Agency Meeting of
January 24, 2012

Agency Agenda Item 4B

Honorable Chair and Members
of the Torrance Redevelopment Agency
City Hall
Torrance, California

Members of the Agency:

SUBJECT: Redevelopment Agency – Adopt amended Enforceable Obligation Payment Schedule

Expenditure: Not Applicable

RECOMMENDATION

Recommendation of the Deputy Executive Director that the Redevelopment Agency adopt an amended Enforceable Obligation Payment Schedule to include the period of January 1, through June 30, 2012.

BACKGROUND AND ANALYSIS

On June 29, 2011, Governor Jerry Brown passed ABX1 26, the "Dissolution Act", and ABX1 27, the "Continuation Act", as a part of the California State Budget. A law suit was subsequently filed by the California Redevelopment Association (CRA) and the League of California Cities (League) against the State on July 18, 2011. The suit asserted that ABX1-26 & ABX1-27 violated the constitutional protections for Redevelopment funds. On December 29, 2011, the California Supreme Court issued its ruling to uphold ABX1-26 and strike down ABX1-27. This action established the complete dissolution of Redevelopment Agencies in the State of California, effective February 1, 2012.

Since the litigation resulted in a partial stay on the effectiveness of the bills, many of the deadlines required under ABX1-26 had to be extended by a period of 4 months. On January 10, 2012, an item was taken before City Council to elect the City of Torrance to serve as the successor agency to the Torrance Redevelopment Agency as required by ABX1-26. This meant that the City opted to take on the obligations and debts of the Agency as well as wind down the rest of redevelopment's activities. Obligations meeting the criteria as enforceable must be listed in the Enforceable Obligation Payment Schedule (EOPS) in order to receive a portion of the tax increment from the County Auditor to make the necessary payments.

Enforceable obligations include any debt, bond payments, contract agreements or obligation debts that the Agency must make during a portion of the fiscal year as well as any projects associated with the EOPS necessary for continued administration or operation by the Agency. This schedule was initially adopted by the Agency on August 28th, 2011, however it only covered the obligations from August 2011 to December 2011. The decision filed by the Supreme Court now requires the successor agency to review and amend its

original EOPS to reflect necessary payments from January 2012 through June 2012 and readopt this amended EOPS, no later than February 1, 2012.

Staff recommends that the Redevelopment Agency adopt the amended Enforceable Obligation Payment schedule (Attachment A), which will set forth the debt obligations of the Agency from January 2012 until June 2012, in order to ensure that the successor agency will be afforded the necessary tax increment funding to meet those obligations. The schedule will be posted on the City's website and submitted to all required county and state agencies.

Respectfully submitted,

Jeffery W. Gibson
Deputy Executive Director

By _____
Gregg D. Lodan, AICP
Planning Manager

CONCUR:

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Jeffery W. Gibson
Deputy Executive Director

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Eric E. Tsao
Agency Chief Accountant

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LeRoy J. Jackson
Executive Director

Attachment: A) Amended Enforceable Obligation Payment Schedule

Name of Redevelopment Agency: Redevelopment Agency of the City of Torrance

Project Area(s) All (Skypark, Industrial, Downtown)

