B (on going)	NW,SC,CCW, MTV,UP,40TH	25,000.00	25,000.00	RPTTF			25,000.00				$ 25,000.00
24	Merged Area B	CDC/2010-29 6/7/2010	Rosenow Spevacek Group	Plan Amendment for Merged Area B (on going)	NW,SC,CCW, MTV,UP,40TH	25,000.00	25,000.00	RPTTF			25,000.00				$ 25,000.00
25	Hillwood - DDA	2006-346, CDC/2006-42 9/18/2006	Hillwood Properties	Tax Sharing Agreement	SC	1,274,000.00	783,000.00	RPTTF	228,000.00					327,000.00	$ 555,000.00
26	BP CA - Site Remediation	CDC/2002-30 10/7/2002	BP CA	Tax Sharing Agreement	TRI	865,000.00	238,000.00	RPTTF	81,000.00					76,000.00	$ 157,000.00
27	Young Electric Sign Co.	CDC/2008-11 3/17/2008	YESCO	Tax Sharing Agreement	NW	261,761.00	26,000.00	RPTTF	26,000.00						$ 26,000.00
28	Perris Campus Plaza	2007-185, CDC/2007-15 6/4/2007	ICO Development	Tax Sharing Agreement	IVDA	344,500.00	28,500.00	RPTTF			28,500.00				$ 28,500.00

29	SB County Bldg - TADS	2004-386, CDC/2007-49 8/16/2004	Waterman Holdings, LLC	Tax Sharing Agreement	CCE	1,890,000.00	75,000.00	RPTTF	25,000.00					25,000.00	$	50,000.00
30	Yellow Freight - DDA	2001-58, CDC/2001-5 1/22/2001	Yellow Freight	Tax Sharing Agreement	MTV	75,000.00	75,000.00	RPTTF	75,000.00						$	75,000.00
31	Mapei	CDC/2002-38 12/2/2002	Mapei	Tax Sharing Agreement	NW	30,000.00	10,800.00	RPTTF	10,800.00						$	10,800.00
32	In-N-Out Burger - New Facility	CDC/2011-50 7/18/2011	In-N-Out Burgers	Soil Remediation - Escrow Account	CCN	200,000.00	200,000.00	RPTTF	200,000.00						$	200,000.00
33	Woolworth Bldg	Closed Session 9/18/2006	Reynolds San Bernardino	Purchase of Woolworth Bldg	M/CC	561,716.89	30,043.57	RPTTF	2,503.63	2,503.63	2,503.63	2,503.63	2,503.63	2,503.63	$	15,021.78
34	Salvation Army	Closed Session 5/2/2011	Salvation Army	Grant - Relocation	CCN	1,000,000.00	1,000,000.00	RPTTF	200,000.00	200,000.00	200,000.00	200,000.00		200,000.00	$	1,000,000.00
35	Downtown Transit Center - Rialto & E	2011-292 11/10/2011	Omnitrans	Multi Jurisdictional Agreement	CCS	3,500,000.00	3,500,000.00	RPTTF						1,750,000.00	$	1,750,000.00
36	SbX/Omnitrans Bus Line	2009-326, CDC/2009-55 9/21/2009	City & Various Contractors	Bus permits/infrastructure/Cooperative Agreement	SC,UP,CCN, M/CC,CCS.SEIP, TRI	3,500,000.00	3,500,000.00	RPTTF	350,000.00	350,000.00	350,000.00	350,000.00	350,000.00	350,000.00	$	2,100,000.00
37	Streetscape-4th St, Phase 1	CDC/2010-42 7/19/2010	AECOM	4th Street construction drawings	M/CC, CCN	5,833.35	5,833.35	RPTTF	5,833.35						$	5,833.35
38	ARCO Off-Site Improvements	2008-146 5/5/2008	A&A Holdings	City Development Agreement - ARCO Project 5th & Mt Vernon	MTV	400,000.00	400,000.00	RPTTF				150,000.00	150,000.00	100,000.00	$	400,000.00
39	Grant Obligation - Orphan Site Cleanup Fund (OSCF)	SWRCB 10-105-550 6/9/2011	Various	Montgomery Ward Garage - Conduct assessment work for investigation of unauthorized release from UST and prepare site assessment & SVE pilot test report with remedial action plan	M/CC	138,188.00	138,188.00	RPTTF						138,188.00	$	138,188.00
40	Grant Obligation - EPA Brownfields	BF-96930501-0 10/1/2008	Various	Phase I & II assessments on site within downtown core area	CCN,M/CC,CCE, CCS	269,902.87	120,000.00	RPTTF	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	$	60,000.00
41	Grant Obligation - Green Trees for the Golden State	2010-324 9/20/2010 8CA10910 3/24/2011 Awarded	Various	Facilitate the installation & maintenance (2yrs) of 200, #15 gallon trees along the 4th & 5th Street corridors	M/CC, CCN	133,000.00	30,000.00	RPTTF						15,000.00	$	15,000.00
42	Northwest PAC	4630 6/18/1984	Various	Settlement of litigation in the case of Armenta et al v. Redevelopment Agency of the City of San Bernardino	NW	50,000.00	50,000.00	RPTTF	4,166.00	4,166.00	4,166.00	4,166.00	4,166.00	4,166.00	$	24,996.00
43	Theatre Productions	UNK 1/26/2012	The Booking Group	Shrek/no cancellation	CCN	70,000.00	70,000.00	RPTTF						70,000.00	$	70,000.00
44	Theatre Productions	UNK 1/26/2012	Various	Shrek - Royalty guarantee, theatre costs, advertising	CCN	120,000.00	120,000.00	RPTTF						120,000.00	$	120,000.00
45	Theatre Productions	UNK 1/26/2012	Columbia Artist Theatricals	Blueman Group - no cancellation	CCN	199,250.00	199,250.00	RPTTF						199,250.00	$	199,250.00
46	Theatre Productions	UNK 1/26/2012	Various	Blueman Group - Royalty guarantee, theatre costs, advertising	CCN	129,250.00	129,250.00	RPTTF						129,250.00	$	129,250.00
47	Theatre Productions	UNK 1/26/2012	The Booking Group	Beauty & the Beast	CCN	270,000.00	270,000.00	RPTTF						270,000.00	$	270,000.00
48	Theatre Productions	UNK 1/26/2012	Various	Beauty & the Beast - Royalty guarantee, theatre costs, advertising	CCN	175,400.00	175,400.00	RPTTF						175,400.00	$	175,400.00
49	Theatre Productions	UNK 3/16/2011	Paradise Artist	Righteous Bros./no cancellation	CCN	25,000.00	25,000.00	RPTTF						25,000.00	$	25,000.00
50	Theatre Productions	UNK 3/16/2011	Various	Righteous Bros.- Royalty guarantee, theatre costs, advertising	CCN	42,700.00	42,700.00	RPTTF						42,700.00	$	42,700.00
51	Theatre Productions	UNK 5/20/2011	Columbia Artists Music, LLC	Ballet Folklorico de Mexico	CCN	25,000.00	25,000.00	RPTTF						25,000.00	$	25,000.00
52	Theatre Productions	UNK 5/20/2011	Various	Ballet Folklorico de Mexico - Royalty guarantee, theatre costs, advertising	CCN	48,050.00	48,050.00	RPTTF						48,050.00	$	48,050.00
53	Theatre Productions	UNK 7/7/2011	Columbia Artists Mangement, LLC	Russian National Ballet	CCN	20,000.00	20,000.00	RPTTF						20,000.00	$	20,000.00
54	Theatre Productions	UNK 7/7/2011	Various	Russian National Ballet - Royalty guarantee, theatre costs, advertising	CCN	50,550.00	50,550.00	RPTTF						50,550.00	$	50,550.00
				Projects previously fund through Funding Agreement - Original Funding Agreement amount was $525,000,000												
55	Cinema Property	SB EDC 80049 12/5/2011	Vanir Construction Management, Inc.	Construction coordination/inspection of payment requests with Regal	CCN	25,000.00	25,000.00	RPTTF	25,000.00						$	25,000.00
56	Omnitrans 4th Street Temp Transfer Center	SB EDC 80005 9/9/2011	Andy Gump	Temporary Portable Restroom rental	M/CC	2,890.62	2,890.62	RPTTF	2,890.62						$	2,890.62

57	Commercial Retail Marketing - Theatre Square	SB EDC 80071 1/26/2012	The Fransen Co.	Commercial/Retail Marketing - Theatre Square	CCN	72,000.00	72,000.00	RPTTF	10,285.00	10,285.00	10,285.00	10,285.00	10,285.00	10,285.00	$ 61,710.00
58	Soil Remediation - Phase II	SB EDC 800xx TBD	Brown & Caldwell	5th & H Street (INCO Property) continuation of SVE (18mos)	CCN	360,000.00	240,000.00	RPTTF	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	$ 120,000.00
59	Ann Shirells Park	SB EDC 80078 1/26/2012	Pacific Mobile	Modular Acq, Modular modification and site work	NW	99,558.00	99,558.00	RPTTF		19,911.00	19,911.00	19,911.00	19,911.00	19,914.00	$ 99,558.00
60	Grant Obligation- Sustainable Communities Grant (SCG)	2011-8 1/10/2011 Awarded 8/22/2011	Various	Develop a comprehensive plan for the City to become an environmentally sustainable community	ALL	300,760.00		RPTTF							
61	Grant Obligation - Sustainable Communities Grant (SCG)	19365 10/20/2011 SB EDC	MVR Consulting	Project and Grant Management, Public Outreach, Web Development & Administration	ALL	21,000.00	21,000.00	RPTTF	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	$ 21,000.00
62	Grant Obligation - Sustainable Communities Grant (SCG)	19361 10/20/2011 SB EDC	Knott's Family Agency dba SB Green Alliance	Community engagement activities and outreach	ALL	31,000.00	31,000.00	RPTTF	5,166.00	5,166.00	5,166.00	5,166.00	5,166.00	5,170.00	$ 31,000.00
63	Grant Obligation - Sustainable Communities Grant (SCG)	19362 10/20/2011 SB EDC	University Enterprises Corp of CSUSB	Research & technical review including land use, transportation and water plan review, community survey development	ALL	74,000.00	74,000.00	RPTTF	12,333.00	12,333.00	12,333.00	12,333.00	12,333.00	12,335.00	$ 74,000.00
64	Grant Obligation - CPUC CASF - Broadband	SB EDC 800xx TBD	Various	Develop a Broadband Infrastructure & Access Plan for the Inland Empire (Riverside & San Bernardino counties) to eliminate the "Digital Divide"	ALL	110,180.00	110,180.00	RPTTF		10,016.00	10,016.00	10,016.00	10,016.00	10,016.00	$ 50,080.00
65	Grant Obligation - CPUC CASF - Broadband	SB EDC 800xx TBD	MVR Consulting	Project and Grant Management, Public Outreach, Web Development & Administration	ALL	45,320.00	45,320.00	RPTTF	7,553.00	7,553.00	7,553.00	7,553.00	7,553.00	7,555.00	$ 45,320.00
				New projects under the Funding Agreement											
66	Theatre Square	SB EDC 80102 4/10/2012	Randall Jacobs	Installation of locks at Theatre Square	CCN	1,000.00	1,000.00	RPTTF	1,000.00						$ 1,000.00
67	Theatre Square	SB EDC 80101 4/5/2012	Alison Mechanical	Construction Contingency	CCN	36,000.00	36,000.00	RPTTF	18,000.00	18,000.00					$ 36,000.00
68	Theatre Square	SB EDC 80xxx est. 5/10/2012	Ludwig Engineering	Amendment No. 2 - Infrastructure Engineering	CCN	25,000.00	25,000.00	RPTTF	12,500.00	12,500.00					$ 25,000.00
69	Theatre Square	SB EDC 80xxx est. 5/18/2012	TBD	Theatre Square Security Plan - Design	CCN	15,000.00	15,000.00	RPTTF	15,000.00	15,000.00	15,000.00				$ 45,000.00
70	Theatre Square	SB EDC 80xxx est. 7/5/2012	TBD	Theatre Square Security Plan - Implementation	CCN	250,000.00	250,000.00	RPTTF	20,833.00	20,833.00	20,833.00	20,833.00	20,833.00	20,833.00	$ 124,998.00
71	Theatre Square	SB EDC 80xxx est. 5/18/2012	TBD	Theatre Square - Paint trellises/CA Theatre wall	CCN	15,000.00	15,000.00	RPTTF	7,500.00	7,500.00					$ 15,000.00
72	Theatre Square	SB EDC 80xxx est. 4/30/2012	National Construction & Maintenance	Installation of rollup door in Cinema auditorium	CCN	35,000.00	35,000.00	RPTTF	35,000.00						$ 35,000.00
73	Theatre Square	SB EDC 80xxx est. 4/30/2012	TBD	Design - Windows in front of auditoriums	CCN	15,000.00	15,000.00	RPTTF	15,000.00						$ 15,000.00
74	Theatre Square	SB EDC 80xxx est. 6/7/2012	TBD	Construction/Cnstr Mngt - Windows in front of auditoriums	CCN	135,000.00	135,000.00	RPTTF	67,500.00	67,500.00					$ 135,000.00
75	Theatre Square	SB EDC 80xxx est. 10/15/2012	TBD	Theatre Sqaure parking: Caltrans Parking Structure - Light Survey	CCN	20,000.00	20,000.00	RPTTF						20,000.00	$ 20,000.00
76	Theatre Square	SB EDC 80xxx est. 10/15/2012	TBD	Theatre Square parking: Caltrans Parking Structure - Card Reader	CCN	15,000.00	15,000.00	RPTTF							
77	Theatre Square	SB EDC 80xxx est. 10/15/2012	TBD	Theatre Square parking: Caltrans Parking Structure - Construction	CCN	55,000.00	55,000.00	RPTTF							
78	Theatre Square	SB EDC 80xxx est. 10/15/2012	TBD	Theatre Square parking: Caltrans Parking Structure - Video Cameras	CCN	100,000.00	100,000.00	RPTTF							
79	Project reviews & inspections	SB EDC 800063 1/25/2012	City of San Bernardino	Plan check & project review fees & inspections on various projects	ALL	49,950.00	49,950.00	RPTTF	4,163.00	4,163.00	4,163.00	4,163.00	4,163.00	4,163.00	$ 24,978.00
				As a result of partial implementation of the Funding Agreement since the date of validation action of the Agreement in July 2011, $9,680,811.20 has been committed pursuant to this Agreement leaving a remaining balance of $515,319,188.80		515,319,188.80									

