Summary of Appropriations by Expenditure Category (\$000)

Expenditure Category	FY2010 Actual	FY2011 Actual	FY2012 Adopted	FY2012 Revised	FY2013 Recommended	FY2012 Revised to FY2013 Recommended
Personnel	\$1,883	\$1,573	\$1,324	\$1,325	\$160	(\$1,165)
Services & Supplies	13,318	5,029	6,068	6,146	586	(5,560)
Equipment	941	960	960	960	0	(960)
Internal Service Charges	132	168	187	186	18	(168)
Principal & Interest	24,599	26,341	21,264	21,264	17,373	(3,891)
Transfers Out	6,120	5,851	4,660	4,660	27,178	22,518
Successor Agency to PCDC	\$46,993	\$39,922	\$34,463	\$34,541	\$45,315	\$10,774

Summary of Appropriations by Division (\$000)

Division	FY2010 Actual	FY2011 Actual	FY2012 Adopted	FY2012 Revised	FY2013 Recommended	FY2012 Revised to FY2013 Recommended
Successor Agency	\$0	\$0	\$0	\$0	\$1,568	\$1,568
Debt Service Funds	32,479	29,586	24,933	24,934	43,747	18,813
Downtown - General Projects Fund	0	4	0	0	0	0
Downtown Project Area	2,672	3,042	3,165	3,227	0	(3,227)
Fair Oaks Project Area	124	112	149	149	0	(149)
Orange Grove Project Area	131	147	63	68	0	(68)
Villa Parke Project Area	516	1,789	1,430	1,435	0	(1,435)
Old Pasadena Project Area	9,336	4,123	4,045	4,045	0	(4,045)
Lake / Washington Project Area	110	56	109	114	0	(114)
Lincoln Project Area	1,374	806	569	569	0	(569)
Halstead Sycamore Project Area	251	257	0	0	0	0
Successor Agency to PCDC	\$46,993	\$39,922	\$34,463	\$34,541	\$45,315	\$10,774

Summary of Appropriations by Fund (\$000)

Fund	FY2010 Actual	FY2011 Actual	FY2012 Adopted	FY2012 Revised	FY2013 Recommended	FY2012 Revised to FY2013 Recommended
105-General Fund Projects Fund	\$0	\$4	\$0	\$0	\$0	\$0
801-Downtown Capital Projects Fund	2,672	2,963	3,165	3,227	0	(3,227)
802-Fair Oaks Capital Projects Fd	124	112	149	149	0	(149)
803-Orange Grove Capital Projects	131	147	63	68	0	(68)
804-Villa Parke Capital Projects Fd	516	1,804	1,430	1,435	0	(1,435)
805-Old Pasadena Capital Projects	9,336	4,164	4,045	4,045	0	(4,045)
806-Lake Washington Capital Proj.	110	56	109	114	0	(114)
807-Lincoln Capital Projects Fund	1,374	809	569	569	0	(569)
808-Halstead Sycamore Capital Proj	251	257	0	0	0	0
820-Successor Agency Fund (PCDC)	0	0	0	0	1,568	1,568
844-SA Debt Service Fund - Old Pasadena	0	0	0	0	15,535	15,535
845-SA Debt Service Fund - Lincoln	0	0	0	0	6	6
846-SA Debt Service Fund - Downtown	20,351	22,962	19,913	19,914	26,284	6,370
847-SA Debt Service Fund - Fair Oaks	2,780	2,604	1,244	1,244	1,176	(68)
848-SA Debt Service Fund - Orange Grove	1,563	1,010	629	629	318	(311)
849-SA Debt Service Fund - Villa Parke	5,671	1,594	2,353	2,353	324	(2,029)
850-SA Debt Service Fd - Lake Washington	2,114	1,391	794	794	104	(690)
851-SA Debt Service Fd - Affordable Housing	0	45	0	0	0	0
Successor Agency to PCDC	\$46,993	\$39,922	\$34,463	\$34,541	\$45,315	\$10,774

