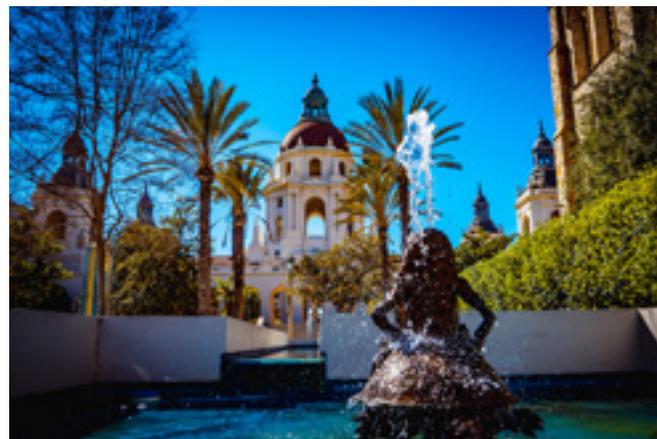


SUCCESSOR AGENCY TO THE PCDC



Successor Agency to the Pasadena Community
Development Commission Administration
(0.00)



MISSION STATEMENT

The Successor Agency manages existing agreements, makes payments identified on the Recognized Obligation Payment Schedule (ROPS), and disposes of redevelopment assets and properties as directed by the Oversight Board (OB). The Successor Agency is responsible for drafting an annual administrative budget and a ROPS. The ROPS delineates the Successor Agency's outstanding "bills" or "enforceable obligations" payable every twelve months and their source of payment. Approval of the ROPS is a two-step process. First, staff submits it to the Oversight Board for initial review and approval and then second, the California Department of Finance (DOF) gives the final approval.

PROGRAM DESCRIPTION

The Successor Agency program activities focus on the winding down of all redevelopment agency operations and obligations within Pasadena's five remaining redevelopment project areas. Successor Agencies are primarily responsible for the disposal of assets and properties, collection of debts, paying for and performing recognized enforceable obligations and overseeing development activities of properties deemed to be enforceable obligations.

OVERSIGHT BOARD REVIEW

On July 1, 2018, all Oversight Boards in Los Angeles County were consolidated under five Countywide Oversight Boards (OBs). The boundaries of the OBs correspond to the boundaries of the five county boards of supervisor's districts, and each OB will have jurisdiction over all the Agencies within its boundaries. The current OB of each Agency has dissolved and no longer has bearing on Agency actions. The Oversight Board members are appointed by and represent the following entities:

- The County Board of Supervisors appoints two members, with one of the members representing the public.
- The city selection committee, established pursuant to Government Code Section 50270 and composed of the mayor of each city within the County, appoints one member. (As of this date, LA County in the process of finalizing appointment details).
- The independent special district selection committee, established pursuant to Government Code Section 56332, appoints one member.
- The County Superintendent of Education appoints one member if the Superintendent is elected. Otherwise, the County Board of Education appoints one member.
- The Chancellor of the California Community Colleges appoints one member.
- The recognized employee organization representing the largest number of successor agency employees in the County appoints one member.

SUCCESSOR AGENCY ACTIVITIES

In accordance with state law, the Pasadena Successor Agency paid approximately \$11 million to the LA County Auditor-Controller in December 2015. Subsequent to the payment, the Pasadena Successor Agency received its Finding of Completion (FOC) from the DOF on December 22, 2015. Having received the FOC, the Successor Agency was authorized to move forward with submittal of the Long Range Property Management Plan (LRPMP) and pursue the repayment of prior loans between the City and PCDC. In 2016, the DOF approved the Successor Agency's LRPMP. The LRPMP lists the Successor Agency assets and a plan for their proposed disposition. It contains all non-housing real property assets that have been redeveloped or are proposed to be redeveloped, remnant parcels and public parking assets. Specifically, the Plan included twelve (12) real properties and assets that were identified as such in accordance with DOF guidelines.

State law provides that prior loan agreements entered into between redevelopment agencies and the cities that created such loan agreements shall be deemed enforceable obligations, provided that the Oversight Board makes a finding that the loans were for legitimate redevelopment purposes. At the January 23, 2020 LA County Oversight Board meeting, the Board voted unanimously that all nine (9) loans totaling \$9.6 million constituted a legitimate redevelopment purpose. Furthermore, the Board found that all of the proceeds from each of the loans were used for activities that carried out the implementation of Pasadena's Redevelopment Plans in accordance with the California Health and Safety Code. Subsequent to the Oversight Board meeting, staff learned that DOF denied all of \$9.6 million in loans as enforceable obligations. In the April 14, 2020 letter, DOF stated that the loans do not constitute a loan as defined by dissolution law and they are ineligible for repayment.

DEPARTMENTAL RELATIONSHIP TO CITY COUNCIL GOALS

Maintain Fiscal Responsibility and Stability

With AB 1484, the Successor Agency will work closely with the LA County Oversight Board, DOF, State Controller, and the County Auditor- Controller to meet any contractual obligation, incurred debt, and repayment obligation identified on the Recognized Obligation Payment Schedule to reduce any financial impacts to the General Fund.