80	Salary		Employees	Salary/Benefits (2 yrs)	ALL	6,800,000.00	3,400,000.00	RPTTF	283,333.00	283,333.00	283,333.00	283,333.00	283,333.00	283,333.00	$	1,699,998.00
81	PERS Liability		PERS	Retirement Liability (2 yrs)	ALL	1,784,728.00	892,364.00	RPTTF	74,364.00	74,364.00	74,364.00	74,364.00	74,364.00	74,364.00	$	446,184.00
82	Employee Accrual Payouts		Various Employees	Employee Accruals, VSL	ALL	456,637.00	456,637.00	RPTTF	114,159.25	114,159.25	114,159.25	114,159.25			$	456,637.00
83	Other Post Employment Benefit		Various Employees	Retiree Benefits per Policy/Procedures - CDC	ALL	1,149,938.00	46,200.00	RPTTF	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	$	23,100.00
84	Computer Options	CDC/2011-60 12/5/2011	Computer options Inc.	IT Service, LAN server maintenance	ALL	28,000.00	28,000.00	RPTTF	6,000.00	6,000.00	6,000.00	6,000.00	4,000.00		$	28,000.00
85	Litigation (Placo v. RDA)	BC 468955 9/7/2011	Lewis Brisbois	Foreclosure litigation expenses - Panattoni	M/CC	100,000.00	100,000.00	RPTTF	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,670.00	$	100,000.00
86	Development Agreement-Mall	CDC/2010-25 5/5/52010	Panattoni Development Co	2010 Assignment Agreement/Dev Mall	M/CC	200,000.00	200,000.00	RPTTF						100,000.00	$	100,000.00
87	Laserfiche	19370 7/21/2011	Complete Paperless Solutions	Laserfiche maintenance & Document support	ALL	1,870.00	1,870.00	RPTTF		1,870.00					$	1,870.00
88	Litigation (Peart v. City of SB)	CIVDS1106467 5/20/2011	Lewis Brisbois	Legal representation for litigation	ALL	25,000.00	25,000.00	RPTTF	2,083.00	2,083.00	2,083.00	2,083.00	2,083.00	2,083.00	$	12,498.00
89	Litigation (RDA v Alvarez)	2011-70 3/21/2011	Lockwood & Aris	Legal representation for litigation	ALL	47,000.00	23,500.00	RPTTF	1,958.00	1,958.00	1,958.00	1,958.00	1,958.00	1,958.00	$	11,748.00
90	Litigation (Glen Aire MHP Corp v City of SB)	3/5/2012 2012-59 4/2/2012	Endeman Lincoln Turek Heater	Legal representation for litigation	City, IVDA	50,000.00	25,000.00	RPTTF	2,083.00	2,083.00	2,083.00	2,083.00	2,083.00	2,083.00	$	12,498.00
91	GIS Licensed Software	UNK	City of San Bernardino	GIS software maintenance (1/3)	ALL	25,433.00	25,433.00	RPTTF	2,119.00	2,119.00	2,119.00	2,119.00	2,119.00	2,119.00	$	12,714.00
92	Financial Software	SB EDC 80001 7/25/2011	Springbrook	Final payment/Annual license fee	ALL	65,956.00	65,956.00	RPTTF		65,956.00					$	65,956.00
93	Financial Software	8/17/1983	ICCS	Former financial software license	ALL	13,200.00	13,200.00	RPTTF	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	$	6,600.00
94	Investment Funds	UNK	Citizens Business Bank	Investment funds fee	ALL	168,000.00	168,000.00	RPTTF	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	$	84,000.00
95	Baseball Stadium	SB EDC Property	Various	Repair & Maintenance of baseball stadium (24yrs)	CCS	3,189,168.00	132,882.00	RPTTF	11,073.50	11,073.50	11,073.50	11,073.50	11,073.50	11,073.50	$	66,441.00
96	California Theatre	SB EDC Property	Various	Repair & Maintenance of California Theatre (24yrs)	CCN	7,200,000.00	300,000.00	RPTTF	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	$	150,000.00
97	Sturges Theatre	SB EDC Property	Various	Repair & Maintenance of Sturges Theatre (24yrs)	CCN	1,380,000.00	120,000.00	RPTTF	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	$	60,000.00
98	Cinema Property	SB EDC Property	Various	Repair & Maintenance of Cinema Theatre-Roof/HVAC (24yrs)	CCN	3,120,000.00	130,000.00	RPTTF	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	$	75,000.00
99	Carousel Mall Maintenance Reciprocal Easement Agreement	2333 12/17/1970	SB EDC	Repair & Maintenance of Carousel Mall (24yrs)	M/CC	20,700,000.00	900,000.00	RPTTF	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	$	450,000.00
															$	-
								RPTTF								
	Totals - This Page (RPTTF Funding)					$ 875,578,911.13	$ 51,851,380.36	N/A	$ 6,290,991.25	$ 14,338,919.38	$ 8,297,565.11	$ 1,540,718.38	$ 1,391,902.88	$ 6,692,833.39	$	38,552,930.39
	Totals - Page 2 (Other Funding)					$ -	$ -	N/A	$ -	$ -	$ -	$ -	$ -	$ -	$	-
	Totals - Page 3 (Administrative Cost Allowance)					$ -	$ -	N/A	$ -	$ -	$ -	$ -	$ -	$ -	$	-
	Grand total - All Pages					$ 875,578,911.13	$ 51,851,380.36		$ 6,290,991.25	$ 14,338,919.38	$ 8,297,565.11	$ 1,540,718.38	$ 1,391,902.88	$ 6,692,833.39	$	38,552,930.39

***** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)**

RPTTF - Redevelopment Property Tax Trust Fund
LMIHF - Low and Moderate Income Housing Fund
Bonds - Bond proceeds
Admin - Successor Agency Administrative Allowance
Other - reserves, rents, interest earnings, etc

Project Areas

M/CC Merged Central City Projects (Meadowbrook/Central City)
CCE Central City East
CCS Central City South
SV South Valle
CCN Central City North
MTV Mt Vernon Corridor
SC State College

SEIP Southeast Industrial Park
NW Northwest
UP Uptown
TRI Tri-City
40TH 40th Street
IVDA Inland Valley Development Agency

FORM B - All Revenue Sources Other Than Redevelopment Property Tax Trust Fund (RPTTF)

Name of Redevelopment Agency: City of San Bernardino

Project Area(s) RDA Project Area All

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area/Agency Code-Account Code(RR01-RG01)	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source ***	Payable from Other Revenue Sources Payments by month Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Total
1)	2006LM	2006-85,CDC/2006-8,J-52 3/20/2006	US Bank	Downtown 5th & G area - Bonds for low/mod income housing projects. Maturity 5/2027	CCN	31,609,946.25	2,693,991.26	LMIFH			651,995.63				$ 651,995.63
2)	In-N-Out Burgers - New Facility	CDC/2011-50 7/18/2011	In-N-Out Burgers	Soil Remediation	CCN	200,000.00	200,000.00	Sale Proceeds	200,000.00						$ 200,000.00
3)	Mt Vernon Ave Improvements	SB EDC 800xx TBD	SB EDC	Construction Implementation - Mt Vernon Ave (5th - 9th Streets)	MTV	1,170,000.00	1,170,000.00	Bond Proceeds				1,170,000.00			$ 1,170,000.00
4)	Theatre Square Design & construction	CDC/2011-23 5/2/2011	AECOM	Design for landscape and lighting	CCN	1,500.00	1,500.00	Bond Proceeds	1,500.00						$ 1,500.00
5)	ARCO NW Corner 5th & Mt Vernon Ave	SB EDC 80014 9/9/2011 Amend No. 1	Krueper Engineering	Design - signal & street Improvements at NW Corner of 5th Street & Nt Vernon Ave	MTV	15,649.46	15,649.46	Bond Proceeds	5,216.00	5,126.00	5,397.46				$ 15,739.46
6)	Northwest Street Improvements	CDC/2011-32 6/20/2011	Ludwig Engineering Inc.	Engineering/Construction management	NW	8,000.00	8,000.00	Bond Proceeds				8,000.00			$ 8,000.00
7)	Northwest Street Improvements	CDC/2011-33 5/20/2011	Transtech	Engineering/Construction management	NW	8,000.00	8,000.00	Bond Proceeds				8,000.00			$ 8,000.00
8)	Northwest Street Improvements	SB EDC 800xx TBD	SB EDC	Construction Implementation	NW	2,700,000.00	2,700,000.00	Bond Proceeds				2,700,000.00			$ 2,700,000.00
9)	Northwest Improvements & parks	SB EDC 800xx TBD	SB EDC	Park Improvements	NW	950,000.00	950,000.00	Bond Proceeds				950,000.00			$ 950,000.00
10)	State Agreement for Courthouse for Street Improvements	SB EDC 800xx TBD	SB EDC	Offsite improvements- construction and engineering	CCE	2,500,000.00	2,500,000.00	CMB Bond Proceeds		625,000.00	625,000.00	625,000.00	625,000.00		$ 2,500,000.00
11)	Infrastructure - Watson OPA	CDC/2010-70 12/20/2010	Watson Properties	OPA - Housing/retail project	SC	780,000.00	780,000.00	CMB Bond Proceeds				130,000.00	130,000.00	130,000.00	$ 390,000.00
12)	Consultant Services - NMTC	SB EDC 800xx 3/8/2012	Reznick & Associates	Financial consulting services relating to use of NMTC for Theatre Operations	CCN	55,000.00	55,000.00	NMTC	4,583.00	4,583.00	4,583.00	4,583.00	4,583.00	4,583.00	$ 27,498.00
13)	Consultant Services - NMTC	SB EDC 800xx 2/13/2012	Bocarsly Emden Cowan Esmail & Arndt, LLP	Tax & legal consulting services relating to use of NMTC for CA Theatre, Regal Cinema Plex and Sturges Theatre	CCN	100,000.00	100,000.00	NMTC	8,333.00	8,333.00	8,333.00	8,333.00	8,333.00	8,333.00	$ 49,998.00
14)	Streetscape - 4th Street Phase I	SB EDC 800xx TBD	SB EDC	Construction Implementation	M/CC & CCN	2,500,000.00	1,250,000.00	Bond Proceeds				416,666.66	416,666.67	416,666.67	$ 1,250,000.00
15)	Streetscape - 4th Street Phase I	SB EDC 80047 12/8/2011	AECOM	Engineering - Intersection Bulb-outs	M/CC & CCN	4,000.00	4,000.00	Bond Proceeds	2,000.00	2,000.00					$ 4,000.00
16)	Streetscape - 4th Street Phase I	SB EDC 80042 11/30/2011	KOA, Inc.	Traffic Study	M/CC & CCN	3,125.00	3,125.00	Bond Proceeds	3,125.00						$ 3,125.00
17)	Theatre Square Design & construction	SB EDC 80072 1/26/2012	Vanir Construction Management, Inc.	Construction management services for Theatre Square	CCN	8,000.00	8,000.00	Bond Proceeds				8,000.00			$ 8,000.00
18)	Theatre Square Design & construction	SB EDC 80030 10/18/2011	Ludwig Engineering Inc.	Preparation of Condo & Final Map	CCN	8,000.00	8,000.00	Bond Proceeds				8,000.00			$ 8,000.00
19)	Theatre Square Design & construction	SB EDC 80070 1/26/2012	Ludwig Engineering Inc.	Engineering design for infrastructure	CCN	15,000.00	15,000.00	Bond Proceeds	15,000.00						$ 15,000.00
20)	Construction of Theatre Square Infrastructure	SB EDC 80023 10/20/2011 Amend No. 1 1/26/2012 Amend No. 2 4/5/2012	Los Angeles Engineering	Construction	CCN	400,000.00	400,000.00	Bond Proceeds	400,000.00						$ 400,000.00
21)	Theatre Square	SB EDC 80073 1/24/2012	BB Architects	Architectural services	CCN	17,521.25	17,521.25	Bond Proceeds	5,840.42	5,840.41	5,840.42				$ 17,521.25
22)	Theatre Square Design & construction	SB EDC 80015 10/12/2011	Bradco Environmental	Palm tree removal and recycle	CCN	7,029.75	7,029.75	Bond Proceeds	7,029.75						$ 7,029.75
23)	Citizen Disaster Relocation		Various	Code Enforcement Disaster Relocation	ALL	62,500.00	62,500.00	LMIHF	5,208.00	5,208.00	5,208.00	5,208.00	5,208.00	5,208.00	$ 31,248.00
24)	Theatre Square	SB EDC 80xxx est 7/19/2012	TBD	Regal Theatre - Reader Board Design	CCN	100,000.00	100,000.00	CMB Bond Proceeds		33,333.00	33,333.00	33,334.00			$ 100,000.00
25)	Theatre Square	SB EDC 80xxx est 11/8/2012	TBD	Regal Theatre - Reader Board Construction	CCN	800,000.00	800,000.00	CMB Bond Proceeds				100,000.00	200,000.00	500,000.00	$ 800,000.00
26)	MECH	CDC/2009-36 7/20/2009	MECH	Developer Agreement - 19th & Sunrise	IVDA	1,200,000.00	800,000.00	LMIHF	66,667.00	66,677.00	66,677.00	66,677.00	66,677.00	66,677.00	$ 400,052.00

27)	Affordable Housing Solutions	CDC/2009-58 9/21/2009	AHS	RDA sub-recipient agmt w/AHS	ALL	1,200,000.00	800,000.00	LMIHF	66,677.00	66,677.00	66,677.00	66,677.00	66,677.00	66,677.00	$	400,062.00
28)	Shober Consulting	CDC/2009-63A 11/16/2009	Shober Consulting	Relocation consultant - 18th & Sunrise	IVDA	103,350.00	103,350.00	LMIHF	8,612.00	8,612.00	8,612.00	8,612.00	8,612.00	8,612.00	$	51,672.00
29)	Del Richardson & Associates	CDC/2009-64 11/16/2009	DRA	Acq Consultant - 19th & Sunrise	IVDA	32,550.00	32,550.00	LMIHF	2,713.00	2,713.00	2,713.00	2,713.00	2,713.00	2,713.00	$	16,278.00
30)	Affordable Housing Solutions	CDC/2009-68 12/21/2009	AHS	RDA sub-recipient agmt w/AHS amended	ALL	600,000.00	600,000.00	LMIHF	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	$	300,000.00
31)	MECH	CDC/2009-68 12/21/2009	MECH	Amended Agreement - 19th & Sunrise	IVDA	1,200,000.00	800,000.00	LMIHF	66,667.00	66,667.00	66,667.00	66,667.00	66,667.00	66,667.00	$	400,002.00
32)	RSG	CDC/2010-1 1/4/2010	RSG	Housing loan & covenant monitoring services	ALL	65,000.00	32,500.00	LMIHF	2,708.00	2,708.00	2,708.00	2,708.00	2,708.00	2,708.00	$	16,248.00
33)	Neighborhood Housing Services of the Land Empire	CDC/2010-43 8/2/2010	NHSIE	Homebuyer Education Program - Agreement	ALL	60,000.00	30,000.00	LMIHF	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	$	15,000.00
34)	AmeriNational	CDC/2010-52 9/20/2010	AmeriNational	Housing loan portfolio administration & monitoring	ALL	60,000.00	30,000.00	LMIHF	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	$	15,000.00
35)	Affordable Housing Solutions	CDC/2010-22 10/18/2010	AHS	RDA sub-recipient agmt w/AHS amended	ALL	2,400,000.00	1,200,000.00	LMIHF	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	$	600,000.00
36)	Lugo Senior Apartments	CDC/2010-64 12/6/2010	Meta Housing	Acq,pre-development,rehab. Loan w/Meta Housing	IVDA	5,200,000.00	1,300,000.00	LMIHF	108,334.00	108,334.00	108,334.00	108,334.00	108,334.00	108,334.00	$	650,004.00
37)	MECH	CDC/2010-57 11/1/2010	MECH	Amended Agreement - 19th & Sunrise	IVDA	1,600,000.00	1,600,000.00	LMIHF	133,334.00	133,334.00	133,334.00	133,334.00	133,334.00	133,334.00		800,004.00
		Projects previously fund through the Housing Capitalization Agreement - Original Agreement fundning was $375,000,000														
38)	Consultant Services	19299 7/8/2011	Fernando Portillo	Professional housing consultant services	ALL	100,000.00	50,000.00	LMIHF	4,167.00	4,167.00	4,167.00	4,167.00	4,166.00	4,166.00	$	25,000.00
39)	Construction management	19300 7/8/2011	New Turtle Construction Services	Construction management for housing projects	ALL	150,000.00	75,000.00	LMIHF	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	$	37,500.00
40)	Legal Services	AHS 50026 1/19/2012	Lewis Brisbois Bisgaard Smith	Legal services forAHS	ALL	600,000.00	300,000.00	LMIHF	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	$	150,000.00
41)	657 N F Street - Apartment Rehab	AHS 2010-01 6/24/2011	Time for Change Foundation	Rehab of multi-unit appartment to be used as permenant housing for women and children	CCN	60,352.38	60,352.38	LMIHF HOME						60,352.38	$	60,352.38
42)	Security Shields	8/26/2011	VPS	Residential security shields	ALL	29,700.00	29,700.00	LMIHF	2,225.00	2,225.00	2,225.00	2,225.00	2,225.00	2,225.00	$	13,350.00
43)	Housing Program Eligibility	AHS 50018 9/1/2011	RSG	Provide eligibility determination services	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
44)	Housing Reports	AHS 50017 9/30/2011	RSG	Prepare of HCD Reports	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
45)	Consultant Services	AHS 50011 9/21/2011	Condols Environmental Services	Provide environmental services for AHS properties	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
46)	Consultant Services	AHS 50016 10/3/2011	Benefield Appraisal Services	Provide appraisals for AHS properties	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
47)	Consultant Services	AHS 50019 9/21/2011	Barr & Clark, Inc.	Provide environmental services for AHS properties	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
48)	Consultant Services	8/19/2011	Appraisal RE	Provide appraisal services for AHS properties	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
49)	Consultant Services	10/3/2011	American West	Provide appraisal services for AHS properties	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
50)	Consultant Services	AHS 50020 9/21/2011	Ambient Environmental. Inc.	Provide environmental services for AHS properties	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
51)	Consultant Services	AHS 50015 8/15/2011	Alliance Appraisal	Provide appraisal services for AHS properties	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
52)	Audit & Tax Consultant Services	AHS 5002 1/4/2012	Rogers, Anderson, Malody & Scott, LLP	Provide auditing and tax filing services	ALL	18,000.00	18,000.00	LMIHF	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	$	9,000.00
53)	Demolition Services	4/30/2010	AON, Inc.	Provide demolition services in the 19th & Sunrise area	IVDA	194,400.00	194,400.00	LMIHF	16,166.00	16 166.00	16,166.00	16,166.00	16,166.00	16,166.00	$	96,996.00
54)	Housing Rehab	11/30/2010	CA Housing Foundation	Acq/Rehab/Rental of multi-unit apartment at 1405 Lugo	IVDA	255,297.00	255,297.00	LMIHF	21,274.00	21,274.00	21,274.00	21,274.00	21,274.00	21,274.00	$	127,644.00
55)	Property Acquisitions	3/3/2011	RDA	5th & Meridian 4-plexs acquisition	MTV	450,000.00	450,000.00	LMIHF	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	$	225,000.00
56)	Annual NOFA	3/3/2011	RDA	Annual NOFA - Senior/Multi-family projects	ALL	6,000,000.00	6,000,000.00	LMIHF	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	$	3,000,000.00
57)	Annual NOFA	3/3/2011	RDA	Annual NOFA - mobilehome redevelopment	ALL	8,000,000.00	8,000,000.00	LMIHF	666,667.00	666,667.00	666,667.00	666,667.00	666,666.00	666,666.00	$	4,000,000.00