Summary of FTEs by Division

Division	FY2010 Actual	FY2011 Actual	FY2012 Adopted	FY2012 Revised	FY2013 Recommended	FY2012 Revised to FY2013 Recommended
Successor Agency to PCDC	15.97	15.97	10.20	10.20	0.00	(10.20)
PCDC	0.00	0.00	0.00	0.00	1.00	1.00
Successor Agency to PCDC	15.97	15.97	10.20	10.20	1.00	(9.20)

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 by March 1, 2012. They must transmit it to the County Auditor-Controller's Office and the California Department of Finance by April 15, 2012. The ROPS delineates the enforceable obligations payable through June 30, 2012 and their source of payment, and then will be updated and submitted for approval every six months thereafter.

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

In his 2011-12 budget Governor Jerry Brown proposed eliminating the state's Redevelopment Agencies (RDAs) to help address the state's ongoing budget deficit. In June 2011 the Legislature passed, and the Governor signed, two bills in response to his proposal:

- 1. ABx1 26 prevented RDAs from engaging in new activities and dissolved the agencies effective October 1, 2011. This legislation also outlined a process for winding down the RDAs financial affairs, and set forth a mechanism to distribute any net funds from the RDAs to other local taxing agencies
- 2. ABx1 27 would have allowed RDAs to opt-in to an alternative redevelopment program to avoid dissolution. The agencies would have had to agree to transfer annual payments to school and community college districts to continue their functions.

The California Redevelopment Association, the League of California Cities and other parties filed petitions with the California Supreme Court challenging both ABx1 26 and ABx1 27 on constitutional grounds. The Supreme Court upheld the constitutionality of ABx1 26 and struck down ABx1 27 as unconstitutional. As a result of the Supreme Court's decision in *California Redevelopment Association v. Matasontos*, California's approximately 400 RDAs were dissolved on February 1, 2012. The assets and liabilities of the RDA have now been transferred to Successor Agencies pursuant to ABx 1 26.

Pasadena elected by resolution to become the Successor Agency effective February 1, 2012, pursuant to the provisions of ABx1 26. The actions of the Oversight Board are overseen by the State Department of Finance (DOF). The Successor Agency is overseen by an Oversight Board that approves and reviews the ROPS and other actions of the Successor Agency. Actions of an Oversight Board do not go into effect for three business days. During this time, DOF may request a review of any of the Oversight Board's actions. The DOF, in turn, has ten days to approve the Oversight Board's action(s) or return it to the Oversight Board for reconsideration.

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

Departmental Relationship to City Council Goals

Maintain fiscal responsibility and stability

With AB X1 26, 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.

To 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 2012 Accomplishments

The Successor Agency accomplished the following:

- Appointed and organized the first meeting of the Oversight Board to review and approve the Successor Agency 5 percent administration budget.
- Successfully disbanded the Pasadena Community Development Commission and adopted a resolution recognizing the City Council as the successor responsible to review and make recommendations to the Successor Agency.
- Submitted the required Recognized Enforceable Obligations Schedule to the County Auditor-Controller.
- Created a Redevelopment Obligation Retirement Fund to receive moneys from the County Auditor-Controller for the payment of enforceable obligations.

Fiscal Year 2013 Recommended Budget

Operating Budget

The FY 2013 Recommended Budget of \$45,315,137 is \$10,774,182 or 31.2 percent greater than the FY 2012 Revised Budget for the now dissolved PCDC. The increase can be attributed to the new reporting requirements of the Successor Agency to the County Auditor-Controller and the reporting of the estimated \$22 million Pension Obligation Bond per Senate Bill 481. Per the financial requirements from ABx1 26, 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 who determines what enforceable obligations are allowable and transmits 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, although the figures represented in the FY 2013 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 2013 Recommended Budget to eliminate double counting expenditure transactions that will result from the process created by ABx1 26. ABx1 26 requires the City to deposit the revenues received once the ROPS is approved in a new 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 2013 Recommended Budget does not include the new Redevelopment Obligation Retirement Fund. Of the total Successor Agency budget \$1.8 million will support Successor Agency administration to cover personnel, service and supplies, and internal service costs with the remaining balance supporting all enforceable obligations included in the six month ROPS and an estimate of the continuing obligation for the second six months of the fiscal year.