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation As of June 30, 2011	Total Due During 2011-12 Fiscal Year	Actual Amounts 1/18/12
1)	2001 Tax Allocation Refunding Bonds (Skypark)	Bank of New York	Bonds issued to fund non-housing project	$ 528,216.00	$ 352,145.00	$ 352,144.07
2)	Advance from Low-Mod Housing Fund FY09-10 (Skypark)	City of Torrance RDA	City Low Mod Housing fund	$ 1,633,409.00		
3)	Advance from Low-Mod Housing Fund FY10-11 (Skypark)	City of Torrance RDA	City Low Mod Housing fund	$ 240,316.00		
4)	Property Tax Admin Cost FY11-12 (Skypark)	Skypark RDA	admin	$ 12,189.00	$ 12,189.00	$ 10,157.66
5)	20% Low Mod Housing set-aside FY11-12 (Skypark)	City of Torrance RDA		$ 134,178.00	$ 134,178.00	$ 59,290.40
6)	Interfund Loan Principal Repayment (Skypark)			$ 172,376.00	$ 172,376.00	$ 172,376.00
7)	Advance from County 1992-2011 (Downtown)	County of L.A.		$ 20,250,074.00		
8)	City Advance 1997-1998 (Downtown)	City of Torrance	downtown rehabilitation	$ 192,752.00		
9)	Bond Series A (Downtown)	Bank of New York		$ 10,349,167.00	$ 577,933.00	$ 401,881.25
10)	County Admin Fee FY11-12 (Downtown)	County of L.A.	admin	$ 30,300.00	$ 30,300.00	$ 29,769.14
11)	Bond Admin Fee FY11-12 (Downtown)	Bank of New York	admin	$ 2,000.00	$ 2,000.00	$ 1,722.50
12)	County Pass Thru FY11-12 (Downtown)	County of L.A.		$ 980,657.00	$ 980,657.00	$ 467,624.85
13)	20% Low-Mod Set-Aside FY11-12 (Downtown)	City of Torrance		$ 342,289.00	$ 342,289.00	$ 163,784.16
14)	Interest Payments to City (Downtown)	City of Torrance			$ 314,638.00	$ 157,319.00
15)	County Pass Thru-Deferred Interest (Downtown)	City of Torrance			$ 896,940.00	$ -
16)	City Advance 1982 (Industrial)	City of Torrance	Non-housing improvements	$ 56,298.00		
17)	City Advance 1985 (Industrial)	City of Torrance	"	$ 48,617,760.00		
18)	City Advance 1986 (Industrial)	City of Torrance	"	$ 3,488,417.00		
19)	City Advance 1987 (Industrial)	City of Torrance	"	$ 3,325,163.00		
20)	City Advance 1988 (Industrial)	City of Torrance	"	$ 298,635.00		
21)	City Advance 1990 (Industrial)	City of Torrance	"	$ 247,543.00		
22)	City Advance 1997 (Industrial)	City of Torrance	"	$ 1,749,520.00		
23)	City Advance 1988 (Industrial)	City of Torrance	"	$ 63,780.00		
24)	City Advance 1989 (Industrial)	City of Torrance	"	$ 151,133.00		
25)	Notes Payable, Developer (Industrial)	Honda	for dev. of north american headquarters	$ 1,775,337.00		
26)	City Advance 1998 (Industrial)	City of Torrance	Non-housing improvements	$ 1,578,099.00		
27)	City Advance 1999 (Industrial)	City of Torrance	"	$ 113,893.00		
28)	Industrial Series B&C Bond (Industrial)	Bank of New York	"	$ 36,049,263.00	$ 2,416,098.00	$ 1,803,770.63
29)	City Advance 1999 (Industrial)	City of Torrance	"	$ 642,717.00		
30)	City Advance 1998 (Industrial)	City of Torrance	"	$ 572,672.00		
31)	Bond Admin Fee FY11-12 (Industrial)	Bank of New York	admin	$ 5,000.00	$ 5,000.00	$ 4,188.10
32)	County Pass Thru (Industrial)	County of L.A.		$ 2,232,134.00	$ 2,232,134.00	$ 733,877.90
33)	Admin Fee SB2557/AB1924 (Industrial)	State of CA		$ 123,300.00	$ 123,300.00	$ 88,040.22
34)	20% Low-Mod Set-Aside F11-12 (Industrial)	City of Torrance		$ 1,240,074.00	$ 1,240,074.00	$ 420,331.60
35)	American Honda Interest (Industrial)	Honda		$ 48,000.00	$ 48,000.00	$ -
36)	Transfers to General Fund (Industrial)	City of Torrance		$ 2,433,165.00	$ 2,433,165.00	$ 1,216,582.50
37)	Salaries FY11-12 (Downtown)	City of Torrance	employee salaries & benefits	$ 58,400.00	$ 58,400.00	$ 29,801.72
38)	Professional/Contract Services & Utilities (Downtown/ Low-Mod)	Various Contracts	Legal, tech services, housing & non housing projects	$ 278,663.00	$ 278,663.00	$ 25,946.36
39)	Materials Supplies, Maintenance (Downtown/ Low-Mod)	City of Torrance	rental subsidies, supplies, OPA charges	$ 65,898.00	$ 65,898.00	$ 25,687.00
40)	Training, Travel & Membership Dues (Downtown/Low-Mod)			$ 56,569.00	$ 56,569.00	$ 2,477.93
41)	Interdepartmental Charges (Downtown/Low-Mod)			$ 16,839.00	$ 16,839.00	$ 9,821.00
42)	Transfer to Rehab Housing, Data Comm, PC Replacement (Downtown)			$ 22,558.00	$ 22,558.00	$ 13,377.00
43)	Salaries FY11-12 (Low-Mod) Industrial		Home Improvement Program	$ 214,250.00	$ 214,250.00	$ 92,409.23
44)	Materials Supplies, Maintenance (Industrial/Low-Mod)			$ 111,502.00	$ 111,502.00	$ 34,904.31
45)	Professional/Contract Services & Utilities (Industrial/Low-Mod)			$ 120,054.00	$ 120,054.00	$ 11,235.53
46)	Training, Travel & Membership Dues (Industrial/Low-Mod)		Conferences, training	$ 550.00	$ 550.00	$ -
47)	Interdepartmental Charges (Industrial/Low-Mod)			$ 1,323.00	$ 1,323.00	$ 770.00
48)	Transfer to Rehab Housing, PC Replacement (Industrial/Low-Mod)			$ 18,800.00	$ 18,800.00	$ 9,400.00
49)	Interdepartmental Charges (Skypark/Low-Mod)			$ 1,322.00	$ 1,322.00	$ 770.00
	Total Obligations			$ 140,646,554.00	$ 13,280,144.00	$ 6,339,460.06

