

CITY OF LOS ANGELES

CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer

When making inquiries relative to
this matter, please refer to the
Council File No.



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

SHANNON HOPPE
Council and Public Services
Division

www.cityclerk.lacity.org

January 12, 2012

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 12-0049,
at its meeting held January 11, 2012.



City Clerk
srb

Mayor's Time Stamp
OFFICE OF THE MAYOR
RECEIVED
2012 JAN 11 PM 4:02
CITY OF LOS ANGELES

FORTHWITH

City Clerk's Time Stamp
CITY CLERK'S OFFICE
2012 JAN 11 PM 3:56
CITY CLERK
BY _____
DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 12-0049

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE JANUARY 11, 2012

RE: THE IMPLICATIONS OF THE CALIFORNIA SUPREME COURT RULING ON THE CASE COMMUNITY REDEVELOPMENT ASSOCIATION V. MATOSANTOS TO THE CITY, AND RELEVANT ISSUES AND DATES ASSOCIATED WITH THE RESULTING ELIMINATION OF THE COMMUNITY REDEVELOPMENT AGENCY OF LOS ANGELES AND A POSSIBLE SUCCESSOR ENTITY FOR THE CRA/LA, AND RELATED ACTIONS

LAST DAY FOR MAYOR TO ACT JAN 23 2012
(10 Day Charter requirement as per Charter Section 341)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

APPROVED ✓

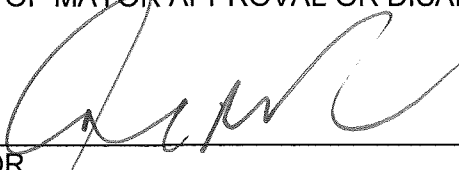
*DISAPPROVED

*Transmit objections in writing pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL

JAN 12 2012

MAYOR



BY _____
DEPUTY

CITY CLERK

2012 JAN 12 PM 12:42

CITY CLERK'S OFFICE

MOTION

I HEREBY MOVE that Council ADOPT the following recommendations relative to the implications of the California Supreme Court ruling on the case Community Redevelopment Association v. Matosantos to the City, and relevant issues and dates associated with the resulting elimination of the Community Redevelopment Agency of Los Angeles (CRA/LA) and a possible Successor Entity for the CRA/LA, and related actions, (Item No. 14, Council file No. 12-0049), SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying Resolution (14-A) to elect not to become the Successor Agency to the former redevelopment agency; and submit to the County Auditor-Controller by January 13, 2012. Seek legislation to reduce liability and allow the City to elect to later be Successor Agency if areas of concern are mitigated.
2. INSTRUCT the Chief Legislative Analyst (CLA) and the City Administrative Officer (CAO) with the assistance of the Los Angeles Housing Department (LAHD) to report with an analysis of the implications relevant to the transfer of the housing functions of the former redevelopment agency to the City and request the City Attorney, with the assistance of the CLA and CAO, to prepare the required Resolutions for Council adoption before January 31, 2012.
3. REQUEST the City Attorney, with the assistance of the CLA and the CAO, to identify and prepare the required Resolutions and/or actions that are technical in nature that the Council must take before January 31, 2012.
4. AUTHORIZE the CLA and the CAO to make any technical corrections and take any actions required to implement the intentions of Council's action.
5. REQUEST the City Attorney to report in Closed Session relative to the Cooperation Agreement between the City and the CRA/LA.
6. INSTRUCT the CLA and the CAO to report on the current economic development functions conducted in the City and provide alternatives/models on how the City can conduct economic development in the future (consolidation of city departments, creation of a non-profit, other).
7. INSTRUCT the CLA to continue to monitor: (1) State Legislation and prepare the necessary Resolutions for Council Adoption; and (2) litigation relative to AB1x26 and report to Council with any future impacts to the City.

ADOPTED

JAN 11 2012

LOS ANGELES CITY COUNCIL

TO THE MAYOR FORTHWITH

PRESENTED BY _____
HERB WESSON
Councilmember, 10th District

SECONDED BY _____
DENNIS ZINE
Councilmember, 3rd District

January 11, 2012

CF 12-0049

RESOLUTION

A resolution adopted pursuant to Section 34173(d)(1) of the California Health & Safety Code indicating the City of Los Angeles' election not to serve as the successor agency to The Community Redevelopment Agency of the City of Los Angeles, California.