Personnel

A total of 1.0 FTE is included in the FY 2013 Recommended Budget. Due to the elimination of PCDC, this decrease of 9.20 FTEs comes from the elimination of 6.0 FTEs, the transfer of 4.0 FTEs to the City Manager Department and the transfer of 1.0 FTE to the Successor Agency.

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.

Performance Measures

Council Goal: To improve, maintain, and enhance public facilities and infrastructure.

Objective:

A. To dispose of PCDC assets and properties to maximize value directed by the Oversight Board.

		FY 2011	FY 2012	FY 2012	FY 2013
M	easures:	Actual	Target	Mid-Year	Target
1	Develop and implement Asset Disposal Strategy	-	10%	5%	25%

Council Goal: To maintain fiscal responsibility and stability.

Objective:

A. Complete and submit the Recognized Obligation Payment Schedule for each fiscal year.

		FY 2011	FY 2012	FY 2012	FY 2013
Ме	easures:	Actual	Target	Mid-Year	Target
1	Complete and receive approval for the Recognized Obligation Payment Schedule	1	100	50	100

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ADOPTED	FY2012 REVISED	FY2013 RECOMMENDED	\$Change Rcmd:Revsd	%Change Rcmd:Revsd
8005 Regular Pay - PERS	1,193,158	956,036	980,406	980,406	124,384	(856,022)	(87.3%)
8011 Overtime Pay	7,788	2,616	6,166	6,166	0	(6,166)	(100.0%)
8018 PST-Part Time Employees-PARS	771	290	0	0	0	0	0.0%
8020 Management Benefit	728	0	0	0	0	0	0.0%
8023 Auto Allowance	12,543	8,753	6,750	6,750	0	(6,750)	(100.0%)
8024 Personal Devlpmnt Allowance	5,750	5,250	500	500	0	(500)	(100.0%)
8027 Workers' Compensation	23,830	20,370	22,194	22,194	0	(22,194)	(100.0%)
8031 General Liability	21,850	6,694	5,573	5,573	0	(5,573)	(100.0%)
8038 Employee Portion-PERS	46,662	33,210	10,808	10,808	0	(10,808)	(100.0%)
8040 City Portion-PERS	139,382	116,800	151,806	151,806	20,184	(131,622)	(86.7%)
8041 City Portion-PARS	32	12	0	0	0	0	0.0%
8044 Life Insurance	803	544	784	784	100	(685)	(87.3%)
8045 Dental Insurance	9,301	8,581	5,410	5,410	731	(4,679)	(86.5%)
8046 Medicare Total	15,542	12,674	14,216	14,216	1,804	(12,412)	(87.3%)
8047 Long Term Disability	3,392	2,799	2,444	2,444	311	(2,133)	(87.3%)
8049 Medical	153,111	140,356	117,356	117,356	12,124	(105,232)	(89.7%)
8050 Benefits	197,081	223,712	0	0	0	0	0.0%
8054 Vision Care	6	22	0	0	0	0	0.0%
8056 Accrued Payroll Expense	(8,700)	14,051	0	0	0	0	0.0%
8058 Benefits Admin.	59,518	19,599	0	0	0	0	0.0%
T8700 Total Personnel	1,882,550	1,572,367	1,324,414	1,324,414	159,636	(1,164,778)	(87.9%)
8101 Materials And Supplies	6,519	9,724	12,000	12,000	12,000	0	0.0%
8107 Equipment Lease Payments	0	0	5 <i>,</i> 758	5,758	0	(5 <i>,</i> 758)	(100.0%)
8108 Computer Related Supplies	393	67	6,000	6,000	2,400	(3,600)	(60.0%)
8109 Equip Purchases Under \$10,000	373	0	5,290	5,290	6,000	710	13.4%
8110 Outside Printing & Duplicating	220	0	5,000	5,000	6,000	1,000	20.0%
8112 Legal and Other Advertising	1,233	2,021	3,000	3,000	3,000	0	0.0%

