

CITY OF BELL

RESOLUTION NO. 2011-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL APPROVING A REMITTANCE AGREEMENT WITH THE BELL COMMUNITY REDEVELOPMENT AGENCY IN ACCORDANCE WITH ASSEMBLY BILL ABX1 27

WHEREAS, the Bell Community Redevelopment Agency (the "Agency") administers the implementation of various redevelopment projects, programs, and activities within the redevelopment project area in the City of Bell (the "City"); and

WHEREAS, on June 15, 2011, the State Legislature passed Assembly Bill X1 26 ("AB 26") and Assembly Bill X1 27 ("AB 27"), and on June 29, 2011, Governor Edmund G. Brown Jr. signed AB 26 and AB 27; and

WHEREAS, AB 26 generally prevents redevelopment agencies from entering into new or amended obligations or contracts, and eliminates redevelopment agencies and winds down their operations; and

WHEREAS, AB 27 allows redevelopment agencies to remain in existence, and to gain an exemption from the provisions of AB 26, in exchange for the payment of substantial sums of money on an annual basis to the Los Angeles County Auditor-Controller (County Auditor); and

WHEREAS, AB 27 codified Part 1.9 of Division 24 of the California Health and Safety Code ("Part 1.9"), which now comprises a portion of the California Community Redevelopment Law; and

WHEREAS, AB 27 establishes a "voluntary alternative redevelopment program" ("Alternative Program"), whereby the Agency is authorized to continue to exist upon the City's enactment of an ordinance to comply with the provisions of Part 1.9; and

WHEREAS, AB 27 provides that, in order to enable the Agency to be included in the Alternative Program, the City must notify the County Auditor, the State Controller, and the State Department of Finance, on or before November 1, 2011, that the City will comply with the provisions of Part 1.9 by adoption of an ordinance consistent with Part 1.9; and

WHEREAS, the City Council intends to adopt an ordinance to comply with Part 1.9 ("Ordinance") before November 1, 2011, and notify the County Auditor, the State Controller and the State Department of Finance of such adoption; and

WHEREAS, AB 27 requires the City to make specified remittances to the County Auditor in order to continue the existence of the Agency, as prescribed in Part 1.9 and to be prescribed in the Ordinance; and

WHEREAS, Section 34194.2 of AB 27 authorizes the Agency to enter into an agreement with the City, whereby the Agency will transfer a portion of its tax increment to the City, in an amount not to exceed the amount of the City's annual remittance to the County Auditor ("Remittance Agreement"), for the purpose of financing activities within the City's redevelopment area that are related to accomplishing the Agency's project goals; and

WHEREAS, the purpose of the Remittance Agreement is to provide for the transfer of funds by the Agency to the City in an amount not to exceed the amount of the remittance payments required by Part 1.9, utilizing net available tax increment and other funds in this current fiscal year and forthcoming fiscal years; 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; and

WHEREAS, 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, including, but not limited to, Sections 34194, 34194.1 and 34194.2; and

WHEREAS, it is the intention of the City for the Remittance Agreement to become effective only if and when the stay ordered by the California Supreme Court in the CRA Lawsuit has been lifted or dissolved; provided, however, if the decision on the merits in the CRA Lawsuit or any other lawsuit challenging the validity of AB 26 and/or 27 is that provisions of AB 27 authorizing the making of remittances to the County Auditor are invalid for any reason, this Agreement shall be null and void and of no effect; and

WHEREAS, the City Council has reviewed and duly considered the Staff Report, documents and other evidence presented at the meeting and believes that it will be in the best interest of the City and the health, safety, morals and welfare of its residents, and in accord with the public purpose and provisions of applicable state and local law and requirements, for the City to enter into a Remittance Agreement with the Agency and to allow the Agency to participate in the Alternative Program.

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

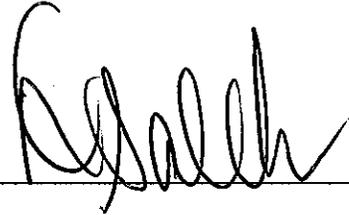
SECTION 1. The above recitals are true and correct and incorporated herein by this reference.

SECTION 2. The City Council hereby approves the Remittance Agreement attached hereto as Exhibit "A" and incorporated herein by this reference.

SECTION 3. The Mayor, or designee, is authorized on the City's behalf, to execute the Remittance Agreement.

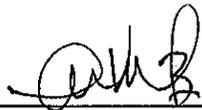
SECTION 4. The City Manager, or designee, is authorized, on the City's behalf, to execute and deliver all other documents and take all actions necessary and appropriate to facilitate the Agency's continued participation in the Alternative Program, after the City has enacted the Ordinance and while the Ordinance remains in effect.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELL THIS 28th DAY OF September, 2011.



Mayor

Attest:



City Clerk

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



City Clerk