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**LANCASTER CITY COUNCIL/REDEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
May 7, 2010**

CALL TO ORDER

Mayor/Chairman Parris called the Special meeting of the City Council/Redevelopment Agency to order at 9:03 a.m.

ROLL CALL

Present: Council Members/Agency Directors: Crist, Mann, Marquez; Vice Mayor/Vice Chairman Smith, Mayor/Chairman Parris

Staff

Members: City Manager/Executive Director; Deputy City Manager/Deputy Executive Director; City Attorney/Agency; City Clerk/Agency Secretary; Assistant to the City Manager; City Engineer; Parks, Recreation & Arts Director; Finance Director; Economic Development Director; Housing Director

ITEM 1 FUNDING OF SUPPLEMENTAL EDUCATION REVENUE AUGUMENTATION FUND PAYMENT (SERAF)

The City Manager and the Finance Director presented the staff report regarding this matter. The presentation included the decision by the Sacramento Superior Court which requires redevelopment agencies to transfer over \$2 billion for state purposes, specifically for the benefit of schools within the project areas. Lancaster Redevelopment Agencies share of this transfer is over \$20 million, \$17,479,911 in the current year and \$3.5 million, May 2011. The ruling was in response to a lawsuit brought by the California Redevelopment Association (CRA) challenging the constitutionality of provisions of AB X4-26, which was passed in July 2009 as part of the 2009/10 state budget.

The Finance Director addressed the fiscal impact. \$17,479,911 loss, being funded by a combination of reductions in budgeted line items and fund balance in Economic Development and a loan from the Low and Moderate Housing Fund. The actions by the State of California severely impacts the City/Agency's economic development and housing efforts to curb blight, bring new jobs and retail establishments to Lancaster with a number of projects that would have benefitted the citizens of Lancaster being reduced, deferred, or canceled.

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**ITEM 1 FUNDING OF SUPPLEMENTAL EDUCATION REVENUE
AUGUMENTATION FUND PAYMENT (SERAF) (continued)**

The City Attorney stated that the California Redevelopment Association “strongly disagrees” with the ruling and their Board of Directors quickly voted to appeal the decision. In addition to the appeal, the CRA has requested a temporary stay from the Court of Appeals so the May 10, 2010 payment would not have to be made while the appeal is being considered. This action is required in the event the second request for a stay is denied requiring the payment to be made on Monday May 10, 2010.

Council Discussion:

Vice Mayor/Chairman Smith made it very clear that this is not the City’s money, it is the money of the citizens of Lancaster that the State is taking from all the hard working families.

Council Member/Agency Director Marquez stated that this action is under protest; it is criminal; it is un-American. Inquired as to how much the City of Los Angeles is paying.

The City Manager explained that it is not the size of the city; it depends on the size of the agency.

Council Member/Agency Director Mann encouraged citizens to take action as well and let their legislators in Sacramento know that this is not a fair decision.

The City Attorney discussed an initiative filed by the CRA and the California League of Cities; a measure that will most likely be on the November ballot regarding protection of local revenues including redevelopment funds. If approved by the voters, it will prohibit the legislation in Sacramento from taking local revenues in any form.

On a motion by Vice Mayor/Vice Chairman Smith and seconded by Council Member/Agency Director Mann, the Redevelopment Agency adopted Resolution No. 12-10, under protest, approving the payment of the Supplemental Education Revenue Augmentation Fund with a loan from the Low and Moderate Income Housing Fund, by the following vote: 5-0-0-0; AYES: Crist, Mann, Marquez, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None.

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ITEM 2: CONSIDERATION OF AMENDMENT TO DDA FOR PROMENADE II PROJECT

The City Attorney stated that this is a technical amendment regarding the Promenade II Project. The final appraisal came in at \$530,000.00; therefore, the original amount of \$2,000,000 will not be paid as the purchase price; however, the difference will be reimbursed to the City in connection with the Streetscape Improvements.

On a motion by Vice Mayor/Vice Chairman Smith and seconded by Council Member/Agency Director Marquez, the City Council/Redevelopment Agency approved the amendment to the DDA for the Promenade II Project, by the following vote: 5-0-0-0; AYES: Crist, Mann, Marquez, Smith, Parris; NOES: None; ABSTAIN: None; ABSENT: None.

ADJOURNMENT

Mayor Parris adjourned the meeting at 9:21 a.m. and announced that the next meeting of the City Council/Redevelopment Agency/Financing Authority would take place on Tuesday, May 11, 2010 at 5:00 p.m.

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
CITY CLERK/AGENCY
Lancaster, CA

R. REX PARRIS
MAYOR/CHAIRMAN
Lancaster, CA

**CERTIFICATION OF SPECIAL MEETING MINUTES
CITY COUNCIL/REDEVELOPMENT AGENCY**

I, _____, _____ of the City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original City Council/Redevelopment Agency Special meeting minutes, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, CA on this _____ day of _____, _____.

(seal)