FY 2013 Recommended Budget

Successor Agency to PCDC

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ADOPTED	FY2012 REVISED	FY2013 RECOMMENDED	\$Change Rcmd:Revsd	%Change Rcmd:Revsd
8113 Photo Copy Machine Maint	10,574	11,520	10,250	10,250	2,500	(7,750)	(75.6%)
8114 Other Contract Services	70,458	77,665	98,370	98,370	89,204	(9,166)	(9.3%)
8115 Consultant Services	(3,095)	7,397	60,000	60,000	60,000	0	0.0%
8117 Data Processing Operations	0	0	4,750	4,750	0	(4,750)	(100.0%)
8118 Outside Legal Services	43,096	57,195	0	0	355,836	355,836	100.0%
8121 Computer (PC) Maint/Repair	185	0	0	0	0	0	0.0%
8122 Support To Advisory Committees	742	217	5,000	5,000	2,400	(2,600)	(52.0%)
8124 Dues And Memberships	22,991	6,154	8,000	8,000	2,400	(5,600)	(70.0%)
8125 Special Civic Events	2,072	1,644	0	0	0	0	0.0%
8127 Conf & Mtgs-City Departments	5,509	3,725	7,000	7,000	3,000	(4,000)	(57.1%)
8128 Mileage	99	29	900	900	0	(900)	(100.0%)
8129 Education	700	324	0	0	0	0	0.0%
8135 Reference Matls Subscriptions	0	0	1,500	1,500	1,500	0	0.0%
8143 City Hall Space Rental	0	0	124,307	124,307	0	(124,307)	(100.0%)
8144 Postage	9,269	983	21,872	21,872	1,200	(20,672)	(94.5%)
8149 Fiscal Agent/Bank Fees & Chgs	8,269	10,136	63,000	63,000	0	(63,000)	(100.0%)
8164 Programs & Projects	780,232	1,163,644	3,877,204	3,955,504	0	(3,955,504)	(100.0%)
8165 PCDC-Admin Service Charges	2	(36,940)	0	0	0	0	0.0%
8166 Real Estate Acquisition	4,996	0	0	0	39,000	39,000	100.0%
8171 Operation Of Acquired Property	34,376	35,660	38,500	38,500	0	(38,500)	(100.0%)
8172 Rehabilitation	40,871	0	135,000	135,000	0	(135,000)	(100.0%)
8174 Contingencies	250,579	257,115	0	0	0	0	0.0%
8178 Program Expenditure Recovery	(14,534)	(6,000)	0	0	0	0	0.0%
8184 Current Year-Indirect Costs	539,265	550,048	550,051	550,051	0	(550,051)	(100.0%)
8218 Vehicle Rental	78	22	0	0	0	0	0.0%
8273 PCDC-Public Improvement	0	0	250,000	250,000	0	(250,000)	(100.0%)
8289 ERAF Expense	10,854,119	2,234,672	0	0	0	0	0.0%
8290 Cell Phone Reimbursement	950	850	0	0	0	0	0.0%