ATTACHMENT A

Name of Redevelopment Agency: Redevelopment Agency of the City of Torrance

Project Area(s) All (Skypark, Industrial, Downtown)

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Payments by month						
				January	February	March	April	May	June	Total
1)	2001 Tax Allocation Refunding Bonds (Skypark)	Bank of New York	Bonds issued to fund non-housing project							$ -
2)	Advance from Low-Mod Housing Fund FY09-10 (Skypark)	City of Torrance RDA	City Low Mod Housing fund							$ -
3)	Advance from Low-Mod Housing Fund FY10-11 (Skypark)	City of Torrance RDA	City Low Mod Housing fund							$ -
4)	Property Tax Admin Cost FY11-12 (Skypark)	Skypark RDA	admin							$ -
5)	20% Low Mod Housing set-aside FY11-12 (Skypark)	City of Torrance RDA		$ 12,481.27	$ 12,481.27	$ 12,481.27	$ 12,481.27	$ 12,481.27	$ 12,481.27	$ 74,887.62
6)	Interfund Loan Principal Repayment (Skypark)									$ -
7)	Advance from County 1992-2011 (Downtown)	County of L.A.		$ -						$ -
8)	City Advance 1997-1998 (Downtown)	City of Torrance	downtown rehabilitation	$ -						$ -
9)	Bond Series A (Downtown)	Bank of New York				$ 176,051.00				$ 176,051.00
10)	County Admin Fee FY11-12 (Downtown)	County of L.A.	admin							$ -
11)	Bond Admin Fee FY11-12 (Downtown)	Bank of New York	admin							$ -
12)	County Pass Thru FY11-12 (Downtown)	County of L.A.		$ 48,289.00	$ 138,144.00	$ 1,243.00	$ 192,283.00	$ 127,050.00	$ 6,023.00	$ 513,032.00
13)	20% Low-Mod Set-Aside FY11-12 (Downtown)	City of Torrance		$ 16,917.00	$ 48,386.00	$ 441.00	$ 67,366.00	$ 27,422.00	$ 17,972.00	$ 178,504.00
14)	Interest Payments to City (Downtown)	City of Torrance		$ 26,219.83	$ 26,219.83	$ 26,219.83	$ 26,219.83	$ 26,219.83	$ 26,219.83	$ 157,318.98
15)	County Pass Thru-Deferred Interest (Downtown)	City of Torrance							$ 896,940.00	$ 896,940.00
16)	City Advance 1982 (Industrial)	City of Torrance	Non-housing improvements	$ -						$ -
17)	City Advance 1985 (Industrial)	City of Torrance	"	$ -						$ -
18)	City Advance 1986 (Industrial)	City of Torrance	"	$ -						$ -
19)	City Advance 1987 (Industrial)	City of Torrance	"	$ -						$ -
20)	City Advance 1988 (Industrial)	City of Torrance	"	$ -						$ -
21)	City Advance 1990 (Industrial)	City of Torrance	"	$ -						$ -
22)	City Advance 1997 (Industrial)	City of Torrance	"	$ -						$ -
23)	City Advance 1988 (Industrial)	City of Torrance	"	$ -						$ -
24)	City Advance 1989 (Industrial)	City of Torrance	"	$ -						$ -
25)	Notes Payable, Developer (Industrial)	Honda	for dev. of north american headquarters	$ -						$ -
26)	City Advance 1998 (Industrial)	City of Torrance	Non-housing improvements	$ -						$ -
27)	City Advance 1999 (Industrial)	City of Torrance	"	$ -						$ -
28)	Industrial Series B&C Bond (Industrial)	Bank of New York	"			$612,326.88				$ 612,326.88