Improve, Maintain, and Enhance Public Facilities and Infrastructure

The disposal of assets, real property, and the implementation of any enforceable obligations for use by the City for municipal purposes and for ongoing efforts to redevelop, revitalize, and/or eliminate blight in the City's redevelopment project areas is consistent with the City Council's strategic plan goal to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure.

FISCAL YEAR 2020 ACCOMPLISHMENTS

The Successor Agency accomplished the following during FY 2020:

- Successfully adopted the ROPS 20-21 by the LA County Oversight Board.
- Maintained due diligence by tracking and analyzing potential impacts from proposed tax increment legislation.

FISCAL YEAR 2021 ADOPTED BUDGET

Operating Budget

The amount of RPTTF issued by DOF is commensurate to the amount of the Agency's remaining enforceable obligations. The Agency was authorized \$72,594 in RPTTF to pay for the debt service and fees on the remaining tax allocation bonds. The Successor has been successful in retiring its enforceable obligations and winding down as an agency as was the intent of the 2012 dissolution legislation.

Per the financial requirements from AB 1484, Successor Agencies must develop a Recognized Obligation Payment Schedule (ROPS) that contains all enforceable obligations from the previous Redevelopment Agency. The ROPS represents obligations on an annual basis and is reviewed by the Los Angeles County Auditor-Controller (LACAC) and the DOF who determine which enforceable obligations are allowable and transmit the necessary funding to cover those obligations. Based on the approved ROPS, the Successor Agency must also develop a 3.0 percent administration budget from the total approved obligations. Due to the level of review, approval and oversight by the County and State and notwithstanding the amounts represented in the FY 2021 budget cover a 12-month period, the amounts are subject to change based on the final decisions of the LACAC and DOF's review.

Upon approval of the ROPS, the Successor Agency is required by AB 1484 to deposit the revenues received into an obligation fund (Fund 821- Redevelopment Obligation Retirement Fund). These monies will be immediately transferred out of Fund 821 into the administration and debt services funds of the Successor Agency.

Personnel

A total of 0.00 FTE is included in the FY 2021 Adopted Budget.

FUTURE OUTLOOK

With the enacting of ABx1 26, the State eliminated redevelopment in California which for the past 60 years enabled Pasadena to address blight, produce affordable housing, and facilitate economic development opportunities. Moving forward in a manner consistent with current state law, the Successor Agency to the Pasadena Community Development Commission will oversee and facilitate the required steps for the subsequent dismantling of redevelopment within the City. The State Legislature is considering numerous bills that would reinstate tax increment financing. It remains unknown if the bills will move forward for adoption and if the Governor would sign them. The goal for FY 2021 is to make the last debt service payment due in July 2021 and to sell the four remaining assets. Once achieved, the Successor Agency will dissolve.

SUMMARY TABLES

SUMMARY OF APPROPRIATIONS BY EXPENSE CATEGORY

(In Thousands)

Expenditure Category	FY 2019	FY 2020	FY 2020	FY 2021
	Actuals	Adopted	Revised	Adopted
Personnel	\$215	\$204	\$204	\$1
Services & Supplies	13,682	36	36	5
Internal Service Charges	16	34	34	18
Debt Service	31	221	221	226
Operating Transfers Out	5,959	-	-	-
Successor Agency to the PCDC Total	\$19,904	\$495	\$495	\$251

SUMMARY OF APPROPRIATIONS BY DIVISION

(In Thousands)

Division	FY 2019	FY 2020	FY 2020	FY 2021
	Actuals	Adopted	Revised	Adopted
PCDC-Gen Admln	19,904	495	495	251
Successor Agency to the PCDC Total	\$19,904	\$495	\$495	\$251

SUMMARY OF APPROPRIATIONS BY FUND

(In Thousands)

Fund	FY 2019	FY 2020	FY 2020	FY 2021
	Actuals	Adopted	Revised	Adopted
820 - Successor Aagency Admln	\$240	\$270	\$270	\$21
821 - Rdvtpmnt Oblgtn Retirement Fnd	11,727	-	-	-
844 - SA Debt Service Fund-OldPsdna	1,650	-	-	-
845 - SA Debt Service Fund-Lincoln	29	-	-	-
846 - SA Debt Service Fund-Downtown	524	-	-	-
847 - SA Debt Service Fund-Fair Oaks	5,315	225	225	230
848 - SA Debt Service Fund-OrangeGrv	57	-	-	-
849 - SA Debt Service Fund-VillaPrke	222	-	-	-
850 - SA Debt Service Fund-LakeWash	139	-	-	-
Successor Agency to the PCDC Total	\$19,904	\$495	\$495	\$251

SUMMARY OF FTEs BY DIVISION

Division	FY 2019	FY 2020	FY 2020	FY 2021
	Adopted	Adopted	Revised	Adopted
PCDC-Gen Admln	1.00	1.00	1.00	-
Successor Agency to the PCDC Total	1.00	1.00	1.00	-