

SUCCESSOR AGENCY

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SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF AZUSA PROGRAM COMMENTARY

PROGRAM DESCRIPTION:

On June 29, 2011, the Governor signed ABx1 26 (the Redevelopment Agency Dissolution Bill) into law. As a result, effective February 1, 2012, all redevelopment agencies (RDAs) were dissolved, and successor agencies, as defined by the law, were required to be appointed to oversee the distribution of tax proceeds that would have been paid to the RDAs. As provided for under the new law, each former redevelopment agency is to be governed by a "Successor Agency" and an "Oversight Board". AB 1484 is a budget trailer bill that made changes to the dissolution process implemented by ABx1 26. It became effective on June 27, 2012. AB 1484 made several substantive and technical amendments to ABx1 26.

The primary role of the Successor Agency is to dispose of the former RDA's assets or properties expeditiously and in a manner aimed at maximizing values, pay all debts and fulfill all obligations of the former RDA, and to wind down redevelopment affairs. To accomplish its responsibilities, the Successor Agency will manage redevelopment projects currently underway; make payments identified on the Recognized Obligation Payment Schedules (ROPS) and dispose of redevelopment assets and properties as directed by the Oversight Board. The Oversight Board is an appointed body consisting of seven appointed members, as provided by AB x1 26. A separate agency manages the former RDA's housing assets.

The Successor Agency is responsible for drafting a ROPS and the submission for approval every six months. The ROPS must be approved by the Oversight Board and then submitted to the Los Angeles County Auditor-Controller and the State Department of Finance for final approval.

STRATEGIC GOALS:

To wind down the affairs of the former RDA of the City by:

- disposing of former RDA's assets at maximized values; and
- administering the debt repayments of the former RDA.

FY 2014-15 PROGRAM HIGHLIGHTS:

- Completion of State Controller Asset Review.
- Oversight Board ratification of three loans between the City and former Redevelopment Agency.

**SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF AZUSA
ACTIVITY DETAIL**

Account Number		Description
87xxxxxxx	6423	<u>Administrative Allocation</u> - Housing administration
	6423	<u>Administrative Allocation</u> - Minimum allowed allocation to help fund administrative expenses of the Successor Agency such as legal fees, bond administration, maintenance for properties, accounting/auditing services, staffing costs, etc.
	7001	<u>Interest Expense</u> - Interest for debt obligatons
	7005	<u>Principal Payment</u> - Principal payment towards bond obligations and loans
	7045	<u>Other Agency Contributions</u> - Los Angeles County administrative and regulatory payments.

BUDGET UNIT:**FUND 87 - SUCCESSOR AGENCY FUND**

Acct. #	DESCRIPTION	ACTUAL 12-13	ACTUAL 13-14	REVISED 14-15	YEAR END EST 14-15	ADOPTED 15-16	VARIANCE
<u>OPERATIONS</u>							
6423	Administrative Allocation-Housing	-	-	150,000	150,000	150,000	-
6423	Administrative Allocation	167,964	110,348	250,000	250,000	250,000	-
7001	Interest Expense	3,091,833	3,037,779	2,962,810	2,962,810	2,791,595	(171,215)
7005	Principal Payments	1,705,000	1,716,040	1,615,000	1,615,000	1,530,000	(85,000)
7045	Other Agency Contributions	128,924	-	-	-	65,000	65,000
OPERATIONS SUBTOTAL		5,093,721	4,864,167	4,977,810	4,977,810	4,786,595	(191,215)
SUCCESSOR AGENCY FUND TOTAL:		5,093,721	4,864,167	4,977,810	4,977,810	4,786,595	(191,215)

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