



AGENDA

REGULAR MEETING OF THE HEMET REDEVELOPMENT AGENCY

January 24, 2012

REGULAR SESSION

7:00 p.m.
City of Hemet Council Chambers
450 E. Latham Avenue

Call to Order

Roll Call

ROLL CALL: Board Members Foreman, Smith and Youssef, Vice
Chairperson Franchville and Chairperson Krupa

Notice to the Public

The Consent Calendar contains items which are typically routine in nature and will be enacted by one motion by the Board unless an item is removed for discussion by a member of the public, staff, or Board. If you wish to discuss a Consent Calendar item please come to the microphone and state the number of the item you wish to discuss. Then wait near the lectern. When the Chairperson calls your item give your last name, and address, then begin speaking. You will have three minutes at that time to address the board.

Consent Calendar

1. **Recommendation by Community Investment Director - Amended Enforceable Obligation Payment Schedule**
 - a. Adopt a resolution approving and adopting an amended Enforceable Obligation Payment Schedule pursuant to AB 1X 26 and Section 34169(g)(2) of the California Health and Safety Code. **(Resolution Bill No. 12-008)**
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Communications From the Public

Anyone who wishes to address the Redevelopment Agency regarding items not on the agenda may do so at this time. As a courtesy, please complete a Request to Speak Form, found in the Lobby of the Council Chambers or at the Secretary's Desk. Submit your completed form to the Secretary prior to the beginning of the meeting. Presentations are limited to three minutes in consideration of others who are here for agenda items. Please come forward to the lectern when the Chairperson calls upon you. When you are recognized, you may proceed with your comments.

****Notice: Members of the Public attending shall comply with the adopted Rules of Decorum in Resolution No. 4148. A copy of the Rules of Decorum are available from the City Clerk.***

State law prohibits the Redevelopment Agency from taking action or discussing any item not appearing on the agenda except for brief responses to statements made or questions posed by the public. In addition, they may, on their own initiative or in response to questions posed by the public, ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to them at a subsequent meeting. Furthermore, a member of the Redevelopment Agency or the Agency itself may take action to direct staff to place a matter of business on a future agenda.

Future Agenda Items

If Members of the Redevelopment Agency have items for consideration at the next Redevelopment Agency meeting, please state the agenda item to provide direction to the Executive Director.

Adjournment

Staff reports and other disclosable public records related to open session agenda items are available at the City Clerk's Office or at the public counter located at 445 E. Florida Avenue during normal business hours.



Staff Report

TO: Honorable Chair and Member of the Agency Board

FROM: Brian S. Nakamura, Executive Director *BN*

DATE: January 24, 2012

RE: City of Hemet Redevelopment Agency Amended Enforceable Obligation Payment Schedule pursuant to AB 1X 26 and Section 34169(g)(2) of the California Health and Safety Code

RECOMMENDATION:

It is respectfully recommended that the Hemet Redevelopment Agency Board adopt the proposed Resolution Bill No. 12-008 titled:

“A RESOLUTION OF THE HEMET REDEVELOPMENT AGENCY OF THE CITY OF HEMET, CALIFORNIA APPROVING AND ADOPTING AN AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE (“AMENDED EOPS”) PURSUANT TO AB 1X 26.”

BACKGROUND:

The Hemet Redevelopment Agency (“Agency”) was created by the City Council of the City of Hemet in 1981 for the purposes of implementing redevelopment activities in the City. On July 13, 1982, the City Council adopted the Redevelopment Plan for the Hemet Project Area in accordance with the California Community Redevelopment Law (Health and Safety Code § 33000 *et seq.*) (“CRL”), and subsequently adopted Redevelopment Plans for the Downtown, Weston Park, Farmer’s Fair and Combined Commercial Project Areas between 1989 and 1996. The Downtown, Weston Park and Farmer’s Fair Project Areas were subsequently amended to merge these areas.

In January, 2011, Governor Brown announced his intent to eliminate redevelopment agencies as a way to help balance the State budget. The Legislature then enacted and the Governor signed Assembly Bill 1X 26 and Assembly Bill 1X 27. These bills took effect on June 29, 2011.

The California League of Cities and the California Redevelopment Association filed suit in the California Supreme Court challenging the constitutionality of these bills. On

August 11, the Supreme Court agreed to take the case and issued an immediate stay of AB 1X 27 in its entirety and a partial stay of AB 1X 26.

