



SUCCESSOR AGENCY TO THE PCDC



Music Program
Linda Vista Branch Library

CITY OF PASADENA
SUCCESSOR AGENCY TO THE PASADENA COMMUNITY
DEVELOPMENT COMMISSION

Successor Agency to
the Pasadena Community
Development Commission
Administration
(1.00)

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MISSION STATEMENT

The Successor Agency manages redevelopment projects currently underway, makes payments identified on the Recognized Obligation Payment Schedule (ROPS), and disposes of redevelopment assets and properties as directed by the Oversight Board. The Successor Agency is responsible for drafting an administrative budget and a ROPS every six months that must first be approved by the Oversight Board and then transmitted to the County Auditor-Controller's Office and the California Department of Finance. The ROPS delineates the Successor Agency's outstanding "bills" or "enforceable obligations" payable every six months and their source of payment.

PROGRAM DESCRIPTION

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

Oversight Board Review:

The Oversight Boards will continue to review the Successor Agency's semi-annual budget and the Agency's enforceable obligations under Section 34167(d) as set forth on the semi-annual Recognized Obligation Payment Schedules ("ROPS"), and direct the Successor Agency in the disposition of the former Pasadena Community Development Commission (PCDC) assets. The Oversight Board's actions will continue to be subject to review by the State Department of Finance. Ultimately, on July 1, 2016, all the Oversight Boards in a given county are to be consolidated under one county-wide Oversight Board. In the case of Los Angeles County, 71 separate Oversight Boards will be consolidated into one. The Oversight Board members are appointed by and represent the following entities:

1. One member appointed by the Los Angeles County Board of Supervisors.
2. One member of the public appointed by the Los Angeles County Board of Supervisors.
3. One member appointed by the Mayor for the city that had sponsored the dissolved RDA.
4. One member appointed by the Mayor representing the employees of the former RDA.
5. One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former RDA.
6. One member appointed by the Los Angeles County Board of Education.
7. One member appointed by the Chancellor of the California Community Colleges.

AB 1484, CLEAN-UP LEGISLATION

On June 27, 2012, the California Legislature passed, and the Governor signed, Assembly Bill 1484 ("AB 1484"). AB 1484 made several substantive and technical amendments to ABx1 26, the bill enacted in late June 2011 that directed the dissolution of all of California's redevelopment agencies. As a budget "trailer bill," a bill providing appropriations related to the Budget Bill, AB 1484 took immediate effect upon signature by the Governor.

AB 1484 requires those involved in the redevelopment unwind process to learn and implement significant new rules of conduct just as they were beginning to adapt to and implement the already complex rules mandated by last year's ABx1 26. Although AB 1484 establishes a separate legal status of the Successor Agency, several provisions expose the dissolved RDA's sponsoring community city and/or county ("Sponsoring Community") to penalties and liabilities for the actions and inactions of the separate entity that is the Successor Agency.

In particular, AB 1484 has added many new or modified actions and deadlines such as the Due Diligence Review (DDR) report that details the fund balances for both of the Housing and Non-Housing

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Funds. Additionally, AB 1484 established a “meet and confer” process that provides the Successor Agency a formalized means of communication with the Department of Finance over matters related to disputes regarding an enforceable obligation or a dispute within the DDR. The Successor Agency has successfully met all of the new deadlines and procedures imposed by AB 1484.

DEPARTMENTAL RELATIONSHIP TO CITY COUNCIL GOALS

Maintain Fiscal Responsibility and Stability:

With AB 1484, the Successor Agency will work closely with the 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 and real property and the implementation of any enforceable development activities 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 2014 ACCOMPLISHMENTS

The Successor Agency accomplished the following during Fiscal Year 2014:

- Successfully adopted ROPS IV and ROPS V by the Oversight Board including the Successor Agency 3 percent administration budget;
- Facilitated the transfer of ownership of Plaza Las Fuentes to new private owner; and
- Coordinated the assignment for the Sheraton Air Rights Lease that will result in further renovation to the hotel.

FISCAL YEAR 2015 ADOPTED BUDGET

Operating Budget:

The FY 2015 Adopted Budget of \$43,185,000 is \$16,091,000 or 59.4 percent greater than the FY 2014 Revised Budget for the now dissolved PCDC. The increase is attributed to the representation of \$39,400,000 in SB 481 funds currently sought after by the Successor Agency to reimbursement PCDC debt obligations.

Per the financial requirements from AB 1484, Successor Agencies must develop a Recognized Obligation Payment Schedule (ROPS) that contains any and all enforceable obligations from the previous Redevelopment Agency. The ROPS represents obligations on a six-month basis and is reviewed by the County Auditor-Controller 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 percent administration budget from the total approved obligations. Due to the level of review and oversight by the County and State, although the figures represented in the FY 2015 budget cover a 12-month period, the figures are subject to change based on the County Auditor-Controller’s review.