WHEREAS, the Council of the City of Los Angeles, by the adoption a Resolution on April 15, 1948, established The Community Redevelopment Agency of the City of Los Angeles, California (CRA/LA) pursuant to the Community Redevelopment Law (CRL) contained in the California Health & Safety Code (Section 33000 *et. seq.*) (Council File No. 32417); and

WHEREAS, CRA/LA has, since its establishment, taken various actions to, among other things, eliminate blight, develop housing opportunities for persons and families of low and moderate-income, provide assistance for community-serving commercial projects and create employment opportunities; and

WHEREAS, the California State Legislature, in conjunction with its adoption of the 2011-2012 State budget, passed Assembly Bill 1x 26 (AB 26) on June 15, 2011 and the Governor signed the bill on June 28, 2011; and

WHEREAS, AB 26 amended various provisions of the CRL and added Parts 1.8 and 1.85 thereto which, among other things, immediately suspended most of the powers and authorities of redevelopment agencies and provides for their dissolution as of October 1, 2011; and

WHEREAS, AB 26 also designates the city or county or city and county that created the redevelopment agency to be the "successor agency" to the dissolved redevelopment agency unless it adopts a resolution thereby electing not to be the successor agency and files a copy of such resolution with the County Auditor-Controller no later than one month prior to the effective date of Part 1.85; and

WHEREAS, the successor agency, under AB 26, is generally tasked with winding down the affairs of the former redevelopment agency, making payments on and carrying out enforceable obligations of the former redevelopment agency, disposing of agency assets and properties and remitting the proceeds and other unencumbered funds to the County Auditor-Controller for distribution to local taxing entities; and

WHEREAS, the deadline date upon which a city, county or city and county have to elect not to serve as the successor entity and submit a duly authorized resolution to the County Auditor-Controller was extended to January 13, 2012 as a result of the stay issued by the California Supreme Court in *California Redevelopment Association, et al.*

v. Ana Matosantos, et. al. (Case No. S1914861), and the Court's upholding the constitutionality of AB 26; and

WHEREAS, the provisions of Parts 1.8 and 1.85 do not provide the City with sufficient protection against claims and liabilities as the successor agency to the CRA/LA which could result in the expenditure of City funds to meet former CRA/LA debts, liabilities and other obligations; and

WHEREAS, the City of Cerritos and the Cerritos Redevelopment Agency and a number of other cities and redevelopment agencies filed an action in Sacramento Superior Court seeking to enjoin the implementation of most of the provisions of AB 26 and challenging the legality of provisions of the statute on various constitutional grounds (*City of Cerritos, et. al. v. State of California, et. al.* (Sacramento County Superior Court No. 34-2011-80000952); and

WHEREAS, the City Council does not intend, by adoption of this Resolution or by the taking of any actions authorized hereby, to waive any of its constitutional and/or legal rights it has in regards to AB 26, and, therefore, reserves all of its rights to join the litigation filed by the City of Cerritos and/or to otherwise challenge the validity of any or all provisions of AB 26 in any administrative or judicial proceeding and/or repeal this Resolution; and

WHEREAS, the City Council does not intend, by adoption of this Resolution or by taking any action provided hereby, to waive any of its rights under Part 1.85 to adopt a resolution electing to become the successor agency.

NOW, THEREFORE, BE IT RESOLVED that:

1. The City, pursuant to California Health & Safety Code Section 34173(d)(1), hereby elects not to serve as the successor entity to CRA/LA.
2. The City Administrative Officer is directed to file a copy of this Resolution with the County Auditor-Controller by January 13, 2012.
3. The City Council does not intend, by adopting this Resolution and authorizing actions hereby, to, in any way, acknowledge the legal validity or enforceability of AB 26 or waive its rights to challenge the validity or enforceability of AB 26 and therefore reserves its rights to challenge the validity of any and all provision of AB 26 in any administrative or judicial proceeding.
4. The City Council further does not intend, by adopting this Resolution and authorizing actions thereto, to waive any of its rights under Part 1.85 to adopt a resolution electing to become the successor agency.
5. Should a court of competent jurisdiction determine that AB 26 is unconstitutional or otherwise illegal, and, therefore, invalid and

unenforceable, as of the date that judgment, order or decree becomes final and non-appealable, this Resolution shall be deemed repealed and of no further force or effect.