The Court allowed AB 1X 26 to remain in effect insofar as it precludes existing redevelopment agencies from incurring new indebtedness, transferring assets, acquiring real property, entering into new contracts or modifying existing contracts, and adopting or amending redevelopment plans, but it stayed enforcement of both statutes in all other respects.

Assembly Bill 1X 27, which was stayed in its entirety, allowed a city or county that has a redevelopment agency to avoid the consequences of the Dissolution Act by adopting an ordinance ("Continuation Ordinance") and comply with the Alternative Voluntary Redevelopment Program ("Alternate Redevelopment Program") and pay a "community remittance" pursuant to AB 1X 27.

For this reason, an Enforceable Obligation Payment Schedule (EOPS) was prepared, filed with the County auditor Controller and published in accordance with AB 26 1X and AB 1X 27 on August 25, 2011 by the Hemet Redevelopment Agency by Resolution Number 11-088 covering the period July 1, 2011 through December 31, 2012.

DISCUSSION:

As a result of the Supreme Court's decision on December 29, 2011, in which the CA Supreme Court upheld AB 1X 26 and overturned AB 1X 27, redevelopment agencies in California, including Hemet's will be dissolved on February 1, 2012.

In accordance with AB 1X 26, redevelopment agencies are required to prepare, file with the County Auditor-Controller, and publish an Amended Enforceable Obligations Payment Schedule ("Amended EOPS") to specify the Agency's financial and contractual obligations that includes obligation after Dec 31, 2011 and through the dissolution period to June 30, 2012.

Exhibit A to Resolution No 12-008, is the Amended EOPS which was prepared with the assistance of Rosenow -Spevacek Group, Inc. (RSG) the City's redevelopment consultant.

In conclusion, adoption of an Amended EOPS ensures that the City Council will be able to continue payment of Agency obligations after dissolution on February 1 and through the end of the fiscal year.

Please Note:

Given the short time frame provided by the State to prepare and file an Amended EOPS, and the deadline for the posting and public notice required for a Redevelopment Agency meeting, the Amended EOPS was not available at the time of this writing. The Amended EOPS, Exhibit A to the recommended Resolution 12-008, will be delivered

under separate cover at the meeting of the Redevelopment Agency on January 24, 2012.

COORDINATION AND REVIEW:

The proposed Amended EOPS was prepared collaboratively by the City's redevelopment consultant RSG Inc., the Finance Department, Community Investment Department, and with the City Attorney-Agency General Counsel's office.

STRATEGIC PLAN AND COUNCIL GOALS INTEGRATION:

The recommended action supports the City's goals of remediate blighting conditions, promoting economic development, strengthening neighborhoods and preserving and improving the housing stock.

FISCAL IMPACT:


There is no fiscal impact associated with approving this resolution.

CONCLUSION:

It is respectfully recommended that the Redevelopment Agency adopt the proposed Resolution Bill No. 12-008.

Attachments: 1- Redevelopment Agency Resolution Bill No. 12-008.

Recommended By:



John Jansons
Community Investment Director

Reviewed By:



Rita Conrad
Finance Director

Attachment No. 1

**HEMET REDEVELOPMENT AGENCY RESOLUTION NO. 12-008,
INCLUDING "EXHIBIT A" ADOPTING AN AMENDED
ENFORCABLE OBLIGATIONS PAYMENT SCHEDULE PURSUANT
TO AB 1X 26**

Redevelopment Agency
January 24, 2012



HEMET REDEVELOPMENT AGENCY
Hemet, California
RESOLUTION BILL NO. 12-008

A RESOLUTION OF THE HEMET REDEVELOPMENT AGENCY
OF THE CITY OF HEMET, CALIFORNIA APPROVING AND
ADOPTING AN AMENDED ENFORCEABLE OBLIGATION
PAYMENT SCHEDULE PURSUANT TO AB 1X 26

WHEREAS, pursuant to the Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*), the City Council of the City of Hemet ("City") created the Hemet Redevelopment Agency ("Agency"); and

WHEREAS, the Agency has been responsible for implementing the Redevelopment Plans for the Hemet, Merged and Combined Commercial Redevelopment Projects covering certain properties within the City ("Project Areas"); and

WHEREAS, as part of the 2011-2012 State budget bill, the California State Legislature recently enacted, and the Governor signed, companion bills AB 1X 26 and AB 1X 27, which eliminate every redevelopment agency unless the community that created it adopts an ordinance ("Continuation Ordinance") agreeing to participate in an Alternative Voluntary Redevelopment Program ("Alternate Redevelopment Program") which requires the payment of an annual "community remittance" payment; and

