

# SUCCESSOR AGENCY

## **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.

### FY17-18 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.

### FY16-17 PROGRAM HIGHLIGHTS:

- Oversight Board ratification of two former redevelopment property sales.

**BUDGET UNIT:**

**FUND 87 & 88 - SUCCESSOR AGENCY FUND**

Acct.#	DESCRIPTION	ACTUAL 14-15	ACTUAL 15-16	REVISED 16-17	YEARENDEST 16-17	ADOPTED 17-18	VARIANCE
<b><u>OPERATIONS</u></b>							
6301	Legal Fees	-	10,046	-	3,485	16,000	16,000
6399	Professional Services/Other	-	5,250	-	-	-	-
6423	Administrative Allocation	250,000	-	-	-	-	-
6493	Outside Services & Repairs	-	62,919	-	15,928	18,000	18,000
6530	Office Supplies	-	58	-	-	-	-
6610	Bond Administration	-	2,388	-	6,700	6,700	6,700
6815	Maint & Repairs/Bldgs	-	3,318	-	5,230	6,000	6,000
6846	Computer Hardware Maintenance/Repair	-	2,468	-	-	-	-
7001	Interest Expense	2,962,810	-	-	-	-	-
7005	Principal Payments	1,615,000	-	-	-	-	-
7040	Contributions to Other Agencies	-	-	-	-	100,000	100,000
7045	Other Agenc Contributions	-	56,095	180,000	208,163	150,000	(30,000)
	OPERATIONS SUBTOTAL	4,827,810	142,541	180,000	239,507	296,700	116,700
<b>CBD-SA</b>							
6301	Legal Fees	-	-	75,000	75,000	45,000	(30,000)
7001	Interest Expense	-	-	102,000	102,000	-	(102,000)
7040	Contributions to Other Agencies	-	-	-	2,905,000	-	-
7115	Land Disposal Exeense	-	-	-	53,740	-	-
	SUBTOTAL	-	-	177,000	3,135,740	45,000	(132,000)
<b>Enterprise</b>							
7001	Interest Expense	-	-	-	-	100,990	100,990
7005	Principal Payments	-	-	-	-	515,879	515,879
7040	Contributions to Other Agencies	-	-	356,000	356,000	354,589	1,411)
	SUBTOTAL	-	-	356,000	356,000	971,459	615,459
<b>Reader Board Loan</b>							
6835	Maint & Repair/Equipment	-	-	5,000	5,000	-	(5,000)
6905	Utility-Electric	-	-	8,500	8,500	9,000	500
6915	Utilities/Telephone	-	-	1,845	1,845	2,000	155

**BUDGET UNIT:**

**FUND 87 & 88 - SUCCESSOR AGENCY FUND**

Acct.#	DESCRIPTION	ACTUAL 14-15	ACTUAL 15-16	REVISED 16-17	YEAR END EST 16-17	ADOPTED 17-18	VARIANCE
	SUBTOTAL	-	-	15,345	15,345	11,000	(4,345)
	<b>TAB07A Successor AG</b>						
6610	Bond Administration	-	-	-	1,400	3,600	3,600
7001	Interest Expense	-	-	737,200	-	705,399	(31,801)
7005	Princial Pa ments	-	-	535,000	-	565,000	30,000
	SUBTOTAL	-	-	1,272,200	1,400	1,273,999	1,799
	<b>20078</b>						
6610	Bond Administration	-	-	3,600	3,600	3,600	-
7001	Interest Expense	-	-	207,500	207,500	202,075	(5,425)
7005	Principal Pa ments	-	-	110,000	110,000	120,000	10,000
	SUBTOTAL	-	-	321,100	321,100	325,675	4,575
7115	Land Diseosal Exeense	-	-	-	20,415	-	-
	SUBTOTAL	-	-	-	20,415	-	-
	<b>TAB05B HSNG-SA</b>						
6610	Bond Administration	-	-	3,800	1,400	-	(3,800)
	SUBTOTAL	-	-	3,800	1,400	-	(3,800)
	<b>2014A</b>						
6610	Bond Administration	-	-	9,000	9,000	6,000	(3,000)
7001	Interest Expense	-	-	410,200	410,200	385,744	(24,456)
7005	Princial Pa ments	-	-	690,000	690,000	705,000	15,000
	SUBTOTAL	-	-	1,109,200	1,109,200	1,096,744	(12,456)
	<b>2015A</b>						
6610	Bond Administration	-	-	4,300	4,300	4,000	(300)
7001	Interest Expense	-	-	504,200	504,200	504,213	13
	SUBTOTAL	-	-	508,500	508,500	508,213	(288)

**BUDGET UNIT:**

**FUND 87 & 88 - SUCCESSOR AGENCY FUND**

Acct.#	DESCRIPTION	ACTUAL 14-15	ACTUAL 15-16	REVISED 16-17	YEAR END EST 16-17	ADOPTED 17-18	VARIANCE
<b>20158</b>							
6610	Bond Administration	-	-	4,300	4,300	4,000	(300)
7001	Interest Expense	-	-	615,600	615,600	610,631	(4,969)
7005	Princieal Pa ments	-	-	510,000	510,000	315,000	(195,000)
	SUBTOTAL	-	-	1,129,900	1,129,900	929,631	(200,269)
<b>SA REC OB RETRMN</b>							
6423	Administrative Allocation	-	-	39,655	39,655	-	(39,655)
7001	Interest Expense	-	-	568,805	568,805	-	(568,805)
7005	Principal Payments	-	-	198,415	198,415	-	(198,415)
7045	Other A9enc Contributions	-	-	31,200	31,200	-	(31,200)
	SUBTOTAL	-	-	838,075	838,075	-	(838,075)
<b>SUCCESSOR AGENCY FUND TOTAL:</b>		<b>4,827,810</b>	<b>142,541</b>	<b>5,911,120</b>	<b>7,805,734</b>	<b>5,458,420</b>	<b>(452,700)</b>