FY 2013 Recommended Budget

Successor Agency to PCDC

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ADOPTED	FY2012 REVISED	FY2013 RECOMMENDED	\$Change Rcmd:Revsd	%Change Rcmd:Revsd
8303 Property Tax Pass-Thru Expense	647,640	641,588	775,095	775,095	0	(775,095)	(100.0%)
T8800 Total Services & Supplies	13,318,179	5,029,457	6,067,847	6,146,147	586,440	(5,559,707)	(90.5%)
8503 Improvements Other Than Bldgs	940,981	959,801	959,801	959,801	0	(959,801)	(100.0%)
T8900 Total Equipment	940,981	959,801	959,801	959,801	0	(959,801)	(100.0%)
8601 IS-Structural Maintenance	25,773	26,193	26,615	25,844	2,609	(23,235)	(89.9%)
8602 IS-Tenant Improvements	291	38,052	0	0	0	0	0.0%
8603 IS-Lockshop	1,182	1,312	100	100	10	(90)	(90.2%)
8604 IS-Utilities & Insurance-Hsekp	18,806	19,201	19,201	19,256	1,882	(17,374)	(90.2%)
8605 IS-Houskeeping Services	16,801	16,831	16,859	16,489	1,653	(14,836)	(90.0%)
8607 IS-Printing	10,789	9,215	15,278	15,278	1,498	(13,780)	(90.2%)
8608 IS-Mail - Basic Services	2,664	2,664	2,664	2,664	261	(2,403)	(90.2%)
8609 IS - DOIT Telephone Basic	9,860	9,729	7,804	7,804	765	(7,039)	(90.2%)
8612 IS-DOIT Customer Service Basic	0	0	6,651	6,651	625	(6,026)	(90.6%)
8619 IS-DOIT Network Support Basic	0	0	4,195	4,195	412	(3,783)	(90.2%)
8620 IS-Building Preventive Mainten	8,186	8,194	8,175	8,200	801	(7,399)	(90.2%)
8622 IS - DOIT Telephone Usage	2,584	1,193	5,443	5,443	534	(4,909)	(90.2%)
8624 IS-DOIT Enterprise Computing Basic	20,314	20,314	11,547	11,547	1,132	(10,415)	(90.2%)
8630 IS-DOIT Application Basic	0	0	19,812	19,812	1,943	(17,869)	(90.2%)
8631 IS-DOIT Program Management Basic	0	0	9,066	9,066	889	(8,177)	(90.2%)
8632 IS-DOIT GIS Basic	1,334	1,334	16,411	16,411	1,609	(14,802)	(90.2%)
8634 IS-Security Srvcs at CityHall	11,890	11,866	11,848	11,848	1,162	(10,686)	(90.2%)
8635 IS-DOIT Project/Grant Services	0	0	5,492	5,492	538	(4,954)	(90.2%)
8641 IS - DOIT MS Licensing Basic	1,712	1,712	0	0	0	0	0.0%
T9000 Total Internal Service Charges	132,186	167,809	187,161	186,099	18,322	(167,777)	(90.2%)
8677 Interest	23,947,384	25,676,258	20,257,425	20,257,425	0	(20,257,425)	(100.0%)
8680 Principal PCDC Advance's	0	0	254,704	254,704	0	(254,704)	(100.0%)
8683 Principal PCDC COP's	0	0	87,208	87,208	0	(87,208)	(100.0%)
8684 Principal PCDC TAB	652,000	665,000	665,000	665,000	17,372,505	16,707,505	2512.4%

FY 2013 Recommended Budget

Successor Agency to PCDC

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ADOPTED	FY2012 REVISED	FY2013 RECOMMENDED	\$Change Rcmd:Revsd	%Change Rcmd:Revsd
T9100 Total Principal & Interest	24,599,384	26,341,258	21,264,337	21,264,337	17,372,505	(3,891,832)	(18.3%)
8703 Trans To Capital Projects Fund	724,940	2,547,683	0	0	0	0	0.0%
8722 Transfers To Debt Service Fund	50,758	61,000	61,000	61,000	24,425,925	24,364,925	39942.5%
8723 Trans To Affordable Housing	2,916,119	2,867,198	2,995,466	2,995,466	892,584	(2,102,882)	(70.2%)
8727 Transfers to PCDC	2,427,725	375,519	1,603,690	1,603,690	1,859,724	256,034	16.0%
T9200 Total Transfers Out	6,119,542	5,851,400	4,660,156	4,660,156	27,178,233	22,518,077	483.2%
T8000 Total Expense	46,992,821	39,922,092	34,463,716	34,540,955	45,315,137	10,774,182	31.2%