

STAFF REPORT
City of Lancaster

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MVB

Date: January 10, 2012

To: Mayor Parris and Council Members

From: Dave McEwen, City Attorney

Subject: **Resolution Electing to Serve as Successor Agency to the Lancaster
Redevelopment Agency**

Recommendation:

Adopt **Resolution No. 12-04**, a Resolution of the City of Lancaster electing to serve as the Successor Agency to the Lancaster Redevelopment Agency.

Fiscal Impact:

The City will incur certain administrative costs which may be reimbursed from tax increment revenues pursuant to ABx1 26.

Background:

On December 29, 2011 the California Supreme Court (“Supreme Court”) issued their decision in California Redevelopment Association v. Matosantos. The Supreme Court concluded that Assembly Bill X1 26 (“Dissolution Act”) is valid and constitutional and that Assembly Bill X1 27 (“Voluntary Redevelopment Program Act”) is invalid and unconstitutional. The Supreme Court’s decision is final and effective immediately. The decision means that all California redevelopment agencies (“Agencies”) are subject to the Dissolution Act and will be dissolved; and, there is no option to continue to exist under the Voluntary Redevelopment Program Act. The Dissolution Act dissolves all agencies, authorizes the recapture and transfer of redevelopment monies, limits future allocation and expenditure of (former) tax increment and other redevelopment monies to repayment of recognized enforceable obligations and limited administrative activities, and transfers administration of the wind down and limited activities of former agencies to successor agencies, oversight boards, and county auditor-controllers.

The Supreme Court ordered that all deadlines in AB X1 26 that state a date for action of May 1, 2012 or earlier are “reformed”, i.e., extended by four (4) months; thus, for instance, all redevelopment agencies will be dissolved and their successor agencies will begin to function on February 1, 2012 rather than October 1, 2011. (See §§34170, subd. (a) [all provisions in pt. 1.85 are operative on Oct. 1, 2011 (now reformed to February 1, 2012), unless otherwise specified], 34173 [creating successor agencies], 34175, subd. (b) [transferring redevelopment agency assets to successor agencies], 34177, subd. (1)(2)(A) [requiring successor agency to prepare a draft obligation payment schedule by Nov. 1, 2011 (now reformed to March 1, 2012)].)

The attached resolution, if adopted by the City Council, provides for an affirmative election of the City Council to serve as the Successor Agency to the Lancaster Redevelopment Agency. Further actions will be required at future meetings.

Attachment:

Resolution No. 12-04