WHEREAS, the Agency is currently in the process of carrying out the goals and objectives of the Redevelopment Plan by continuing to: eliminate blight; increase, improve and preserve the supply of affordable housing in the community; stimulate and expand economic growth and employment opportunities by revitalizing properties and businesses within the Project; and alleviate deficiencies in public infrastructure; and

WHEREAS, in connection with approval and adoption of the State Budget for Fiscal Year 2011-12, the California Legislature has approved, and the Governor has signed (i) ABx1 26 (Stats. 2011, chap. 5, "ABx1 26"), which immediately, and purportedly retroactively, suspends all otherwise legal redevelopment activities and incurrence of indebtedness and dissolves redevelopment agencies effective October 1, 2011, and requires redevelopment agencies to adopt a payment schedule for all agency enforceable obligations in conformance with Section 34169(g) of the Health and Safety Code by August 28, 2011, and submit such schedule to the county auditor-controller, the State Controller and the State Department of Finance (the "Dissolution Act"); and

1 **WHEREAS**, implementation of ABx1 26 was delayed by the pendency of the
2 CRA v. Matosantos litigation, which litigation was concluded and a decision of the
3 California Supreme Court issued on December 29, 2011; and
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5 **WHEREAS**, the Supreme Court upheld the validity of ABx1 26 but, delayed its
6 implementation for a period equal to the length of the litigation, setting February 1, 2012
7 as the date for dissolution of redevelopment agencies and setting substantially all other
8 short-term statutory deadlines back four months from their original dates; and
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10 **WHEREAS**, the Enforceable Obligation Payment Schedule adopted by the
11 Agency on August 25, 2011 listed all obligations of the Agency in the then-appropriate
12 statutory time period of October 1, 2011 through December 31, 2011; and
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14 **WHEREAS**, due to the Supreme Court's ruling, the statutory time period during
15 which payments will have to be made pursuant to the Enforceable Obligation Payment
16 Schedule will now extend until at least April 30, 2012 and may extend as long as June
17 30, 2012; and
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19 **WHEREAS**, the Agency has prepared an amended Enforceable Obligation
20 Payment Schedule, attached hereto as Exhibit A, and is prepared to post the
21 Enforceable Obligation Payment Schedule on the City's website in accordance with
22 Section 34169(g)(2) of the Health and Safety Code;
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24 **NOW, THEREFORE, THE CITY OF HEMET REDEVELOPMENT AGENCY**
25 **DOES RESOLVE AS FOLLOWS:**
26

27 **Section 1. Recitals.** The Recitals set forth above are true and correct and
28 incorporated herein by reference.
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30 **Section 2. Approval of EOPS.** The Agency hereby adopts the amended
31 Enforceable Obligation Payment Schedule, attached hereto as Exhibit A.
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33 **Section 3. Posting; Transmittal to Appropriate Agencies.** The Agency
34 Executive Director is hereby directed to transmit a copy of the Enforceable
35 Obligation Payment Schedule to the State Department of Finance, the State
36 Controller and the Riverside County Auditor-Controller in accordance with
37 Section 34169(g)(2) of the Health and Safety Code.
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39 **Section 4.** The Agency Secretary shall certify to the passage and adoption of
40 this Resolution.

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2 PASSED, APPROVED AND ADOPTED this 24th day of January, 2012.
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Linda D. Krupa, Chairperson

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14 ATTEST:

APPROVED AS TO FORM:

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17 _____
18 Sarah McComas, Secretary

19 _____
Eric S. Vail, Agency Counsel

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21 State of California)
22 County of Riverside)
23 City of Hemet)
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25 I, Sarah McComas, Secretary of the Hemet Redevelopment Agency, do hereby certify
26 that the foregoing Resolution is the actual Resolution adopted by the Hemet
27 Redevelopment Agency and was passed at a regular meeting of the Hemet
28 Redevelopment Agency on the 24th day of January, 2012 by the following vote:
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30 AYES:

31 NOES:

32 ABSTAIN:

33 ABSENT:
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Sarah McComas, Secretary
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Attachment No. 1

“Exhibit A”

**HEMET REDEVELOPMENT AGENCY
RESOLUTION NO. 12-008, “EXHIBIT A”
TO BE PROVIDED UNDER SEPERATE COVER AT THE
REDEVELOPMENT AGENCY MEETING ON JANUARY 24, 2012.**

Redevelopment Agency
January 24, 2012