58)	Consultant Services - Insurance	3/3/2011	Morris Davis Insurance	AHS property liability insurance	ALL	100,000.00	50,000.00	LMIHF	4,167.00	4,167.00	4,167.00	4,167.00	4,166.00	4,166.00	$	25,000.00
59)	Inspection Services	3/3/2011	Jeff Howie	Inspections services - rehab loans	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
60)	Inspection Services	3/3/2011	New Turtle Construction Services	Inspections services - rehab loans	ALL	50,000.00	25,000.00	LMIHF	2,083.00	2,083.00	2,083.00	2,083.00	2,084.00	2,084.00	$	12,500.00
61)	Inspection Services	AHS 50029 2/3/2012	Ticonserv	Inspections services - AHS properties	ALL	10,000.00	10,000.00	LMIHF	833.00	833.00	833.00	833.00	834.00	834.00	$	5,000.00
			Remain Housing Capitalization Agreement Balance: $35,713,714.90			35,713,714.90										
																$0.00
	Totals - LMIHF															$0.00
	Totals - Bond Proceeds															$0.00
	Totals - Other															
	Grand total - This Page					$ 109,975,635.99	$ 36,953,466.10		$ 2,577,209.17	$ 2,608,807.41	$ 3,259,074.51	$ 8,094,508.66	$ 3,309,183.67	$ 3,044,536.05	$	22,893,319.47

*** The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.**

**** All total due during fiscal year and payment amounts are projected.**

***** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)**

RPTTF - Redevelopment Property Tax Trust Fund
LMIHF - Low and Moderate Income Housing Fund
Bonds - Bond proceeds
Admin - Successor Agency Administrative Allowance
Other - reserves, rents, interest earnings, etc

Project Areas

M/CC Merged Central City Projects (Meadowbrook/Central City)
CCE Central City East
CCS Central City South
SV South Valle
CCN Central City North
MTV Mt Vernon Corridor
SC State College
SEIP Southeast Industril Park
NW Northwest
UP Uptown
TRI Tri-City
40TH 40th Street
IVDA Inland Valley Development Agency

OVERSIGHT BOARD

FOR THE CITY OF SAN BERNARDINO AS SUCCESSOR AGENCY
TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO

TO: OVERSIGHT BOARD MEMBERS DATE: APRIL 23, 2012

FROM: ECONOMIC DEVELOPMENT AGENCY ITEM NO: **7**

SUBJECT: SAN BERNARDINO ASSOCIATED GOVERNMENTS (SANBAG) V. SAN BERNARDINO JOINT POWERS FINANCING AUTHORITY (SBJPFA)

ISSUE:

The issue before the Oversight Board is approval of a proposed settlement regarding SANBAG's acquisition of right-of-way over property owned by SBJPFA, which property is necessary to construct and operate the sbX E-Street Corridor Bus Rapid Transit Project.

RECOMMENDATIONS:

That the Oversight Board approve the resolution of the pending eminent domain action by authorizing the SBJPFA to enter into a stipulation and proposed judgment which will transfer the right of way to SANBAG in exchange for compensation in the amount of $30,600.

BACKGROUND:

San Bernardino Associated Governments, Acting as the San Bernardino Transportation Commission ("SANBAG"), is assisting Omnitrans with acquiring the necessary right of way to construct and operate the sbX E-Street Corridor Bus Rapid Transit Project ("Project"). The Project involves the acquisition of permanent and temporary construction easements to accommodate the widening of streets, primarily E Street and Hospitality Lane. The San Bernardino Joint Powers Financing Authority ("SBJPFA") is the owner of one impacted property located at the northeast corner of North E Street and 4th Street, bearing Assessor's Parcel Number 0134-151-32. With respect to this property, SANBAG commenced an eminent domain action against SBJPFA to acquire a 996 square foot permanent easement and a 654 square foot temporary construction easement ("Property"). The Property consists primarily of landscaping; no buildings are being impacted, and no parking spaces owned by the SBJPFA will be lost. SANBAG hired an independent appraiser who valued the Property at $25,600. SBJPFA staff has reviewed the independent appraisal, along with SBJPFA's own recent sales transactions, and

believes the fair market value of the Property is $30,600, which equals $5,000 above the independent appraisal obtained by SANBAG. SANBAG has agreed to pay this amount for the Property and its Board has approved a settlement of the eminent domain action for this amount. We recommend the SBJPFA Board approve a full resolution of the eminent domain action in this amount as it equates to the fair market value of the Property and will result in the SBJPFA not incurring additional attorneys' fees, costs, and expenses in the eminent domain action.

The City of San Bernardino City Council, acting as the SBJPFA Board, has the authority to approve this transaction pursuant to the SBJPFA's Joint Powers Agreement. While the recent *California Redevelopment Association v. Matosantos* matter, along with the passage of AB1X 26, calls for the dissolution of redevelopment agencies, this settlement should not be impacted and the SBJPFA Board still has authority to resolve the litigation. In particular, the SBJPFA is not a redevelopment agency, and therefore it will not be dissolved. Second, AB1X 26 provides that it does not impact "enforceable obligations," which is defined to include judgments or settlements entered into by a competent court of law. (Health & Saf. Code, Sec. 34167(d)(4).) By entering into this settlement with SANBAG, the parties will be submitting a judgment to the court for approval, which will thereafter constitute an enforceable obligation. While this provision may be read to mean prior judgments or settlements, such an interpretation would not make sense as it would otherwise call for an agency to take any existing, non-settled litigation all the way through a jury verdict.

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Attorneys for Plaintiff
SAN BERNARDINO ASSOCIATED GOVERNMENTS,
A Joint Powers Authority, acting as the SAN BERNARDINO
COUNTY TRANSPORTATION COMMISSION

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

SAN BERNARDINO ASSOCIATED GOVERNMENTS, a Joint Powers Authority, acting as the SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION,

Plaintiff,

vs.

SAN BERNARDINO JOINT POWERS FINANCING AUTHORITY; DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA; DEPARTMENT OF TRANSPORTATION OF THE STATE OF CALIFORNIA; FERNANDO LOPEZ, an individual, dba FERNANDO'S FINE FOODS; DOES 1 Through 100, Inclusive; and ALL PERSONS UNKNOWN CLAIMING ANY TITLE OR INTEREST IN OR TO THE PROPERTY DESCRIBED HEREIN,

Defendants.

Case No: CIVDS 1106942

ASSIGNED FOR ALL PURPOSES TO: JUDGE DAVID COHN, DEPT S35

STIPULATION FOR FINAL JUDGMENT IN CONDEMNATION

[Parcel No. B-120]

[EXEMPT FROM FILING FEES - GOV. CODE, § 6103]

Plaintiff San Bernardino Associated Governments, a Joint Powers Authority, acting as the San Bernardino County Transportation Commission ("SANBAG"), on the one hand, and Defendant San Bernardino Joint Powers Financing Authority ("Defendant"), on the other, each stipulate to the facts, terms and conditions contained in the [Proposed] Final Judgment in Condemnation ("Judgment"), attached as Exhibit "1," and incorporated herein by this reference.

SANBAG and Defendant further request that the Court enter the Judgment as to the real property or interests in real property as described in Exhibit "A" to the attached Judgment ("Subject Property"). The real property and interests in real property comprising the Subject Property being condemned in this action consist of a permanent easement and a temporary construction easement described as SANBAG Parcel No. B-120.

It is the intent and effect of this Stipulation that the Judgment, when signed, and the payment made pursuant thereto, shall end, finally and forever, any claims to compensation of any kind or nature which Defendant had, now has, or may assert in the future against SANBAG arising out of the condemnation by SANBAG of the Subject Property for the construction and operation of the sbX E-Street Corridor Bus Rapid Transit Project (the "Project"). Each party further waives a Statement of Decision, Notice of Entry of Judgment, costs, fees, and the right to appeal from Judgment after entry.

Dated: _____, 2011

NOSSAMAN LLP

By: _____
Rick E. Rayl
Bradford B. Kuhn
Attorneys for Plaintiff SAN BERNARDINO ASSOCIATED GOVERNMENTS, a Joint Powers Authority, acting as the SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION

Dated: _____, 2011

LEWIS BRISBOIS BISGAARD & SMITH_

By: _____
Karen Feld
Attorneys for Defendant SAN BERNARDINO JOINT POWERS FINANCING AUTHORITY

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A Joint Powers Authority, acting as the SAN BERNARDINO
COUNTY TRANSPORTATION COMMISSION

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

SAN BERNARDINO ASSOCIATED GOVERNMENTS, a Joint Powers Authority, acting as the SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION,

Plaintiff,

vs.

SAN BERNARDINO JOINT POWERS FINANCING AUTHORITY; DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA; DEPARTMENT OF TRANSPORTATION OF THE STATE OF CALIFORNIA; FERNANDO LOPEZ, an individual, dba FERNANDO'S FINE FOODS; DOES 1 Through 100, Inclusive; and ALL PERSONS UNKNOWN CLAIMING ANY TITLE OR INTEREST IN OR TO THE PROPERTY DESCRIBED HEREIN,

Defendants.

Case No: CIVDS 1106942

ASSIGNED FOR ALL PURPOSES TO: JUDGE DAVID COHN, DEPT S35

[PROPOSED] FINAL JUDGMENT IN CONDEMNATION

[Parcel No. B-120]

[EXEMPT FROM FILING FEES - GOV. CODE, § 6103]

Plaintiff San Bernardino Associated Governments, acting as the San Bernardino County Transportation Commission ("SANBAG") and Defendant San Bernardino Joint Powers Financing Authority ("Defendant"), having previously stipulated to the facts, terms and conditions set forth herein and having requested the Court to make and enter Final Judgment in Condemnation consistent with such stipulation with respect to the condemnation by SANBAG of the real property or interests in real property as described in Paragraph 1 below, and the parties having waived a Statement of Decision, Notice of Entry of Judgment, costs and fees;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. **The Property**. SANBAG commenced the above entitled eminent domain action to acquire a portion of the property described as Assessor's Parcel Number 0134-151-32, located at the northeastern corner of North E Street and 4th Street, San Bernardino, California, and more particularly described as SANBAG Parcel Number B-120, consisting of a permanent easement of approximately 996 square feet, along with a temporary construction easement of approximately 654 square feet, as described in SANBAG's complaint on file in this matter and in Exhibit A attached to this Judgment ("Subject Property").

2. **Purpose and Authority for the Taking**. Pursuant to a Resolution of Necessity attached to the complaint on file in this action, the Subject Property is being acquired for a public purpose: the construction and operation of the sbX E-Street Corridor Bus Rapid Transit Project ("Project"). SANBAG is authorized and entitled to exercise the power of eminent domain for public purposes under Article I, Section 19, of the California Constitution, California Public Utilities Code section 130220.5, and California Code of Civil Procedure sections 1240.010 through 1273.050. The use for which SANBAG seeks to condemn the Subject Property in connection with the Project is authorized by law and is a public use; the public interest, safety, and necessity require the Project; the Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; and the Subject Property is necessary for the Project.

3. **Ownership.** Title to the Subject Property is held by Defendant. No other party or person has an interest in the Subject Property or the compensation to be paid for the taking of the Subject Property. In particular:

(a) Defendant Department of General Services of the State of California is believed to be a tenant on the Subject Property. Said defendant was served with the complaint in eminent domain on June 7, 2011, and after failing to appear in the action, a request for entry of default was filed on September 12, 2011. Said defendant has no interest in the compensation to be paid as a result of the taking of the Subject Property.

(b) Defendant the People of the State of California, acting by and through the Department of Transportation, is a tenant on the Subject Property. Said defendant executed a disclaimer of interest on December 7, 2011, disclaiming any interest in the compensation to be paid as a result of the taking of the Subject Property.

(c) Defendant Fernando Lopez, an individual, doing business as Fernando's Fine Foods, was believed to be a tenant on the Subject Property, but is no longer a tenant, and a dismissal as to this defendant was filed on June 17, 2011. Said defendant has no interest in the compensation to be paid as a result of the taking of the Subject Property.

4. **Deposit of Compensation and Possession.** On April 15, 2011, SANBAG deposited with the State Treasurer $25,600.00 as the probable amount of compensation to be paid for the taking of the Subject Property. Pursuant to the Court's entry of an order for prejudgment possession, SANBAG is authorized and empowered to immediately enter upon and take prejudgment possession of the Subject Property for the purposes described in SANBAG's Complaint on file in this action. The term of the temporary construction easement acquired by SANBAG shall not begin to run until seven (7) days from the date upon which SANBAG or its authorized representative provides the Defendant with written notice of its intent to commence construction utilizing the temporary construction easement. The temporary construction easement shall be valid for a period of not more than six (6) months.

