

RESOLUTION NO. 2011-43

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL STATING THE CITY'S INTENTION TO MAKE REMITTANCES REQUIRED BY ABX1 27 IN ORDER TO AVOID DISSOLUTION OF THE BELL COMMUNITY REDEVELOPMENT AGENCY

WHEREAS, on June 30, 1986, by Ordinance No. 920, the City Council of the City of Bell ("City Council") and the Governing Board of the Bell Community Redevelopment Agency ("Agency") adopted the Redevelopment Plan ("Redevelopment Plan") for the Bell Project Area ("Project Area").

WHEREAS, the Agency, through the exercise of its powers under the California Community Redevelopment Law (Health & Safety Code §§ 33000 *et seq.*) ("CRL") has made major contributions to the physical and economic development of the City and has strengthened the City's ability to meet the needs of its citizens and contributed to the quality of life throughout the City; and

WHEREAS, the California Legislature has adopted, and the Governor has signed ABX1 26 (2011) and ABX1 27 (2011), legislation that would dissolve the Agency effective as of October 1, 2011, unless the City agrees to make certain payments to the State Department of Finance and the County Auditor-Controller; and

WHEREAS, now that the Governor has signed ABX1 26, redevelopment agencies' powers purportedly are suspended and redevelopment agencies purportedly are now prohibited from taking a number of actions, including making loans and entering into or modifying contracts; and

WHEREAS, Section 34193, subdivision (a), of the California Health & Safety Code, as added by ABX1 27, states that a city must adopt an ordinance on or before October 1, 2011, committing the city/agency to make payments to the Los Angeles County Auditor-Controller pursuant to ABX1 27.

WHEREAS, If the Bell Community Redevelopment Agency were to continue its existence by opting-in to the AB 27 payment scheme, the City's total payment obligation to the State for Fiscal Year 2011-2012 would be \$1,100,812; in subsequent fiscal years, the AB 27 payments would be calculated based on the Agency's share of the statewide total budget shortfall of \$400,000,000, with adjustments based on the growth or decline in tax increment revenue, along with additional payments if the Agency were to incur additional debt. It is currently estimated that the Agency's subsequent-year AB 27 payments based on current information for FY 2012-13 would be approximately \$261,017.

WHEREAS, if a city is unable to enact a committal AB 27 ordinance before October 1, 2011, Section 34193, subdivision (b), of the California Health & Safety Code,

as added by ABX1 27, permits that a city may alternatively enact a resolution declaring that the city intends to enact such ordinance, which resolution will extend the deadline for an ordinance to November 1, 2011. Such is the intent and purpose of this Resolution; and

WHEREAS, the validity of AB 26 and AB 27 is being challenged in a lawsuit entitled *California Redevelopment Association, et al. v. Matosantos, et al.*, California Supreme Court Case No. S194861 (the "CRA Lawsuit") and other lawsuits challenging the validity of AB 26 and AB 27 may be filed. Pending a decision on the merits in the CRA Lawsuit, the California Supreme Court has stayed the effectiveness of portions of AB 26 and AB 27.

WHEREAS, it remains unclear how the CRA Lawsuit and judicial stay will ultimately impact the ability of cities and redevelopment agencies to opt-in to the AB 27 scheme. It is therefore the intention of the City and the Agency that this Resolution shall be conditioned upon the outcome of the CRA Lawsuit and stay. This Resolution shall be effective upon the date of its adoption should AB 27 be upheld. However, if the decision on the merits in the CRA Lawsuit or any other lawsuit challenging the validity of AB 26 and/or 27 holds that provisions of AB 27 authorizing the making of remittances to the County Auditor are invalid for any reason, this Resolution shall be null and void and of no effect.

NOW, THEREFORE, BE IT NOW RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELL AS FOLLOWS:

SECTION 1. The above recitals are true and correct and incorporated herein by this reference.

SECTION 2. Based on the foregoing recitations and all evidence presented to and considered by the City Council, and in accordance with Health and Safety Code Section 34193, subdivision (b), the City Council hereby declares by this non-binding Resolution that it intends to adopt an ordinance (the "Ordinance") on or before November 1, 2011, declaring it will make the payments required by ABX1 27.

SECTION 3. This non-binding Resolution of intent in no way warrants or guarantees any payment of money by the City to any other entity, and the City reserves the right to withdraw from making the payments required by ABX1 27 should at any time the amount of such payments (as will be determined by the State Department of Finance) prove to be in excess of the City's available funds not otherwise obligated for other uses.

SECTION 4. This non-binding Resolution shall in no way be construed as requiring the City to abide by ABX1 26 or ABX1 27 in the event either, or both, bills are found unconstitutional or otherwise legally invalid in whole or in part, nor shall this Resolution effect or give rise to any waiver of rights or remedies that the City may have,

whether in law or in equity, to challenge ABX1 26 or ABX1 27. This Resolution shall not be construed as the City's willing acceptance of, or concurrence with, either ABX1 26 or ABX1 27; nor does this Resolution evidence any assertion or belief whatsoever on the part of the City that said bills are constitutional or lawful.

SECTION 5. The Mayor, Chief Administrative Officer and Treasurer of the City are hereby authorized to take all action necessary to effectuate this Resolution.

SECTION 6. The City Clerk is hereby ordered to and notify the State Department of Finance, the State Controller, and the county auditor-controller before October 1, 2011, concerning the passage of this Resolution.

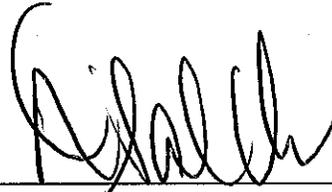
I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Bell at a regular meeting thereof held on September 28, 2011, by the following vote.

AYES: Councilmember Alvarez, Valencia, Vice Mayor Harber and Mayor Saleh

NOES: None

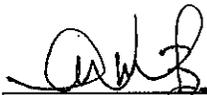
ABSTAIN: Councilmember Quintana

ABSENT: None



MAYOR

ATTEST:



CITY CLERK

APPROVED AS TO FORM:

Aleshire & Wynder

By: 

David J. Aleshire, Agency Counsel