I CERTIFY THAT THE FOREGOING
RESOLUTION WAS ADOPTED BY THE
COUNCIL OF THE CITY OF LOS ANGELES ~~JAN 1 1 2012~~
AT ITS MEETING OF ~~JAN 1 1 2012~~
BY A MAJORITY OF ALL ITS MEMBERS.



JUNE LAGMAY
CITY CLERK

BY Sharon Bruce
DEPUTY

MOTION

I HEREBY MOVE that Council ADOPT the following recommendations relative to the implications of the California Supreme Court ruling on the case Community Redevelopment Association v. Matosantos to the City, and relevant issues and dates associated with the resulting elimination of the Community Redevelopment Agency of Los Angeles (CRA/LA) and a possible Successor Entity for the CRA/LA, and related actions, (Item No. 14, Council file No. 12-0049):

1. INSTRUCT all City Departments to report to the Chief Legislative Analyst and the City Administrative Officer by the end of business on January 13, 2012, any contracts they have with the CRA/LA and any payments due them from the CRA/LA.
2. INSTRUCT the CRA/LA to report back relative to whether or not the City could access the \$8 million currently encumbered by the Bureau of Engineering for various Environmental Impact Reports (EIR) for the Hollywood Cap Park Project EIR.

PRESENTED BY _____
TONY CARDENAS
Councilmember, 6th District

SECONDED BY _____
ERIC GARCETTI
Councilmember, 13th District

January 11, 2012

CF 12-0049

ADOPTED

JAN 11 2012

LOS ANGELES CITY COUNCIL

FORTHWITH

ITEM No. 14 - C

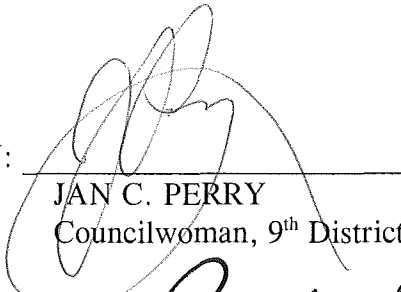
MOTION

I MOVE that the matter of the MOTION (WESSON for CARDENAS - HUIZAR) relative to the implications of the California Supreme Court ruling on the case Community Redevelopment Association v. Matosantos to the City, and relevant issues and dates associated with the resulting elimination of the Community Redevelopment Agency of Los Angeles (CRA/LA) and a possible Successor Entity for the CRA/LA, and related actions, Item No. 14 on today's Council Special Agenda (CF 12-0049) **BE AMENDED** to instruct the CLA and the CAO to report on the following:

- Models that are utilized in other major US cities. I am especially interested in the New York City model of an economic development corporation funded by a dedicated revenue stream and the City of Chicago's mega department that combines the functions of housing, planning, workforce development and economic development.
- The CRA's housing assets and how to make sure that existing affordable covenants are enforced and monitored and that we as a city fully utilize properties purchased with housing tax increment funds. Are we clear on what it would mean to the City to transfer these responsibilities to LAHD?
- How to ensure that we do not lose CRA grant dollars during the dissolution. Is there a plan in place to transfer existing CRA secured grants to other City departments for implementation?
- With regard to existing CRA loans that may have been issued for predevelopment with the intention of converting to permanent financing. Will there be a mechanism to make these kinds of alterations that do not require new funds but do require contact modification?

ADOPTED
JAN 11 2012
LOS ANGELES CITY COUNCIL
FORTHWITH

PRESENTED BY: _____


JAN C. PERRY
Councilwoman, 9th District

SECONDED BY: _____



ORIGINAL

January 11, 2012

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