5. **Just Compensation for the Subject Property**. The total sum to be paid as just compensation for the taking of Defendant's interest in the Subject Property shall be of Thirty Thousand Six Hundred and no/100 Dollars ($30,600.00), inclusive of attorneys' fees, costs, and interest. Said

payment shall equal the total amount of just compensation to Defendant for the Subject Property and all other claims and damages which Defendant could have as a result of this action, the acquisition of the Subject Property, and the construction of the Project, including, but not limited to, severance damages, loss of goodwill, loss of or damage to improvements pertaining to the realty, fixtures, equipment, and/or inventory, precondemnation damages, claims for attorneys' fees, litigation expenses, statutory costs, interest, relocation benefits and/or costs, and any and all other kinds of compensation, damage, or other claims arising out of or relating to the taking of the Subject Property or construction of the Project. Payment of such sum shall fully and forever discharge and release all claims and causes of action, whether now known or now unknown, which Defendant may have against SANBAG in this action.

6. **Payment and Interest Earned on Deposit**. The $25,600.00 on deposit shall be paid to Defendant, and the California State Treasurer is hereby ordered to disburse the $25,600.00 to:

San Bernardino Joint Powers Financing Authority
c/o Lewis Brisbois Bisgaard & Smith LLP
650 E. Hospitality Lane, Suite 600
San Bernardino, CA 92408
Attention: Karen Feld

SANBAG shall pay Defendant the remaining $5,000.00 outside of court within thirty (30) days of entry of this Judgment. SANBAG shall be entitled to all interest accrued on the $25,600.00 previously deposited in this action in the California State Treasury.

7. **Entry of Final Order of Condemnation**. Upon payment of just compensation as described above, the Court may, upon application of SANBAG and without further notice to Defendant, enter a Final Order of Condemnation which condemns the Subject Property and conveys title to the Subject Property to SANBAG.

DATED: _____ _____

JUDGE OF THE SUPERIOR COURT

CITY OF SAN BERNARDINO
SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)
ACRONYM LIST

AB	Assembly Bill
ACU	Arrowhead Credit Union
ADA	Americans with Disabilities Act
AHS	Affordable Housing Solutions
ARR	Acquisition, Rehabilitation & Resale
CCE	Central City East Project Area
CCW	Central City West Project Area
CCN	Central City North Project Area
CCS	Central City South Project Area
CDBG	Community Development Block Grant
CDC	Community Development Commission
CIP	Capital Improvement Project
CMB	California Military Base Export
COP	Certificate of Participation
CPUC	California Public Utilities Commission
CSUSB	California State University San Bernardino
CW	City Wide
DDA	Disposition & Development Agreement
DGS	Department of General Services
DOF	State Department of Finance
EDA	Economic Development Agency
EIR	Environmental Impact Report
EOPS	Eligible Obligation Payment Schedule
EPA	Environmental Protection Agency
ERN	Exclusive Right to Negotiate Agreement
ESG	Emergency Shelter Grant
HCD	State Housing & Community Development
HPRP	Homelessness Prevention & Rapid Re-Housing Program
HUD	US Department of Housing & Urban Development
HVAC	Heating, Ventilation and Air Conditioning
IP	Implementation Plan
IHDC	Inland Housing Development Corporation
IVDA	Inland Valley Development Agency
LED	Light Emitting Diode
LM	Low Moderate Income
LMIHF	Low Moderate Income Housing Fund

CITY OF SAN BERNARDINO
SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)
ACRONYM LIST

MCC	Mayor and Common Council
M/CC	Merged Central City Projects (Meadowbrook Central City) Project Area
MECH	Mary Erickson Community Housing
MHP	Mobile Home Park
MTV	Mount Vernon Project Area
NHSIE	Neighborhood Housing Services of the Inland Empire
NOFA	Notice of Funding Availability
NW	Northwest Project Area
NSP	Neighborhood Stabilization Program
OBD	Office of Business Development
OPA	Owner's Participation Agreement
OSCF	Orphan Site Clean-up Fund
PA	Project Area
PBID	Parking and Business Improvement District Taxes
PO	Purchase Order
RDA	Redevelopment Agency
RFP	Request for Proposals
RFQ	Request for Qualifications
ROPS	Recognized Obligation Payment Schedule
RPTTF	Redevelopment Property Tax Trust Fund
RSG	Rosenow, Spevacek Group
S108	Section 108 Loan
SANBAG	San Bernardino Associated Governments
SBEDC	San Bernardino Economic Development Corporation
SBJPFA	San Bernardino Joint Powers Financing Authority
SC	State College Project Area
SEIP	South East Industrial Park Project Area
SFR	Single Family Residence
SV	South Valle Project Area
TAB	Tax Allocation Bond
TBD	To Be Determined
TRI	Tri-City Project Area
TI	Tax Increment
TOD	Transit Oriented Development
UP	Uptown Project Area
40th	40th Street Project Area

Assembly Bill No. 26

CHAPTER 5

An act to amend Sections 33500, 33501, 33607.5, and 33607.7 of, and to add Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of, the Health and Safety Code, and to add Sections 97.401 and 98.2 to the Revenue and Taxation Code, relating to redevelopment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 28, 2011. Filed with Secretary of State June 29, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 26, Blumenfield. Community redevelopment.

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law provides that an action may be brought to review the validity of the adoption or amendment of a redevelopment plan by an agency, to review the validity of agency findings or determinations, and other agency actions.

This bill would revise the provisions of law authorizing an action to be brought against the agency to determine or review the validity of specified agency actions.

(2) Existing law also requires that if an agency ceases to function, any surplus funds existing after payment of all obligations and indebtedness vest in the community.

The bill would suspend various agency activities and prohibit agencies from incurring indebtedness commencing on the effective date of this act. Effective October 1, 2011, the bill would dissolve all redevelopment agencies and community development agencies in existence and designate successor agencies, as defined, as successor entities. The bill would impose various requirements on the successor agencies and subject successor agency actions to the review of oversight boards, which the bill would establish.

The bill would require county auditor-controllers to conduct an agreed-upon procedures audit of each former redevelopment agency by March 1, 2012. The bill would require the county auditor-controller to determine the amount of property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved and deposit this amount in a Redevelopment Property Tax Trust Fund in the county. Revenues in the trust fund would be allocated to various taxing entities in the county and to cover specified expenses of the former agency. By imposing additional duties upon local public officials, the bill would create a state-mandated local program.

(3) The bill would prohibit a redevelopment agency from issuing new bonds, notes, interim certificates, debentures, or other obligations if any legal challenge to invalidate a provision of this act is successful.

(4) The bill would appropriate $500,000 to the Department of Finance from the General Fund for administrative costs associated with the bill.

(5) The bill would provide that its provisions take effect only if specified legislation is enacted in the 2011–12 First Extraordinary Session of the Legislature.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(7) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

(8) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The economy and the residents of this state are slowly recovering from the worst recession since the Great Depression.

(b) State and local governments are still facing incredibly significant declines in revenues and increased need for core governmental services.

(c) Local governments across this state continue to confront difficult choices and have had to reduce fire and police protection among other services.

(d) Schools have faced reductions in funding that have caused school districts to increase class size and layoff teachers, as well as make other hurtful cuts.

(e) Redevelopment agencies have expanded over the years in this state. The expansion of redevelopment agencies has increasingly shifted property taxes away from services provided to schools, counties, special districts, and cities.

(f) Redevelopment agencies take in approximately 12 percent of all of the property taxes collected across this state.

(g) It is estimated that under current law, redevelopment agencies will divert $5 billion in property tax revenue from other taxing agencies in the 2011–12 fiscal year.

(h) The Legislature has all legislative power not explicitly restricted to it. The California Constitution does not require that redevelopment agencies must exist and, unlike other entities such as counties, does not limit the Legislature's control over that existence. Redevelopment agencies were created by statute and can therefore be dissolved by statute.

(i) Upon their dissolution, any property taxes that would have been allocated to redevelopment agencies will no longer be deemed tax increment. Instead, those taxes will be deemed property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agencies, with remaining balances allocated in accordance with applicable constitutional and statutory provisions.

(j) It is the intent of the Legislature to do all of the following in this act:

(1) Bar existing redevelopment agencies from incurring new obligations, prior to their dissolution.

(2) Allocate property tax revenues to successor agencies for making payments on indebtedness incurred by the redevelopment agency prior to its dissolution and allocate remaining balances in accordance with applicable constitutional and statutory provisions.

(3) Beginning October 1, 2011, allocate these funds according to the existing property tax allocation within each county to make the funds available for cities, counties, special districts, and school and community college districts.

(4) Require successor agencies to expeditiously wind down the affairs of the dissolved redevelopment agencies and to provide the successor agencies with limited authority that extends only to the extent needed to implement a winddown of redevelopment agency affairs.

SEC. 2. Section 33500 of the Health and Safety Code is amended to read:

33500. (a) Notwithstanding any other provision of law, including Section 33501, an action may be brought to review the validity of the adoption or amendment of a redevelopment plan at any time within 90 days after the date of the adoption of the ordinance adopting or amending the plan, if the adoption of the ordinance occurred prior to January 1, 2011.

(b) Notwithstanding any other provision of law, including Section 33501, an action may be brought to review the validity of any findings or determinations by the agency or the legislative body at any time within 90 days after the date on which the agency or the legislative body made those findings or determinations, if the findings or determinations occurred prior to January 1, 2011.

(c) Notwithstanding any other law, including Section 33501, an action may be brought to review the validity of the adoption or amendment of a

redevelopment plan at any time within two years after the date of the adoption of the ordinance adopting or amending the plan, if the adoption of the ordinance occurred after January 1, 2011.

(d) Notwithstanding any other law, including Section 33501, an action may be brought to review the validity of any findings or determinations by the agency or the legislative body at any time within two years after the date on which the agency or the legislative body made those findings or determinations, if the findings or determinations occurred after January 1, 2011.

SEC. 3. Section 33501 of the Health and Safety Code is amended to read:

33501. (a) An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of bonds and the redevelopment plan to be financed or refinanced, in whole or in part, by the bonds, or to determine the validity of a redevelopment plan not financed by bonds, including without limiting the generality of the foregoing, the legality and validity of all proceedings theretofore taken for or in any way connected with the establishment of the agency, its authority to transact business and exercise its powers, the designation of the survey area, the selection of the project area, the formulation of the preliminary plan, the validity of the finding and determination that the project area is predominantly urbanized, and the validity of the adoption of the redevelopment plan, and also including the legality and validity of all proceedings theretofore taken and (as provided in the bond resolution) proposed to be taken for the authorization, issuance, sale, and delivery of the bonds, and for the payment of the principal thereof and interest thereon.

(b) Notwithstanding subdivision (a), an action to determine the validity of a redevelopment plan, or amendment to a redevelopment plan that was adopted prior to January 1, 2011, may be brought within 90 days after the date of the adoption of the ordinance adopting or amending the plan.

(c) Any action that is commenced on or after January 1, 2011, which is brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity or legality of any issue, document, or action described in subdivision (a), may be brought within two years after any triggering event that occurred after January 1, 2011.

(d) For the purposes of protecting the interests of the state, the Attorney General and the Department of Finance are interested persons pursuant to Section 863 of the Code of Civil Procedure in any action brought with respect to the validity of an ordinance adopting or amending a redevelopment plan pursuant to this section.

(e) For purposes of contesting the inclusion in a project area of lands that are enforceably restricted, as that term is defined in Sections 422 and 422.5 of the Revenue and Taxation Code, or lands that are in agricultural use, as defined in subdivision (b) of Section 51201 of the Government Code, the Department of Conservation, the county agricultural commissioner, the

county farm bureau, the California Farm Bureau Federation, and agricultural entities and general farm organizations that provide a written request for notice, are interested persons pursuant to Section 863 of the Code of Civil Procedure, in any action brought with respect to the validity of an ordinance adopting or amending a redevelopment plan pursuant to this section.

SEC. 4. Section 33607.5 of the Health and Safety Code is amended to read:

33607.5. (a) (1) This section shall apply to each redevelopment project area that, pursuant to a redevelopment plan which contains the provisions required by Section 33670, is either: (A) adopted on or after January 1, 1994, including later amendments to these redevelopment plans; or (B) adopted prior to January 1, 1994, but amended, after January 1, 1994, to include new territory. For plans amended after January 1, 1994, only the tax increments from territory added by the amendment shall be subject to this section. All the amounts calculated pursuant to this section shall be calculated after the amount required to be deposited in the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 has been deducted from the total amount of tax increment funds received by the agency in the applicable fiscal year.

(2) The payments made pursuant to this section shall be in addition to any amounts the affected taxing entities receive pursuant to subdivision (a) of Section 33670. The payments made pursuant to this section to the affected taxing entities, including the community, shall be allocated among the affected taxing entities, including the community if the community elects to receive payments, in proportion to the percentage share of property taxes each affected taxing entity, including the community, receives during the fiscal year the funds are allocated, which percentage share shall be determined without regard to any amounts allocated to a city, a city and county, or a county pursuant to Sections 97.68 and 97.70 of the Revenue and Taxation Code, and without regard to any allocation reductions to a city, a city and county, a county, a special district, or a redevelopment agency pursuant to Sections 97.71, 97.72, and 97.73 of the Revenue and Taxation Code and Section 33681.12. The agency shall reduce its payments pursuant to this section to an affected taxing entity by any amount the agency has paid, directly or indirectly, pursuant to Section 33445, 33445.5, 33445.6, 33446, or any other provision of law other than this section for, or in connection with, a public facility owned or leased by that affected taxing agency, except: (A) any amounts the agency has paid directly or indirectly pursuant to an agreement with a taxing entity adopted prior to January 1, 1994; or (B) any amounts that are unrelated to the specific project area or amendment governed by this section. The reduction in a payment by an agency to a school district, community college district, or county office of education, or for special education, shall be subtracted only from the amount that otherwise would be available for use by those entities for educational facilities pursuant to paragraph (4). If the amount of the reduction exceeds the amount that otherwise would have been available for use for educational

facilities in any one year, the agency shall reduce its payment in more than one year.

(3) If an agency reduces its payment to a school district, community college district, or county office of education, or for special education, the agency shall do all of the following:

(A) Determine the amount of the total payment that would have been made without the reduction.

(B) Determine the amount of the total payment without the reduction which: (i) would have been considered property taxes; and (ii) would have been available to be used for educational facilities pursuant to paragraph (4).

(C) Reduce the amount available to be used for educational facilities.

(D) Send the payment to the school district, community college district, or county office of education, or for special education, with a statement that the payment is being reduced and including the calculation required by this subdivision showing the amount to be considered property taxes and the amount, if any, available for educational facilities.

(4) (A) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to school districts, 43.3 percent shall be considered to be property taxes for the purposes of paragraph (1) of subdivision (h) of Section 42238 of the Education Code, and 56.7 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(B) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to community college districts, 47.5 percent shall be considered to be property taxes for the purposes of Section 84751 of the Education Code, and 52.5 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(C) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to county offices of education, 19 percent shall be considered to be property taxes for the purposes of Section 2558 of the Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(D) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section for special education, 19 percent shall be considered to be property taxes for the purposes of Section 56712 of the

Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for education facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(E) If, pursuant to paragraphs (2) and (3), an agency reduces its payments to an educational entity, the calculation made by the agency pursuant to paragraph (3) shall determine the amount considered to be property taxes and the amount available to be used for educational facilities in the year the reduction was made.

(5) Local education agencies that use funds received pursuant to this section for school facilities shall spend these funds at schools that are: (A) within the project area, (B) attended by students from the project area, (C) attended by students generated by projects that are assisted directly by the redevelopment agency, or (D) determined by the governing board of a local education agency to be of benefit to the project area.

(b) Commencing with the first fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, including the community if the community elects to receive a payment, an amount equal to 25 percent of the tax increments received by the agency after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted. In any fiscal year in which the agency receives tax increments, the community that has adopted the redevelopment project area may elect to receive the amount authorized by this paragraph.