29)	City Advance 1999 (Industrial)	City of Torrance	"	$ -						$ -
30)	City Advance 1998 (Industrial)	City of Torrance	"	$ -						$ -
31)	Bond Admin Fee FY11-12 (Industrial)	Bank of New York	admin							$ -
32)	County Pass Thru (Industrial)	County of L.A.		$ 105,000.00	$ 695,000.00	$ 22,000.00		$ 300,985.00	$ 375,271.00	$ 1,498,256.00
33)	Admin Fee SB2557/AB1924 (Industrial)	State of CA		$ 5,876.00	$ 5,876.00	$ 5,876.00	$ 5,876.00	$ 5,876.00	$ 5,880.00	$ 35,260.00
34)	20% Low-Mod Set-Aside F11-12 (Industrial)	City of Torrance		$ 75,000.00	$ 410,000.00	$ 34,000.00		$ 165,000.00	$ 135,742.40	$ 819,742.40
35)	American Honda Interest (Industrial)	Honda							$ 48,000.00	$ 48,000.00
36)	Transfers to General Fund (Industrial)	City of Torrance		$ 202,763.75	$ 202,763.75	$ 202,763.75	$ 202,763.75	$ 202,763.75	$ 202,763.75	$ 1,216,582.50
37)	Salaries FY11-12 (Downtown)	City of Torrance	employee salaries & benefits	$4,766.38	$4,766.38	$4,766.38	$4,766.38	$4,766.38	$4,766.38	$ 28,598.28
38)	Professional/Contract Services & Utilities (Downtown/ Low-Mod)	Various Contracts	Legal, tech services, housing & non housing projects	$42,119.44	$42,119.44	$42,119.44	$42,119.44	$42,119.44	$42,119.44	$ 252,716.64
39)	Materials Supplies, Maintenance (Downtown/ Low-Mod)	City of Torrance	rental subsidies, supplies, OPA charges	$6,701.83	$6,701.83	$6,701.83	$6,701.83	$6,701.83	$6,701.83	$ 40,210.98
40)	Training, Travel & Membership Dues (Downtown/Low-Mod)			$9,015.18	$9,015.18	$9,015.18	$9,015.18	$9,015.18	$9,015.18	$ 54,091.08
41)	Interdepartmental Charges (Downtown/Low-Mod)			$1,169.67	$1,169.67	$1,169.67	$1,169.67	$1,169.67	$1,169.67	$ 7,018.02
42)	Transfer to Rehab Housing, Data Comm, PC Replacement (Downtown)			$1,530.17	$1,530.17	$1,530.17	$1,530.17	$1,530.17	$1,530.17	$ 9,181.02
43)	Salaries FY11-12 (Low-Mod) Industrial		Home Improvement Program	$20,306.80	$20,306.80	$20,306.80	$20,306.80	$20,306.80	$20,306.80	$ 121,840.80
44)	Materials Supplies, Maintenance (Industrial/Low-Mod)			$12,766.28	$12,766.28	$12,766.28	$12,766.28	$12,766.28	$12,766.28	$ 76,597.68
45)	Professional/Contract Services & Utilities (Industrial/Low-Mod)			$18,136.41	$18,136.41	$18,136.41	$18,136.41	$18,136.41	$18,136.41	$ 108,818.46
46)	Training, Travel & Membership Dues (Industrial/Low-Mod)		Conferences, training						$550.00	$ 550.00
47)	Interdepartmental Charges (Industrial/Low-Mod)			$92.17	$92.17	$92.17	$92.17	$92.17	$92.17	$ 553.02
48)	Transfer to Rehab Housing, PC Replacement (Industrial/Low-Mod)			$1,566.67	$1,566.67	$1,566.67	$1,566.67	$1,566.67	$1,566.67	$ 9,400.02
49)	Interdepartmental Charges (Skypark/Low-Mod)			$92.00	$92.00	$92.00	$92.00	$92.00	$92.00	$ 552.00
	Total Obligations			$ 610,809.85	$ 1,657,133.85	$ 1,211,665.73	$ 625,252.85	$ 986,060.85	$ 1,846,106.25	$ 6,937,029.38