The Successor Agency Operating Budget has been adjusted in the presentation of the FY 2015 Adopted Budget to eliminate double counting expenditure transactions that will result from the process created by AB 1484. AB 1484 requires the City to deposit the revenues received once the ROPS is approved in a 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. Since this transfer results in accounting for these expenditures twice, the FY 2015 Adopted Budget does not include the new Redevelopment Obligation Retirement Fund.

Personnel:

A total of 1.0 FTE is included in the FY 2015 Adopted Budget.

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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.

Over the past fiscal year the Legislature adopted a few bills that attempted to restore, in a limited fashion, redevelopment authority. However, the Governor's Office refused to sign any redevelopment related bills sending a clear message that the Governor's Office will not support any new bills to restore any version of redevelopment.

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SUMMARY OF APPROPRIATIONS BY EXPENDITURE CATEGORY (\$000)

Expenditure Category	FY2012 Actual	FY2013 Actual	FY2014 Adopted	FY2014 Revised	FY2015 Adopted
Personnel	\$977	\$260	\$162	\$162	\$166
Services & Supplies	2,132	5,283	1,082	1,082	720
Internal Service Charges	175	18	15	15	18
Principal & Interest	6,380	1,130	3,187	3,187	2,551
Transfers Out	7,395	800	22,648	22,648	39,730
Successor Agency to PCDC	\$17,059	\$7,491	\$27,094	\$27,094	\$43,185

SUMMARY OF APPROPRIATIONS BY DIVISION (\$000)

Division	FY2012 Actual	FY2013 Actual	FY2014 Adopted	FY2014 Revised	FY2015 Adopted
Successor Agency	\$586	\$624	\$1,868	\$1,868	\$1,124
Debt Service Funds	9,328	6,867	25,226	25,226	42,061
Downtown Project Area	4,259	0	0	0	0
Fair Oaks Project Area	55	0	0	0	0
Orange Grove Project Area	34	0	0	0	0
Villa Parke Project Area	66	0	0	0	0
Old Pasadena Project Area	1,860	0	0	0	0
Lake / Washington Project Area	507	0	0	0	0
Lincoln Project Area	69	0	0	0	0
Halstead Sycamore Project Area	295	0	0	0	0
Successor Agency to PCDC	\$17,059	\$7,491	\$27,094	\$27,094	\$43,185

SUMMARY OF APPROPRIATIONS BY FUND (\$000)

Fund	FY2012 Actual	FY2013 Actual	FY2014 Adopted	FY2014 Revised	FY2015 Adopted
801-Downtown Capital Projects Fund	4,259	0	0	0	0
802-Fair Oaks Capital Projects Fd	55	0	0	0	0
803-Orange Grove Capital Projects	35	0	0	0	0
804-Villa Parke Capital Projects Fd	66	0	0	0	0
805-Old Pasadena Capital Projects	4,798	0	0	0	0
806-Lake Washington Capital Proj.	507	0	0	0	0
807-Lincoln Capital Projects Fund	311	0	0	0	0
808-Halstead Sycamore Capital Proj	295	0	0	0	0
820-Successor Agency Fund (PCDC)	651	674	1,907	1,907	1,186
844-SA Debt Service Fund - Old Pasadena	5	4,168	2,220	2,220	2,212
845-SA Debt Service Fund - Lincoln	644	15	0	0	0
846-SA Debt Service Fund - Downtown	1,865	1,640	22,000	22,000	39,448
847-SA Debt Service Fund - Fair Oaks	1,301	187	232	232	230
848-SA Debt Service Fund - Orange Grove	232	93	303	303	0
849-SA Debt Service Fund - Villa Parke	1,248	278	338	338	18
850-SA Debt Service Fd - Lake Washington	545	420	94	94	91
851-SA Debt Service Fd - Affordable Housing	242	16	0	0	0
Successor Agency to PCDC	\$17,059	\$7,491	\$27,094	\$27,094	\$43,185

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SUMMARY OF FTES BY DIVISION

Division	FY2012 Actual	FY2013 Actual	FY2014 Adopted	FY2014 Revised	FY2015 Adopted
PCDC	10.20	0.00	0.00	0.00	0.00
Successor Agency to PCDC	0.00	1.00	1.00	1.00	1.00
Successor Agency to PCDC	10.20	1.00	1.00	1.00	1.00

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PERFORMANCE MEASURES	FY 2013 Actual	FY 2014 Target	FY 2014 Mid-Yr Actual	FY 2015 Target
Council Goal: To improve, maintain, and enhance public facilities and infrastructure.				
Objective: To dispose of PCDC assets and properties to maximize value directed by Oversight Board.				
1. Develop and Implement Asset Disposal Strategy	10%	25%	5%	100%
Council Goal: To Maintain fiscal responsibility and stability.				
Objective: Complete and submit the Recognized Obligation Payment Schedule for each fiscal year.				
1. Complete and receive approval for the Recognized Obligation Payment Schedule	100%	100%	50%	100%