(c) Commencing with the 11th fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivision (b) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 21 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the first adjusted base year assessed value. The first adjusted base year assessed value is the assessed value of the project area in the 10th fiscal year in which the agency receives tax increment revenues.

(d) Commencing with the 31st fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivisions (b) and (c) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 14 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate

against the amount of assessed value by which the current year assessed value exceeds the second adjusted base year assessed value. The second adjusted base year assessed value is the assessed value of the project area in the 30th fiscal year in which the agency receives tax increments.

(e) (1) Prior to incurring any loans, bonds, or other indebtedness, except loans or advances from the community, the agency may subordinate to the loans, bonds, or other indebtedness the amount required to be paid to an affected taxing entity by this section, provided that the affected taxing entity has approved these subordinations pursuant to this subdivision.

(2) At the time the agency requests an affected taxing entity to subordinate the amount to be paid to it, the agency shall provide the affected taxing entity with substantial evidence that sufficient funds will be available to pay both the debt service and the payments required by this section, when due.

(3) Within 45 days after receipt of the agency's request, the affected taxing entity shall approve or disapprove the request for subordination. An affected taxing entity may disapprove a request for subordination only if it finds, based upon substantial evidence, that the agency will not be able to pay the debt payments and the amount required to be paid to the affected taxing entity. If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive.

(f) (1) The Legislature finds and declares both of the following:

(A) The payments made pursuant to this section are necessary in order to alleviate the financial burden and detriment that affected taxing entities may incur as a result of the adoption of a redevelopment plan, and payments made pursuant to this section will benefit redevelopment project areas.

(B) The payments made pursuant to this section are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan.

(2) Notwithstanding any other provision of law, a redevelopment agency shall not be required, either directly or indirectly, as a measure to mitigate a significant environmental effect or as part of any settlement agreement or judgment brought in any action to contest the validity of a redevelopment plan pursuant to Section 33501, to make any other payments to affected taxing entities, or to pay for public facilities that will be owned or leased to an affected taxing entity.

(g) As used in this section, a "local education agency" is a school district, a community college district, or a county office of education.

SEC. 5. Section 33607.7 of the Health and Safety Code is amended to read:

33607.7. (a) This section shall apply to a redevelopment plan amendment for any redevelopment plans adopted prior to January 1, 1994, that increases the limitation on the number of dollars to be allocated to the redevelopment agency or that increases, or eliminates pursuant to paragraph (1) of subdivision (e) of Section 33333.6, the time limit on the establishing of loans, advances, and indebtedness established pursuant to paragraphs (1)

and (2) of subdivision (a) of Section 33333.6, as those paragraphs read on December 31, 2001, or that lengthens the period during which the redevelopment plan is effective if the redevelopment plan being amended contains the provisions required by subdivision (b) of Section 33670. However, this section shall not apply to those redevelopment plans that add new territory.

(b) If a redevelopment agency adopts an amendment that is governed by the provisions of this section, it shall pay to each affected taxing entity either of the following:

(1) If an agreement exists that requires payments to the taxing entity, the amount required to be paid by an agreement between the agency and an affected taxing entity entered into prior to January 1, 1994.

(2) If an agreement does not exist, the amounts required pursuant to subdivisions (b), (c), (d), and (e) of Section 33607.5, until termination of the redevelopment plan, calculated against the amount of assessed value by which the current year assessed value exceeds an adjusted base year assessed value. The amounts shall be allocated between property taxes and educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance, according to the appropriate formula in paragraph (3) of subdivision (a) of Section 33607.5. In determining the applicable amount under Section 33607.5, the first fiscal year shall be the first fiscal year following the fiscal year in which the adjusted base year value is determined.

(c) The adjusted base year assessed value shall be the assessed value of the project area in the year in which the limitation being amended would have taken effect without the amendment or, if more than one limitation is being amended, the first year in which one or more of the limitations would have taken effect without the amendment. The agency shall commence making these payments pursuant to the terms of the agreement, if applicable, or, if an agreement does not exist, in the first fiscal year following the fiscal year in which the adjusted base year value is determined.

SEC. 6. Part 1.8 (commencing with Section 34161) is added to Division 24 of the Health and Safety Code, to read:

PART 1.8. RESTRICTIONS ON REDEVELOPMENT AGENCY OPERATIONS

CHAPTER 1. SUSPENSION OF AGENCY ACTIVITIES AND PROHIBITION ON CREATION OF NEW DEBTS

34161. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, no agency shall incur new or expand existing monetary or legal obligations except as provided in this

part. All of the provisions of this part shall take effect and be operative on the effective date of the act adding this part.

34162. (a) Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this act, an agency shall be unauthorized and shall not take any action to incur indebtedness, including, but not limited to, any of the following:

(1) Issue or sell bonds, for any purpose, regardless of the source of repayment of the bonds. As used in this section, the term "bonds," includes, but is not limited to, any bonds, notes, bond anticipation notes, interim certificates, debentures, certificates of participation, refunding bonds, or other obligations issued by an agency pursuant to Part 1 (commencing with Section 33000), and Section 53583 of the Government Code, pursuant to any charter city authority or any revenue bond law.

(2) Incur indebtedness payable from prohibited sources of repayment, which include, but are not limited to, income and revenues of an agency's redevelopment projects, taxes allocated to the agency, taxes imposed by the agency pursuant to Section 7280.5 of the Revenue and Taxation Code, assessments imposed by the agency, loan repayments made to the agency pursuant to Section 33746, fees or charges imposed by the agency, other revenues of the agency, and any contributions or other financial assistance from the state or federal government.

(3) Refund, restructure, or refinance indebtedness or obligations that existed as of January 1, 2011, including, but not limited to, any of the following:

(A) Refund bonds previously issued by the agency or by another political subdivision of the state, including, but not limited to, those issued by a city, a housing authority, or a nonprofit corporation acting on behalf of a city or a housing authority.

(B) Exercise the right of optional redemption of any of its outstanding bonds or elect to purchase any of its own outstanding bonds.

(C) Modify or amend the terms and conditions, payment schedules, amortization or maturity dates of any of the agency's bonds or other obligations that are outstanding or exist as of January 1, 2011.

(4) Take out or accept loans or advances, for any purpose, from the state or the federal government, any other public agency, or any private lending institution, or from any other source. For purposes of this section, the term "loans" include, but are not limited to, agreements with the community or any other entity for the purpose of refinancing a redevelopment project and moneys advanced to the agency by the community or any other entity for the expenses of redevelopment planning, expenses for dissemination of redevelopment information, other administrative expenses, and overhead of the agency.

(5) Execute trust deeds or mortgages on any real or personal property owned or acquired by it.

(6) Pledge or encumber, for any purpose, any of its revenues or assets. As used in this part, an agency's "revenues and assets" include, but are not limited to, agency tax revenues, redevelopment project revenues, other agency revenues, deeds of trust and mortgages held by the agency, rents, fees, charges, moneys, accounts receivable, contracts rights, and other rights to payment of whatever kind or other real or personal property. As used in this part, to "pledge or encumber" means to make a commitment of, by the grant of a lien on and a security interest in, an agency's revenues or assets, whether by resolution, indenture, trust agreement, loan agreement, lease, installment sale agreement, reimbursement agreement, mortgage, deed of trust, pledge agreement, or similar agreement in which the pledge is provided for or created.

(b) Any actions taken that conflict with this section are void from the outset and shall have no force or effect.

(c) Notwithstanding subdivision (a), a redevelopment agency may issue refunding bonds, which are referred to in this part as Emergency Refunding Bonds, only where all of the following conditions are met:

(1) The issuance of Emergency Refunding Bonds is the only means available to the agency to avoid a default on outstanding agency bonds.

(2) Both the county treasurer and the Treasurer have approved the issuance of Emergency Refunding Bonds.

(3) Emergency Refunding Bonds are issued only to provide funds for any single debt service payment that is due prior to October 1, 2011, and that is more than 20 percent larger than a level debt service payment would be for that bond.

(4) The principal amount of outstanding agency bonds is not increased.

34163. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall not have the authority to, and shall not, do any of the following:

(a) Make loans or advances or grant or enter into agreements to provide funds or provide financial assistance of any sort to any entity or person for any purpose, including, but not limited to, all of the following:

(1) Loans of moneys or any other thing of value or commitments to provide financing to nonprofit organizations to provide those organizations with financing for the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing or the acquisition of commercial property for lease, each pursuant to Chapter 7.5 (commencing with Section 33741) of Part 1.

(2) Loans of moneys or any other thing of value for residential construction, improvement, or rehabilitation pursuant to Chapter 8 (commencing with Section 33750) of Part 1. These include, but are not limited to, construction loans to purchasers of residential housing, mortgage loans to purchasers of residential housing, and loans to mortgage lenders, or any other entity, to aid in financing pursuant to Chapter 8 (commencing with Section 33750).

(3) The purchase, by an agency, of mortgage or construction loans from mortgage lenders or from any other entities.

(b) Enter into contracts with, incur obligations, or make commitments to, any entity, whether governmental, tribal, or private, or any individual or groups of individuals for any purpose, including, but not limited to, loan agreements, passthrough agreements, regulatory agreements, services contracts, leases, disposition and development agreements, joint exercise of powers agreements, contracts for the purchase of capital equipment, agreements for redevelopment activities, including, but not limited to, agreements for planning, design, redesign, development, demolition, alteration, construction, reconstruction, rehabilitation, site remediation, site development or improvement, removal of graffiti, land clearance, and seismic retrofits.

(c) Amend or modify existing agreements, obligations, or commitments with any entity, for any purpose, including, but not limited to, any of the following:

(1) Renewing or extending term of leases or other agreements, except that the agency may extend lease space for its own use to a date not to exceed six months after the effective date of the act adding this part and for a rate no more than 5 percent above the rate the agency currently pays on a monthly basis.

(2) Modifying terms and conditions of existing agreements, obligations, or commitments.

(3) Forgiving all or any part of the balance owed to the agency on existing loans or extend the term or change the terms and conditions of existing loans.

(4) Increasing its deposits to the Low and Moderate Income Housing Fund created pursuant to Section 33334.3 beyond the minimum level that applied to it as of January 1, 2011.

(5) Transferring funds out of the Low and Moderate Income Housing Fund, except to meet the minimum housing-related obligations that existed as of January 1, 2011, to make required payments under Sections 33690 and 33690.5, and to borrow funds pursuant to Section 34168.5.

(d) Dispose of assets by sale, long-term lease, gift, grant, exchange, transfer, assignment, or otherwise, for any purpose, including, but not limited to, any of the following:

(1) Assets, including, but not limited to, real property, deeds of trust, and mortgages held by the agency, moneys, accounts receivable, contract rights, proceeds of insurance claims, grant proceeds, settlement payments, rights to receive rents, and any other rights to payment of whatever kind.

(2) Real property, including, but not limited to, land, land under water and waterfront property, buildings, structures, fixtures, and improvements on the land, any property appurtenant to, or used in connection with, the land, every estate, interest, privilege, easement, franchise, and right in land, including rights-of-way, terms for years, and liens, charges, or encumbrances by way of judgment, mortgage, or otherwise, and the indebtedness secured by the liens.

(e) Acquire real property by any means for any purpose, including, but not limited to, the purchase, lease, or exercising of an option to purchase or lease, exchange, subdivide, transfer, assume, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise acquire any real property, any interest in real property, and any improvements on it, including the repurchase of developed property previously owned by the agency and the acquisition of real property by eminent domain; provided, however, that nothing in this subdivision is intended to prohibit the acceptance or transfer of title for real property acquired prior to the effective date of this part.

(f) Transfer, assign, vest, or delegate any of its assets, funds, rights, powers, ownership interests, or obligations for any purpose to any entity, including, but not limited to, the community, the legislative body, another member of a joint powers authority, a trustee, a receiver, a partner entity, another agency, a nonprofit corporation, a contractual counterparty, a public body, a limited-equity housing cooperative, the state, a political subdivision of the state, the federal government, any private entity, or an individual or group of individuals.

(g) Accept financial or other assistance from the state or federal government or any public or private source if the acceptance necessitates or is conditioned upon the agency incurring indebtedness as that term is described in this part.

34164. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall lack the authority to, and shall not, engage in any of the following redevelopment activities:

(a) Prepare, approve, adopt, amend, or merge a redevelopment plan, including, but not limited to, modifying, extending, or otherwise changing the time limits on the effectiveness of a redevelopment plan.

(b) Create, designate, merge, expand, or otherwise change the boundaries of a project area.

(c) Designate a new survey area or modify, extend, or otherwise change the boundaries of an existing survey area.

(d) Approve or direct or cause the approval of any program, project, or expenditure where approval is not required by law.

(e) Prepare, formulate, amend, or otherwise modify a preliminary plan or cause the preparation, formulation, modification, or amendment of a preliminary plan.

(f) Prepare, formulate, amend, or otherwise modify an implementation plan or cause the preparation, formulation, modification, or amendment of an implementation plan.

(g) Prepare, formulate, amend, or otherwise modify a relocation plan or cause the preparation, formulation, modification, or amendment of a relocation plan where approval is not required by law.

(h) Prepare, formulate, amend, or otherwise modify a redevelopment housing plan or cause the preparation, formulation, modification, or amendment of a redevelopment housing plan.

(i) Direct or cause the development, rehabilitation, or construction of housing units within the community, unless required to do so by an enforceable obligation.

(j) Make or modify a declaration or finding of blight, blighted areas, or slum and blighted residential areas.

(k) Make any new findings or declarations that any areas of blight cannot be remedied or redeveloped by private enterprise alone.

(*l*) Provide or commit to provide relocation assistance, except where the provision of relocation assistance is required by law.

(m) Provide or commit to provide financial assistance.

34165. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall lack the authority to, and shall not, do any of the following:

(a) Enter into new partnerships, become a member in a joint powers authority, form a joint powers authority, create new entities, or become a member of any entity of which it is not currently a member, nor take on nor agree to any new duties or obligations as a member or otherwise of any entity to which the agency belongs or with which it is in any way associated.

(b) Impose new assessments pursuant to Section 7280.5 of the Revenue and Taxation Code.

(c) Increase the pay, benefits, or contributions of any sort for any officer, employee, consultant, contractor, or any other goods or service provider that had not previously been contracted.

(d) Provide optional or discretionary bonuses to any officers, employees, consultants, contractors, or any other service or goods providers.

(e) Increase numbers of staff employed by the agency beyond the number employed as of January 1, 2011.

(f) Bring an action pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of any issuance or proposed issuance of revenue bonds under this chapter and the legality and validity of all proceedings previously taken or proposed in a resolution of an agency to be taken for the authorization, issuance, sale, and delivery of the revenue bonds and for the payment of the principal thereof and interest thereon.

(g) Begin any condemnation proceeding or begin the process to acquire real property by eminent domain.

(h) Prepare or have prepared a draft environmental impact report. This subdivision shall not alter or eliminate any requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

34166. No legislative body or local governmental entity shall have any statutory authority to create or otherwise establish a new redevelopment

agency or community development commission. No chartered city or chartered county shall exercise the powers granted in Part 1 (commencing with Section 33000) to create or otherwise establish a redevelopment agency.

34167. (a) This part is intended to preserve, to the maximum extent possible, the revenues and assets of redevelopment agencies so that those assets and revenues that are not needed to pay for enforceable obligations may be used by local governments to fund core governmental services including police and fire protection services and schools. It is the intent of the Legislature that redevelopment agencies take no actions that would further deplete the corpus of the agencies' funds regardless of their original source. All provisions of this part shall be construed as broadly as possible to support this intent and to restrict the expenditure of funds to the fullest extent possible.

(b) For purposes of this part, "agency" or "redevelopment agency" means a redevelopment agency created or formed pursuant to Part 1 (commencing with Section 33000) or its predecessor or a community development commission created or formed pursuant to Part 1.7 (commencing with Section 34100) or its predecessor.

