

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.