(c) Nothing in this part in any way impairs the authority of a community development commission, other than in its authority to act as a redevelopment agency, to take any actions in its capacity as a housing authority or for any other community development purpose of the jurisdiction in which it operates.

(d) For purposes of this part, "enforceable obligation" means any of the following:

(1) Bonds, as defined by Section 33602 and bonds issued pursuant to Section 5850 of the Government Code, including the required debt service, reserve set-asides and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the redevelopment agency.

(2) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, including, but not limited to, moneys borrowed from the Low and Moderate Income Housing Fund, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(3) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, and unemployment payments.

(4) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.

(5) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.

(6) Contracts or agreements necessary for the continued administration or operation of the redevelopment agency to the extent permitted by this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.

(e) To the extent that any provision of Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100) conflicts with this part, the provisions of this part shall control. Further, if any provision in Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100) provides an authority that this part is restricting or eliminating, the restriction and elimination provisions of this part shall control.

(f) Nothing in this part shall be construed to interfere with a redevelopment agency's authority, pursuant to enforceable obligations as defined in this chapter, to (1) make payments due, (2) enforce existing covenants and obligations, or (3) perform its obligations.

(g) The existing terms of any memorandum of understanding with an employee organization representing employees of a redevelopment agency adopted pursuant to the Meyers-Milias-Brown Act that is in force on the effective date of this part shall continue in force until September 30, 2011, unless a new agreement is reached with a recognized employee organization prior to that date.

(h) After the enforceable obligation payment schedule is adopted pursuant to Section 34169, or after 60 days from the effective date of this part, whichever is sooner, the agency shall not make a payment unless it is listed in an adopted enforceable obligation payment schedule, other than payments required to meet obligations with respect to bonded indebtedness.

(i) The Department of Finance and the Controller shall each have the authority to require any documents associated with the enforceable obligations to be provided to them in a manner of their choosing. Any taxing entity, the department, and the Controller shall each have standing to file a judicial action to prevent a violation under this part and to obtain injunctive or other appropriate relief.

(j) For purposes of this part, "auditor-controller" means the officer designated in subdivision (e) of Section 24000 of the Government Code.

34167.5. Commencing on the effective date of the act adding this part, the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency. If such an asset transfer did occur during that period and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the

extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170). Upon receiving such an order from the Controller, an affected local agency shall, as soon as practicable, reverse the transfer and return the applicable assets to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170). The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in the furtherance of the Community Redevelopment Law and is thereby unauthorized.

34168. (a) Notwithstanding any other law, any action contesting the validity of this part or Part 1.85 (commencing with Section 34170) or challenging acts taken pursuant to these parts shall be brought in the Superior Court of the County of Sacramento.

(b) If any provision of this part or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this part which can be given effect without the invalid provision or application, and to this end, the provisions of this part are severable.

Chapter 2. Redevelopment Agency Responsibilities

34169. Until successor agencies are authorized pursuant to Part 1.85 (commencing with Section 34170), redevelopment agencies shall do all of the following:

(a) Continue to make all scheduled payments for enforceable obligations, as defined in subdivision (d) of Section 34167.

(b) Perform obligations required pursuant to any enforceable obligations, including, but not limited to, observing covenants for continuing disclosure obligations and those aimed at preserving the tax-exempt status of interest payable on any outstanding agency bonds.

(c) Set aside or maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Consistent with the intent declared in subdivision (a) of Section 34167, preserve all assets, minimize all liabilities, and preserve all records of the redevelopment agency.

(e) Cooperate with the successor agencies, if established pursuant to Part 1.85 (commencing with Section 34170), and provide all records and information necessary or desirable for audits, making of payments required by enforceable obligations, and performance of enforceable obligations by the successor agencies.

(f) Take all reasonable measures to avoid triggering an event of default under any enforceable obligations as defined in subdivision (d) of Section 34167.

(g) (1) Within 60 days of the effective date of this part, adopt an Enforceable Obligation Payment Schedule that lists all of the obligations that are enforceable within the meaning of subdivision (d) of Section 34167 which includes the following information about each obligation:

(A) The project name associated with the obligation.

(B) The payee.

(C) A short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made.

(D) The amount of payments obligated to be made, by month, through December 2011.

(2) Payment schedules for issued bonds may be aggregated, and payment schedules for payments to employees may be aggregated. This schedule shall be adopted at a public meeting and shall be posted on the agency's Internet Web site or, if no Internet Web site exists, on the Internet Web site of the legislative body, if that body has an Internet Web site. The schedule may be amended at any public meeting of the agency. Amendments shall be posted to the Internet Web site for at least three business days before a payment may be made pursuant to an amendment. The Enforceable Obligation Payment Schedule shall be transmitted by mail or electronic means to the county auditor-controller, the Controller, and the Department of Finance. A notification providing the Internet Web site location of the posted schedule and notifications of any amendments shall suffice to meet this requirement.

(h) Prepare a preliminary draft of the initial recognized obligation payment schedule, no later than September 30, 2011, and provide it to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170).

(i) The Department of Finance may review a redevelopment agency action taken pursuant to subdivision (g) or (h). As such, all agency actions shall not be effective for three business days, pending a request for review by the department. Each agency shall designate an official to whom the department may make these requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given agency action, the department shall have 10 days from the date of its request to approve the agency action or return it to the agency for reconsideration and this action shall not be effective until approved by the department. In the event that the department returns the agency action to the agency for reconsideration, the agency must resubmit the modified action for department approval and the modified action shall not become effective until approved by the department. This subdivision shall apply to a successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170), as a successor entity to a dissolved redevelopment agency, with

respect to the preliminary draft of the initial recognized obligation payment schedule.

Chapter 3. Application of Part to Former Participants of the Alternative Voluntary Redevelopment Program

34169.5. (a) It is the intent of the Legislature that a redevelopment agency, that formerly operated pursuant to the Alternative Voluntary Redevelopment Program (Part 1.9 (commencing with Section 34192)), but that becomes subject to this part pursuant to Section 34195, shall be subject to all of the requirements of this part, except that dates and deadlines shall be appropriately modified, as provided in this section, to reflect the date that the agency becomes subject to this part.

(b) For purposes of a redevelopment agency that becomes subject to this part pursuant to Section 34195, the following shall apply:

(1) Any reference to "January 1, 2011," shall be construed to mean January 1 of the year preceding the year that the redevelopment agency became subject to this part, but no earlier than January 1, 2011.

(2) Any reference to a date "60 days from the effective date of this part" shall be construed to mean 60 days from the date that the redevelopment agency becomes subject to this part.

(3) Except as provided in paragraphs (1) and (2), any reference to a date certain shall be construed to be the date, measured from the date that the redevelopment agency became subject to this part, that is equivalent to the duration of time between the effective date of this part and the date certain identified in statute.

SEC. 7. Part 1.85 (commencing with Section 34170) is added to Division 24 of the Health and Safety Code, to read:

PART 1.85. DISSOLUTION OF REDEVELOPMENT AGENCIES AND DESIGNATION OF SUCCESSOR AGENCIES

Chapter 1. Effective Date, Creation of Funds, and Definition of Terms

34170. (a) Unless otherwise specified, all provisions of this part shall become operative on October 1, 2011.

(b) If any provision of this part or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application, and to this end, the provisions of this part are severable.

34170.5. (a) The successor agency shall create within its treasury a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

(b) The county auditor-controller shall create within the county treasury a Redevelopment Property Tax Trust Fund for the property tax revenues related to each former redevelopment agency, for administration by the county auditor-controller.

34171. The following terms shall have the following meanings:

(a) "Administrative budget" means the budget for administrative costs of the successor agencies as provided in Section 34177.

(b) "Administrative cost allowance" means an amount that, subject to the approval of the oversight board, is payable from property tax revenues of up to 5 percent of the property tax allocated to the successor agency for the 2011–12 fiscal year and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency for each fiscal year thereafter; provided, however, that the amount shall not be less than two hundred fifty thousand dollars ($250,000) for any fiscal year or such lesser amount as agreed to by the successor agency. However, the allowance amount shall exclude any administrative costs that can be paid from bond proceeds or from sources other than property tax.

(c) "Designated local authority" shall mean a public entity formed pursuant to subdivision (d) of Section 34173.

(d) (1) "Enforceable obligation" means any of the following:

(A) Bonds, as defined by Section 33602 and bonds issued pursuant to Section 58383 of the Government Code, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency.

(B) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(C) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement.

(D) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.

(E) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy. However, nothing in this act shall prohibit either the successor agency, with the approval or at the direction of the oversight board, or the oversight board itself from terminating any existing agreements or contracts and providing

any necessary and required compensation or remediation for such termination.

(F) Contracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.

(G) Amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund of a redevelopment agency, which had been deferred as of the effective date of the act adding this part; provided, however, that the repayment schedule is approved by the oversight board.

(2) For purposes of this part, "enforceable obligation" does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency. However, written agreements entered into (A) at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and (B) solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations for purposes of this part. Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations.

(3) Contracts or agreements between the former redevelopment agency and other public agencies, to perform services or provide funding for governmental or private services or capital projects outside of redevelopment project areas that do not provide benefit to the redevelopment project and thus were not properly authorized under Part 1 (commencing with Section 33000) shall be deemed void on the effective date of this part; provided, however, that such contracts or agreements for the provision of housing properly authorized under Part 1 (commencing with Section 33000) shall not be deemed void.

(e) "Indebtedness obligations" means bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the redevelopment agency, or by a joint exercise of powers authority created by the redevelopment agency, to third-party investors or bondholders to finance or refinance redevelopment projects undertaken by the redevelopment agency in compliance with the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(f) "Oversight board" shall mean each entity established pursuant to Section 34179.

(g) "Recognized obligation" means an obligation listed in the Recognized Obligation Payment Schedule.

(h) "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177.

(i) "School entity" means any entity defined as such in subdivision (f) of Section 95 of the Revenue and Taxation Code.

(j) "Successor agency" means the county, city, or city and county that authorized the creation of each redevelopment agency or another entity as provided in Section 34173.

(k) "Taxing entities" means cities, counties, a city and county, special districts, and school entities, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, that receive passthrough payments and distributions of property taxes pursuant to the provisions of this part.

CHAPTER 2. EFFECT OF REDEVELOPMENT AGENCY DISSOLUTION

34172. (a) (1) All redevelopment agencies and redevelopment agency components of community development agencies created under Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100) that were in existence on the effective date of this part are hereby dissolved and shall no longer exist as a public body, corporate or politic. Nothing in this part dissolves or otherwise affects the authority of a community redevelopment commission, other than in its authority to act as a redevelopment agency, in its capacity as a housing authority or for any other community development purpose of the jurisdiction in which it operates. For those other nonredevelopment purposes, the community development commission derives its authority solely from federal or local laws, or from state laws other than the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(2) A community in which an agency has been dissolved under this section may not create a new agency pursuant to Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100). However, a community in which the agency has been dissolved and the successor entity has paid off all of the former agency's enforceable obligations may create a new agency pursuant to Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100), subject to the tax increment provisions contained in Chapter 3.5 (commencing with Section 34194.5) of Part 1.9 (commencing with Section 34192).

(b) All authority to transact business or exercise powers previously granted under the Community Redevelopment Law (Part 1 (commencing with Section 33000) is hereby withdrawn from the former redevelopment agencies.

(c) Solely for purposes of Section 16 of Article XVI of the California Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the dissolved redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness,

whether funded, refunded, assumed, or otherwise incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment projects of each redevelopment agency dissolved pursuant to this part.

(d) Revenues equivalent to those that would have been allocated pursuant to subdivision (b) of Section 16 of Article XVI of the California Constitution shall be allocated to the Redevelopment Property Tax Trust Fund of each successor agency for making payments on the principal of and interest on loans, and moneys advanced to or indebtedness incurred by the dissolved redevelopment agencies. Amounts in excess of those necessary to pay obligations of the former redevelopment agency shall be deemed to be property tax revenues within the meaning of subdivision (a) of Section 1 of Article XIII A of the California Constitution.

34173. (a) Successor agencies, as defined in this part, are hereby designated as successor entities to the former redevelopment agencies.

(b) Except for those provisions of the Community Redevelopment Law that are repealed, restricted, or revised pursuant to the act adding this part, all authority, rights, powers, duties, and obligations previously vested with the former redevelopment agencies, under the Community Redevelopment Law, are hereby vested in the successor agencies.

(c) (1) Where the redevelopment agency was in the form of a joint powers authority, and where the joint powers agreement governing the formation of the joint powers authority addresses the allocation of assets and liabilities upon dissolution of the joint powers authority, then each of the entities that created the former redevelopment agency may be a successor agency within the meaning of this part and each shall have a share of assets and liabilities based on the provisions of the joint powers agreement.

(2) Where the redevelopment agency was in the form of a joint powers authority, and where the joint powers agreement governing the formation of the joint powers authority does not address the allocation of assets and liabilities upon dissolution of the joint powers authority, then each of the entities that created the former redevelopment agency may be a successor agency within the meaning of this part, a proportionate share of the assets and liabilities shall be based on the assessed value in the project areas within each entity's jurisdiction, as determined by the county assessor, in its jurisdiction as compared to the assessed value of land within the boundaries of the project areas of the former redevelopment agency.

(d) (1) A city, county, city and county, or the entities forming the joint powers authority that authorized the creation of each redevelopment agency may elect not to serve as a successor agency under this part. A city, county, city and county, or any member of a joint powers authority that elects not to serve as a successor agency under this part must file a copy of a duly authorized resolution of its governing board to that effect with the county auditor-controller no later than one month prior to the effective date of this part.

(2) The determination of the first local agency that elects to become the successor agency shall be made by the county auditor-controller based on

the earliest receipt by the county auditor-controller of a copy of a duly adopted resolution of the local agency's governing board authorizing such an election. As used in this section, "local agency" means any city, county, city and county, or special district in the county of the former redevelopment agency.

(3) If no local agency elects to serve as a successor agency for a dissolved redevelopment agency, a public body, referred to herein as a "designated local authority" shall be immediately formed, pursuant to this part, in the county and shall be vested with all the powers and duties of a successor agency as described in this part. The Governor shall appoint three residents of the county to serve as the governing board of the authority. The designated local authority shall serve as successor agency until a local agency elects to become the successor agency in accordance with this section.

(e) The liability of any successor agency, acting pursuant to the powers granted under the act adding this part, 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.

34174. (a) Solely for the purposes of Section 16 of Article XVI of the California Constitution, commencing on the effective date of this part, all agency loans, advances, or indebtedness, and interest thereon, shall be deemed extinguished and paid; provided, however, that nothing herein is intended to absolve the successor agency of payment or other obligations due or imposed pursuant to the enforceable obligations; and provided further, that nothing in the act adding this part is intended to be construed as an action or circumstance that may give rise to an event of default under any of the documents governing the enforceable obligations.

(b) Nothing in this part, including, but not limited to, the dissolution of the redevelopment agencies, the designation of successor agencies, and the transfer of redevelopment agency assets and properties, shall be construed as a voluntary or involuntary insolvency of any redevelopment agency for purposes of the indenture, trust indenture, or similar document governing its outstanding bonds.

34175. (a) It is the intent of this part that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.

(b) All assets, properties, contracts, leases, books and records, buildings, and equipment of the former redevelopment agency are transferred on October 1, 2011, to the control of the successor agency, for administration pursuant to the provisions of this part. This includes all cash or cash equivalents and amounts owed to the redevelopment agency as of October 1, 2011.

34176. (a) The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency. If a city,

county, or city and county elects to retain the responsibility for performing housing functions previously performed by a redevelopment agency, all rights, powers, duties, and obligations, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, shall be transferred to the city, county, or city and county.

(b) If a city, county, or city and county does not elect to retain the responsibility for performing housing functions previously performed by a redevelopment agency, all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency, excluding any amounts in the Low and Moderate Income Housing Fund, shall be transferred as follows:

(1) Where there is no local housing authority in the territorial jurisdiction of the former redevelopment agency, to the Department of Housing and Community Development.

(2) Where there is one local housing authority in the territorial jurisdiction of the former redevelopment agency, to that local housing authority.

(3) Where there is more than one local housing authority in the territorial jurisdiction of the former redevelopment agency, to the local housing authority selected by the city, county, or city and county that authorized the creation of the redevelopment agency.

(c) Commencing on the operative date of this part, the entity assuming the housing functions formerly performed by the redevelopment agency may enforce affordability covenants and perform related activities pursuant to applicable provisions of the Community Redevelopment Law (Part 1 (commencing with Section 33000), including, but not limited to, Section 33418.

Chapter 3. Successor Agencies

34177. Successor agencies are required to do all of the following:

(a) Continue to make payments due for enforceable obligations.

(1) On and after October 1, 2011, and until a Recognized Obligation Payment Schedule becomes operative, only payments required pursuant to an enforceable obligations payment schedule shall be made. The initial enforceable obligation payment schedule shall be the last schedule adopted by the redevelopment agency under Section 34169. However, payments associated with obligations excluded from the definition of enforceable obligations by paragraph (2) of subdivision (e) of Section 34171 shall be excluded from the enforceable obligations payment schedule and be removed from the last schedule adopted by the redevelopment agency under Section 34169 prior to the successor agency adopting it as its enforceable obligations payment schedule pursuant to this subdivision. The enforceable obligation payment 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.

(2) The Department of Finance and the Controller shall each have the authority to require any documents associated with the enforceable obligations to be provided to them in a manner of their choosing. Any taxing entity, the department, and the Controller shall each have standing to file a judicial action to prevent a violation under this part and to obtain injunctive or other appropriate relief.

(3) Commencing on January 1, 2012, only those payments listed in the Recognized Obligation Payment Schedule may be made by the successor agency from the funds specified in the Recognized Obligation Payment Schedule. In addition, commencing January 1, 2012, the Recognized Obligation Payment Schedule shall supersede the Statement of Indebtedness, which shall no longer be prepared nor have any effect under the Community Redevelopment Law.

(4) Nothing in the act adding this part is to be construed as preventing a successor agency, with the prior approval of the oversight board, as described in Section 34179, from making payments for enforceable obligations from sources other than those listed in the Recognized Obligation Payment Schedule.

(5) From October 1, 2011, to July 1, 2012, a successor agency shall have no authority and is hereby prohibited from accelerating payment or making any lump-sum payments that are intended to prepay loans unless such accelerated repayments were required prior to the effective date of this part.

(b) Maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(c) Perform obligations required pursuant to any enforceable obligation.

(d) Remit unencumbered balances of redevelopment agency funds to the county auditor-controller for distribution to the taxing entities, including, but not limited to, the unencumbered balance of the Low and Moderate Income Housing Fund of a former redevelopment agency. In making the distribution, the county auditor-controller shall utilize the same methodology for allocation and distribution of property tax revenues provided in Section 34188.

(e) Dispose of assets and properties of the former redevelopment agency as directed by the oversight board; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181. The disposal is to be done expeditiously and in a manner aimed at maximizing value. Proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the oversight board, shall be transferred to the county auditor-controller for distribution as property tax proceeds under Section 34188.

(f) Enforce all former redevelopment agency rights for the benefit of the taxing entities, including, but not limited to, continuing to collect loans, rents, and other revenues that were due to the redevelopment agency.

(g) Effectuate transfer of housing functions and assets to the appropriate entity designated pursuant to Section 34176.

(h) Expeditiously wind down the affairs of the redevelopment agency pursuant to the provisions of this part and in accordance with the direction of the oversight board.

(i) Continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former redevelopment agency can be transferred to other parties. Bond proceeds shall be used for the purposes for which bonds were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds.

(j) Prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget shall include all of the following:

(1) Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.

(2) Proposed sources of payment for the costs identified in paragraph (1).

(3) Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

(k) Provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the county auditor-controller for each six-month fiscal period.

(l) (1) Before each six-month fiscal period, prepare a Recognized Obligation Payment Schedule in accordance with the requirements of this paragraph. For each recognized obligation, the Recognized Obligation Payment Schedule shall identify one or more of the following sources of payment:

(A) Low and Moderate Income Housing Fund.

(B) Bond proceeds.

(C) Reserve balances.

(D) Administrative cost allowance.

(E) The Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of this part.

(F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board in accordance with this part.

(2) A Recognized Obligation Payment Schedule shall not be deemed valid unless all of the following conditions have been met:

(A) A draft Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former redevelopment agency by November 1, 2011. From October 1, 2011, to July 1, 2012, the initial draft of that schedule shall project the dates and amounts of scheduled

payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had such a redevelopment agency not been dissolved, and shall be reviewed and certified, as to its accuracy, by an external auditor designated pursuant to Section 34182.

(B) The certified Recognized Obligation Payment Schedule is submitted to and duly approved by the oversight board.

(C) A copy of the approved Recognized Obligation Payment Schedule is submitted to the county auditor-controller and both the Controller's office and the Department of Finance and be posted on the successor agency's Internet Web site.

(3) The Recognized Obligation Payment Schedule shall be forward looking to the next six months. The first Recognized Obligation Payment Schedule shall be submitted to the Controller's office and the Department of Finance by December 15, 2011, for the period of January 1, 2012, to June 30, 2012, inclusive. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency.

34178. (a) Commencing on the operative date of this part, agreements, contracts, or arrangements between the city or county, or city and county that created the redevelopment agency and the redevelopment agency are invalid and shall not be binding on the successor agency; provided, however, that a successor entity wishing to enter or reenter into agreements with the city, county, or city and county that formed the redevelopment agency that it is succeeding may do so upon obtaining the approval of its oversight board.

(b) Notwithstanding subdivision (a), any of the following agreements are not invalid and may bind the successor agency:

(1) A duly authorized written agreement entered into at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and solely for the purpose of securing or repaying those indebtedness obligations.

(2) A written agreement between a redevelopment agency and the city, county, or city and county that created it that provided loans or other startup funds for the redevelopment agency that were entered into within two years of the formation of the redevelopment agency.

(3) A joint exercise of powers agreement in which the redevelopment agency is a member of the joint powers authority. However, upon assignment to the successor agency by operation of the act adding this part, the successor agency's rights, duties, and performance obligations under that joint exercise of powers agreement shall be limited by the constraints imposed on successor agencies by the act adding this part.

34178.7. For purposes of this chapter with regard to a redevelopment agency that becomes subject to this part pursuant to Section 34195, only references to "October 1, 2011," and to the "operative date of this part"

shall be modified in the manner described in Section 34191. All other dates shall be modified only as necessary to reflect the appropriate fiscal year or portion of a fiscal year.

CHAPTER 4. OVERSIGHT BOARDS

34179. (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before January 1, 2012. Members shall be selected as follows:

(1) One member appointed by the county board of supervisors.

(2) One member appointed by the mayor for the city that formed the redevelopment agency.

(3) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.

(4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public appointed by the county board of supervisors.

(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

(8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.

(9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.

(10) Where a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, where such appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by

property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city where such an appointment is subject to confirmation by the county board of supervisors, to represent the largest number of former redevelopment agency employees employed by the successor agency at that time.

(b) The Governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by January 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as oversight board members.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) The Department of Finance may review an oversight board action taken pursuant to the act adding this part. As such, all oversight board actions shall not be effective for three business days, pending a request for review by the department. Each oversight board shall designate an official to whom the department may make such requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given oversight board action, it shall have 10 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and such oversight board action shall not be effective until approved by the department. In the event that the department returns the

oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Commencing on and after July 1, 2016, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board appointed as follows:

(1) One member may be appointed by the county board of supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2016, or any member position that remains vacant for more than 60 days.

(*l*) Commencing on and after July 1, 2016, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (b).

(m) Any oversight board for a given successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

34180. All of the following successor agency actions shall first be approved by the oversight board:

(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part.

(b) Refunding of outstanding bonds or other debt of the former redevelopment agency by successor agencies in order to provide for savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated.

(c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Merging of project areas.

(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by the county assessor.

(g) Establishment of the Recognized Obligation Payment Schedule.

(h) A request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding.

(i) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

34181. The oversight board shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value.

(b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

(c) Transfer housing responsibilities and all rights, powers, duties, and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Section 34176.

(d) Terminate any agreement, between the dissolved redevelopment agency and any public entity located in the same county, obligating the redevelopment agency to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity, in any instance where the oversight board has found that early termination would be in the best interests of the taxing entities.

(e) Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of such agreements where it finds that amendments or early termination would be in the best interests of the taxing entities.

CHAPTER 5. DUTIES OF THE AUDITOR-CONTROLLER

34182. (a) (1) The county auditor-controller shall conduct or cause to be conducted an agreed-upon procedures audit of each redevelopment agency in the county that is subject to this part, to be completed by March 1, 2012.

(2) The purpose of the audits shall be to establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's passthrough payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation Payment Schedule.

(3) The county auditor-controller may charge the Redevelopment Property Tax Trust Fund for any costs incurred by the county auditor-controller pursuant to this part.

(b) By March 15, 2012, the county auditor-controller shall provide the Controller's office a copy of all audits performed pursuant to this section. The county auditor-controller shall maintain a copy of all documentation and working papers for use by the Controller.

(c) (1) The county auditor-controller shall determine the amount of property taxes that would have been allocated to each redevelopment agency in the county had the redevelopment agency not been dissolved pursuant to the operation of the act adding this part. These amounts are deemed property tax revenues within the meaning of subdivision (a) of Section 1 of Article XIII A of the California Constitution and are available for allocation and distribution in accordance with the provisions of the act adding this part.

The county auditor-controller shall calculate the property tax revenues using current assessed values on the last equalized roll on August 20, pursuant to Section 2052 of the Revenue and Taxation Code, and pursuant to statutory formulas or contractual agreements with other taxing agencies, as of the effective date of this section, and shall deposit that amount in the Redevelopment Property Tax Trust Fund.

(2) Each county auditor-controller shall administer the Redevelopment Property Tax Trust Fund for the benefit of the holders of former redevelopment agency enforceable obligations and the taxing entities that receive passthrough payments and distributions of property taxes pursuant to this part.

(3) In connection with the allocation and distribution by the county auditor-controller of property tax revenues deposited in the Redevelopment Property Tax Trust Fund, in compliance with this part, the county auditor-controller shall prepare estimates of amounts to be allocated and distributed, and provide those estimates to both the entities receiving the distributions and the Department of Finance, no later than November 1 and May 1 of each year.

(4) Each county auditor-controller shall disburse proceeds of asset sales or reserve balances, which have been received from the successor entities pursuant to Sections 34177 and 34187, to the taxing entities. In making such a distribution, the county auditor-controller shall utilize the same methodology for allocation and distribution of property tax revenues provided in Section 34188.

(d) By October 1, 2012, the county auditor-controller shall report the following information to the Controller's office and the Director of Finance:

(1) The sums of property tax revenues remitted to the Redevelopment Property Tax Trust Fund related to each former redevelopment agency.

(2) The sums of property tax revenues remitted to each agency under paragraph (1) of subdivision (a) of Section 34183.

(3) The sums of property tax revenues remitted to each successor agency pursuant to paragraph (2) of subdivision (a) of Section 34183.

(4) The sums of property tax revenues paid to each successor agency pursuant to paragraph (3) of subdivision (a) of Section 34183.

(5) The sums paid to each city, county, and special district, and the total amount allocated for schools pursuant to paragraph (4) of subdivision (a) of Section 34183.

(6) Any amounts deducted from other distributions pursuant to subdivision (b) of Section 34183.

(e) A county auditor-controller may charge the Redevelopment Property Tax Trust Fund for the costs of administering the provisions of this part.

(f) The Controller may audit and review any county auditor-controller action taken pursuant to the act adding this part. As such, all county auditor-controller actions shall not be effective for three business days, pending a request for review by the Controller. In the event that the Controller requests a review of a given county auditor-controller action, he or she shall have 10 days from the date of his or her request to approve the

county auditor-controller's action or return it to the county auditor-controller for reconsideration and such county auditor-controller action shall not be effective until approved by the Controller. In the event that the Controller returns the county auditor-controller's action to the county auditor-controller for reconsideration, the county auditor-controller must resubmit the modified action for Controller approval and such modified county auditor-controller action shall not become effective until approved by the Controller.

34183. (a) Notwithstanding any other law, from October 1, 2011, to July 1, 2012, and for each fiscal year thereafter, the county auditor-controller shall, after deducting administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, allocate moneys in each Redevelopment Property Tax Trust Fund as follows:

(1) Subject to any prior deductions required by subdivision (b), first, the county auditor-controller shall remit from the Redevelopment Property Tax Trust Fund to each local agency and school entity an amount of property tax revenues in an amount equal to that which would have been received under Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections read on January 1, 2011, or pursuant to any passthrough agreement between a redevelopment agency and a taxing jurisdiction that was entered into prior to January 1, 1994, that would be in force during that fiscal year, had the redevelopment agency existed at that time. The amount of the payments made pursuant to this paragraph shall be calculated solely on the basis of passthrough payment obligations, existing prior to the effective date of this part and continuing as obligations of successor entities, shall occur no later than January 16, 2012, and no later than June 1, 2012, and each January 16 and June 1 thereafter. Notwithstanding subdivision (e) of Section 33670, that portion of the taxes in excess of the amount identified in subdivision (a) of Section 33670, which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency.

(2) Second, on January 16, 2012, and June 1, 2012, and each January 16 and June 1 thereafter, to each successor agency for payments listed in its Recognized Obligation Payment Schedule for the six-month fiscal period beginning January 1, 2012, or July 1, 2012, and each January 16 and June 1 thereafter, in the following order of priority:

(A) Debt service payments scheduled to be made for tax allocation bonds.

(B) Payments scheduled to be made on revenue bonds, but only to the extent the revenues pledged for them are insufficient to make the payments and only where the agency's tax increment revenues were also pledged for the repayment of the bonds.

(C) Payments scheduled for other debts and obligations listed in the Recognized Obligation Payment Schedule that are required to be paid from former tax increment revenue.

(3) Third, on January 16, 2012, and June 1, 2012, and each January 16 and June 1 thereafter, to each successor agency for the administrative cost allowance, as defined in Section 34171, for administrative costs set forth in an approved administrative budget for those payments required to be paid from former tax increment revenues.

(4) Fourth, on January 16, 2012, and June 1, 2012, and each January 16 and June 1 thereafter, any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by paragraphs (1) to (3), inclusive, shall be distributed to local agencies and school entities in accordance with Section 34188.

(b) If the successor agency reports, no later than December 1, 2011, and May 1, 2012, and each December 1 and May 1 thereafter, to the county auditor-controller that the total amount available to the successor agency from the Redevelopment Property Tax Trust Fund allocation to that successor agency's Redevelopment Obligation Retirement Fund, from other funds transferred from each redevelopment agency, and from funds that have or will become available through asset sales and all redevelopment operations, are insufficient to fund the payments required by paragraphs (1) to (3), inclusive, of subdivision (a) in the next six-month fiscal period, the county auditor-controller shall notify the Controller and the Department of Finance no later than 10 days from the date of that notification. The county auditor-controller shall verify whether the successor agency will have sufficient funds from which to service debts according to the Recognized Obligation Payment Schedule and shall report the findings to the Controller. If the Controller concurs that there are insufficient funds to pay required debt service, the amount of the deficiency shall be deducted first from the amount remaining to be distributed to taxing entities pursuant to paragraph (4), and if that amount is exhausted, from amounts available for distribution for administrative costs in paragraph (3). If an agency, pursuant to the provisions of Section 33492.15, 33492.72, 33607.5, 33671.5, 33681.15, or 33688, made passthrough payment obligations subordinate to debt service payments required for enforceable obligations, funds for servicing bond debt may be deducted from the amounts for passthrough payments under paragraph (1), as provided in those sections, but only to the extent that the amounts remaining to be distributed to taxing entities pursuant to paragraph (4) and the amounts available for distribution for administrative costs in paragraph (3) have all been exhausted.

(c) The county treasurer may loan any funds from the county treasury that are necessary to ensure prompt payments of redevelopment agency debts.

(d) The Controller may recover the costs of audit and oversight required under this part from the Redevelopment Property Tax Trust Fund by presenting an invoice therefor to the county auditor-controller who shall set aside sufficient funds for and disburse the claimed amounts prior to making the next distributions to the taxing jurisdictions pursuant to Section 34188. Subject to the approval of the Director of Finance, the budget of the

Controller may be augmented to reflect the reimbursement, pursuant to Section 28.00 of the Budget Act.

34185. Commencing on January 16, 2012, and on each January 16 and June 1 thereafter, the county auditor-controller shall transfer, from the Redevelopment Property Tax Trust Fund of each successor agency into the Redevelopment Obligation Retirement Fund of that agency, an amount of property tax revenues equal to that specified in the Recognized Obligation Payment Schedule for that successor agency as payable from the Redevelopment Property Tax Trust Fund subject to the limitations of Sections 34173 and 34183.

34186. Differences between actual payments and past estimated obligations on recognized obligation payment schedules must be reported in subsequent recognized obligation payment schedules and shall adjust the amount to be transferred to the Redevelopment Obligation Retirement Fund pursuant to this part. These estimates and accounts shall be subject to audit by county auditor-controllers and the Controller.

34187. Commencing January 1, 2012, whenever a recognized obligation that had been identified in the Recognized Payment Obligation Schedule is paid off or retired, either through early payment or payment at maturity, the county auditor-controller shall distribute to the taxing entities, in accordance with the provisions of the Revenue and Taxation Code, all property tax revenues that were associated with the payment of the recognized obligation.

34188. For all distributions of property tax revenues and other moneys pursuant to this part, the distribution to each taxing entity shall be in an amount proportionate to its share of property tax revenues in the tax rate area in that fiscal year, as follows:

(a) (1) For distributions from the Redevelopment Property Tax Trust Fund, the share of each taxing entity shall be applied to the amount of property tax available in the Redevelopment Property Tax Trust Fund after deducting the amount of any distributions under paragraphs (2) and (3) of subdivision (a) of Section 34183.

(2) For each taxing entity that receives passthrough payments, that agency shall receive the amount of any passthrough payments identified under paragraph (1) of subdivision (a) of Section 34183, in an amount not to exceed the amount that it would receive pursuant to this section in the absence of the passthrough agreement. However, to the extent that the passthrough payments received by the taxing entity are less than the amount that the taxing entity would receive pursuant to this section in the absence of a passthrough agreement, the taxing entity shall receive an additional payment that is equivalent to the difference between those amounts.

(b) Property tax shares of local agencies shall be determined based on property tax allocation laws in effect on the date of distribution, without the revenue exchange amounts allocated pursuant to Section 97.68 of the Revenue and Taxation Code, and without the property taxes allocated pursuant to Section 97.70 of the Revenue and Taxation Code.

(c) The total school share, including passthroughs, shall be the share of the property taxes that would have been received by school entities, as

defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, in the jurisdictional territory of the former redevelopment agency, including, but not limited to, the amounts specified in Sections 97.68 and 97.70 of the Revenue and Taxation Code.

34188.8. For purposes of a redevelopment agency that becomes subject to this part pursuant to Section 34195, a date certain identified in this chapter shall not be subject to Section 34191, except for dates certain in Section 34182 and references to "October 1, 2011," or to the "operative date of this part,". However, for purposes of those redevelopment agencies, a date certain identified in this chapter shall be appropriately modified, as necessary to reflect the appropriate fiscal year or portion of a fiscal year.

Chapter 6. Effect of the Act Adding this Part on the Community Redevelopment Law

34189. (a) Commencing on the effective date of this part, all provisions of the Community Redevelopment Law that depend on the allocation of tax increment to redevelopment agencies, including, but not limited to, Sections 33445, 33640, 33641, 33645, and subdivision (b) of Section 33670, shall be inoperative, except as those sections apply to a redevelopment agency operating pursuant to Part 1.9 (commencing with Section 34192).

(b) The California Law Revision Commission shall draft a Community Redevelopment Law cleanup bill for consideration by the Legislature no later than January 1, 2013.

(c) To the extent that a provision of Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100) conflicts with this part, the provisions of this part shall control. Further, if a provision of Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100) provides an authority that the act adding this part is restricting or eliminating, the restriction and elimination provisions of the act adding this part shall control.

(d) It is intended that the provisions of this part shall be read in a manner as to avoid duplication of payments.

Chapter 7. Stabilization of Labor and Employment Relations

34190. (a) It is the intent of the Legislature to stabilize the labor and employment relations of redevelopment agencies and successor agencies in furtherance of and connection with their responsibilities under the act adding this part.

(b) Nothing in the act adding this part is intended to relieve any redevelopment agency of its obligations under Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code. Subject to the limitations set forth in Section 34165, prior to its dissolution, a

redevelopment agency shall retain the authority to meet and confer over matters within the scope of representation.

(c) A successor agency, as defined in Sections 34171 and 34173, shall constitute a public agency within the meaning of subdivision (c) of Section 3501 of the Government Code.

(d) Subject to the limitations set forth in Section 34165, redevelopment agencies, prior to and during their winding down and dissolution, shall retain the authority to bargain over matters within the scope of representation.

(e) In recognition that a collective bargaining agreement represents an enforceable obligation, a successor agency shall become the employer of all employees of the redevelopment agency as of the date of the redevelopment agency's dissolution. If, pursuant to this provision, the successor agency becomes the employer of one or more employees who, as employees of the redevelopment agency, were represented by a recognized employee organization, the successor agency shall be deemed a successor employer and shall be obligated to recognize and to meet and confer with such employee organization. In addition, the successor agency shall retain the authority to bargain over matters within the scope of representation and shall be deemed to have assumed the obligations under any memorandum of understanding in effect between the redevelopment agency and recognized employee organization as of the date of the redevelopment agency's dissolution.

(f) The Legislature finds and declares that the duties and responsibilities of local agency employer representatives under this chapter are substantially similar to the duties and responsibilities required under existing collective bargaining enforcement procedures and therefore the costs incurred by the local agency employer representatives in performing those duties and responsibilities under the act adding this part are not reimbursable as state-mandated costs. Furthermore, the Legislature also finds and declares that to the extent the act adding this part provides the funding with which to accomplish the obligations provided herein, the costs incurred by the local agency employer representatives in performing those duties and responsibilities under the act adding this part are not reimbursable as state-mandated costs.

(g) The transferred memorandum of understanding and the right of any employee organization representing such employees to provide representation shall continue as long as the memorandum of understanding would have been in force, pursuant to its own terms. One or more separate bargaining units shall be created in the successor agency consistent with the bargaining units that had been established in the redevelopment agency. After the expiration of the transferred memorandum of understanding, the successor agency shall continue to be subject to the provisions of the Meyers-Milias-Brown Act.

(h) Individuals formerly employed by redevelopment agencies that are subsequently employed by successor agencies shall, for a minimum of two years, transfer their status and classification in the civil service system of the redevelopment agency to the successor agency and shall not be required

to requalify to perform the duties that they previously performed or duties substantially similar in nature and in required qualification to those that they previously performed. Any such individuals shall have the right to compete for employment under the civil service system of the successor agency.

CHAPTER 8. APPLICATION OF PART TO FORMER PARTICIPANTS OF THE ALTERNATIVE VOLUNTARY REDEVELOPMENT PROGRAM

34191. (a) It is the intent of the Legislature that a redevelopment agency that formerly operated pursuant to the Alternative Voluntary Redevelopment Program (Part 1.9 (commencing with Section 34192)), that becomes subject to this part pursuant to Section 34195, shall be subject to all of the requirements of this part, except that dates and deadlines shall be appropriately modified, as provided in this section, to reflect the date that the agency becomes subject to this part.

(b) Except as otherwise provided by law, for purposes of a redevelopment agency that becomes subject to this part pursuant to Section 34195, the following shall apply:

(1) Any reference to "January 1, 2011," shall be construed to mean January 1 of the year preceding the year that the redevelopment agency became subject to this part, but no earlier than January 1, 2011.

(2) Any reference to "October 1, 2011," or to the "operative date of this part," shall mean the date that is the equivalent to the "October 1, 2011," identified in Section 34167.5 for that redevelopment agency as determined pursuant to Section 34169.5.

(3) Except as provided in paragraphs (1) and (2), any reference to a date certain shall be construed to be the date, measured from the date that the redevelopment agency became subject to this part, that is equivalent to the duration of time between the operative date of this part and the date certain identified in statute.

SEC. 8. Section 97.401 is added to the Revenue and Taxation Code, to read:

97.401. Commencing October 1, 2011, the county auditor shall make the calculations required by Section 97.4 based on the amount deposited on behalf of each former redevelopment agency into the Redevelopment Property Tax Trust Fund pursuant to paragraph (1) of subdivision (c) of Section 34182 of the Health and Safety Code. The calculations required by Section 97.4 shall result in cities, counties, and special districts annually remitting to the Educational Revenue Augmentation Fund the same amounts they would have remitted but for the operation of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code.

SEC. 9. Section 98.2 is added to the Revenue and Taxation Code, to read:

98.2. For the 2011–12 fiscal year, and each fiscal year thereafter, the computations provided for in Sections 98 and 98.1 shall be performed in a manner which recognizes that passthrough payments formerly required under the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code) are continuing to be made under the authority of Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code and those payments shall be recognized in the TEA calculations as though they were made under the Community Redevelopment Law. Additionally, the computations provided for in Sections 98 and 98.1 shall be performed in a manner that recognizes payments to a Redevelopment Property Tax Trust Fund, established pursuant to Section 34170.5 of the Health and Safety Code as if they were payments to a redevelopment agency as provided in subdivision (b) of Section 33670 of the Health and Safety Code.

SEC. 10. If a legal challenge to invalidate any provision of this act is successful, a redevelopment agency shall be prohibited from issuing new bonds, notes, interim certificates, debentures, or other obligations, whether funded, refunded, assumed, or otherwise, pursuant to Article 5 (commencing with Section 33640) of Chapter 6 of Part 1 of Division 24 of the Health and Safety Code.

SEC. 11. The sum of five hundred thousand dollars ($500,000) is hereby appropriated to the Department of Finance from the General Fund for allocation to the Treasurer, Controller, and Department of Finance for administrative costs associated with this act. The department shall notify the Joint Legislative Budget Committee and the fiscal committees in each house of any allocations under this section no later than 10 days following that allocation.

SEC. 12. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable. The Legislature expressly intends that the provisions of Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code are severable from the provisions of Part 1.8 (commencing with Section 34161) of Division 24 of the Health and Safety Code, and if Part 1.85 is held invalid, then Part 1.8 shall continue in effect.

SEC. 13. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SEC. 14. This act shall take effect contingent on the enactment of Assembly Bill 27 of the 2011–12 First Extraordinary Session or Senate Bill 15 of in the 2011–12 First Extraordinary Session and only if the enacted bill adds Part 1.9 (commencing with Section 34192) to Division 24 of the Health and Safety Code.

SEC. 15. This act addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation on January 20, 2011, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

SEC. 16. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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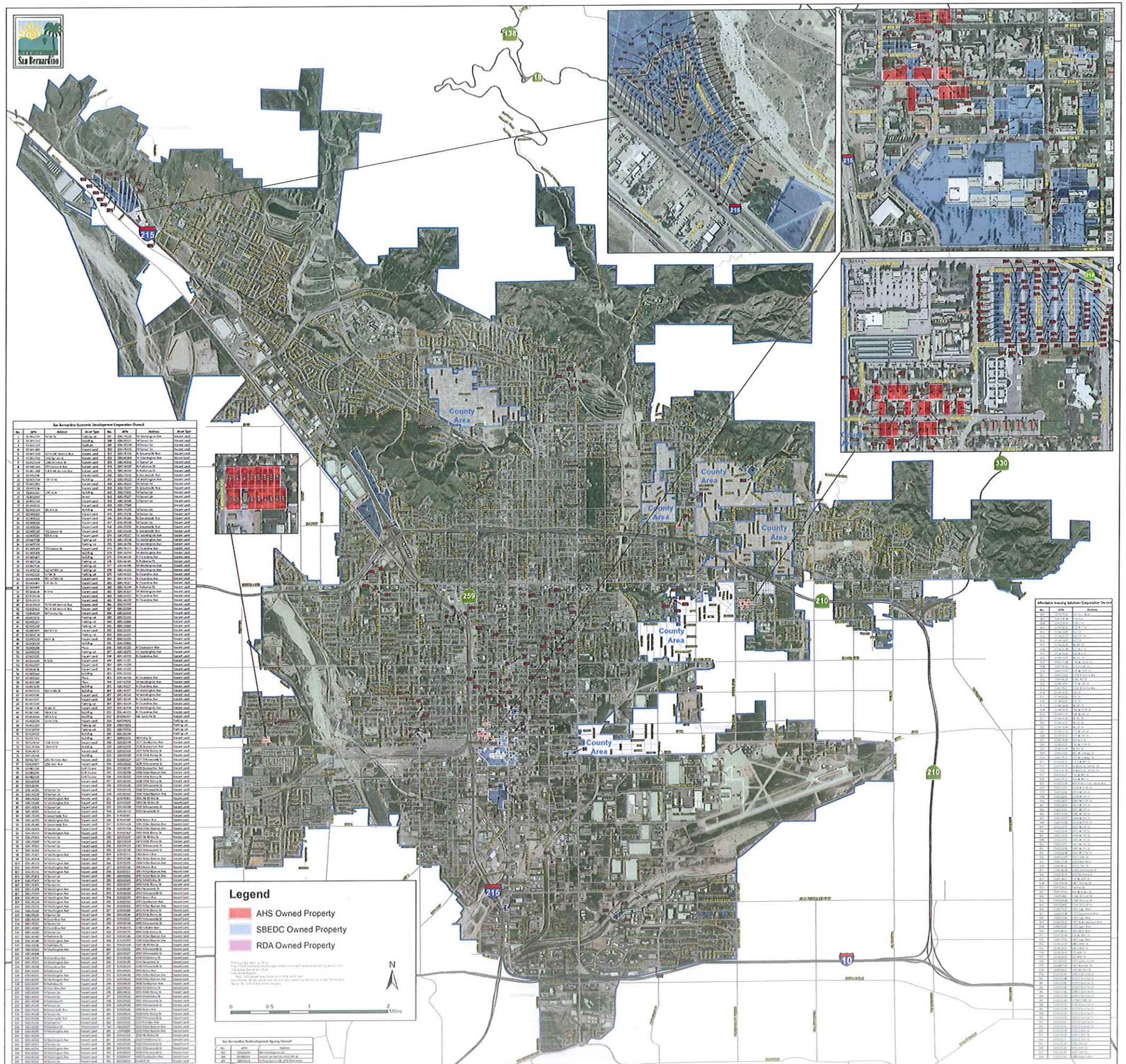

City of San Bernardino
Affordable Housing Solutions Owned (AHS), Redevelopment Agency Owned (RDA), and San Bernardino Economic Development Corporation Owned (SBEDC), April 2012

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