



## CITY OF MONTCLAIR

Montclair Civic Center  
5111 Benito Street  
Montclair, CA 91763

January 5, 2012

**TO:** Honorable Mayor and City Council

**FROM:** Edward C. Starr, City Manager

**SUBJECT:** WEEKLY REPORT: December 23, 2011, to January 5, 2012

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### ➤ **CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS**

- Last Thursday, the California Supreme Court issued its decision in California Redevelopment Association et al., v. Ana Matosantos, as Director, etc., et al. In its ruling, the Court validated ABX 1 26, declaring the following: "Assembly Bill 1X 26, the dissolution measure, is a proper exercise of the legislative power vested in the Legislature by the state Constitution. That power includes the authority to create entities, such as redevelopment agencies, to carry out the state's ends and the corollary power to dissolve those same entities when the Legislature deems it necessary and proper. Proposition 22, while it amended the state Constitution to impose new limits on the Legislature's fiscal powers, neither explicitly nor implicitly rescinded the Legislature's power to dissolve redevelopment agencies. Nor does article XVI, section 16 of the state Constitution, which authorizes the allocation of property tax revenues to redevelopment agencies, impair that power." Accordingly, the Court has sustained the state's authority to eliminate California's community redevelopment agencies. Under this ruling, local redevelopment agencies must begin the process of shutting down operations and designating and implementing successor entities.

Concurrently, the Court invalidated ABX 1 27, declaring the following: "A different conclusion is required with respect to Assembly Bill 1X 27, the measure conditioning further redevelopment agency operations on additional payments by an agency's community sponsors to state funds benefiting schools and special districts. Proposition 22...expressly forbids the Legislature from requiring such payments. Matosantos' argument that the payments are valid because technically voluntary cannot be reconciled with the fact that the payments are a requirement of continued operation. Because the flawed provisions of Assembly Bill 1X 27 are not severable from other parts of that measure, the measure is invalid in its entirety." In its decision, the Court reaffirms the validity of Proposition 22 and its prohibition against state taking of local revenues.

ABX 1 27 was the only alternative to maintaining functional operations for redevelopment agencies. With this ruling, cities and redevelopment agencies must now comply with provisions contained in ABX 1 26—provisions that effectively terminate redevelopment operations.

It is interesting to note that in a historical perspective, the Court alludes to county Educational Revenue Augmentation Funds and the initiative process (specifically Proposition 13 and Proposition 98) as the primary catalysts for producing a dysfunctional property tax system in California that lead to certain overuse/abuse of the redevelopment process—thus engendering state legislative anxiety over the application and methodology of tax increment financing.

At present, it appears the Legislature must step in to eliminate, minimize, or restructure the impact of the Court's decision. On a practical level, the only apparent solution for retaining redevelopment is to amend Proposition 22 to permit state taking of redevelopment agency tax increment—presuming the primary objective of state officials is to divest local redevelopment agencies of a portion of their property tax-related dollars. The state would need to pass the necessary legislation to present an initiative to the voters in time for the November 2012 General Election—although, there is some public sentiment against redevelopment agencies. In the interim, the Legislature would need to amend ABX 1 26, to permit redevelopment agencies to continue until end of year 2012—although in a state of arrested performance.

City staff has been advised that a bill has been introduced to extend ABX 1 26 until April 15, 2012, to provide cities, counties, and redevelopment agencies time to implement a smooth transition. The City of Cerritos has also filed a lawsuit in Sacramento Superior Court, seeking an injunction against implementation of various components of ABX 1 26.

Over the next several weeks, City staff will continue to work in developing a scenario to effectively address and implement the adverse impacts of ABX 1 26. The economic loss to the state and individual cities is nothing less than catastrophic; and economic fallout related to the demise of redevelopment will be felt in the construction industry and financial markets/institutions for years to come.

As we move forward, other solutions may emerge over the next several weeks and months; it is apparent, however, that state legislators had not intended to totally eliminate redevelopment as a viable economic component. We can expect an active local and statewide effort to resolve the current threat to the economic viability of local government.

A City Council Workshop on Redevelopment is scheduled for Tuesday, January 17, 2012. Staff anticipates providing greater clarification to the issue at that time.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- I received official written notification this week from the state Department of Housing and Community Development (HCD) that the City's Housing Element update has been certified. In finding the Housing Element to be in full compliance with state law, HCD commended the City for its commitment to encouraging the development of affordable housing through a variety of regulatory procedures and incentives.

Having a certified Housing Element makes the City eligible to apply for specific funding programs to facilitate the development of affordable housing, including Housing Related Parks Program, Local Housing Trust Fund, and the Building Equity and Growth in Neighborhoods Program. In its correspondence, HCD complimented City staff and RBF Consulting for the work that went into crafting the Housing Element update.

Community Development staff will only be afforded a short "breather" from the 2½-year process to update the Housing Element, as the next update is due to HCD in October 2013. Accordingly, staff plans on beginning the entire process anew before 2012 draws to a close.

- The 2012 Montclair Basketball League will begin games Saturday, January 7 at 8:30 a.m. in the Montclair Community Center gymnasium. More than 150 children, between 6 and 14 years of age, are registered for the 7-week program, in addition to tournament play.

Come check out Montclair's youth in action!

### ➤ **POLICE DEPARTMENT**

- On December 23, 2011, the Montclair Police Department responded to a residential fire at 4180 Mission Boulevard—a complex consisting of several duplex units. Police Dispatchers received multiple calls of an explosion and a structure fire, and Police Officers arrived to find the residence fully engulfed in flames. Several neighbors were attempting to douse the fire with water hoses. An adult male with severe burns to his body informed the Officers that his wife was still inside the residence. The blaze the Officers experienced was so intense that a rescue attempt was not immediately possible. Flames encompassed power lines, trees, and the adjacent duplex. Montclair Firefighters arrived on scene and extinguished the fire and located a deceased female inside.

The adult male was transported to an area hospital for treatment of his injuries and is listed in critical condition.

The Fire and Police Departments are conducting a joint investigation of the incident.

### ➤ **FIRE DEPARTMENT**

- From December 28-30, Fire suppression personnel, along with Ontario Dispatch and Upland Fire Department Helicopter 165, participated in a swift-water rescue drill in the 4300 block of State Street. The drill allowed the three agencies to practice communications required to affect the rescue of a victim from the flood waters in the State Street wash by following the standard operating procedure.

### ➤ **REDEVELOPMENT/PUBLIC WORKS DEPARTMENT**

- No items to report.

*"By working faithfully eight hours a day you may eventually get to be boss and work twelve hours a day."  
~ Robert Frost*

# JANUARY 2012

		
9	Planning Commission Meeting - <b>Canceled</b>	
10	City Manager's Staff Meeting City Manager's Conference Room	9:00 a.m.
<b>16</b>	<b>Martin Luther King, Jr. Day – City Hall Closed</b>	
17	City Council Workshop – RDA Update Council Chambers	5:45 p.m.
17	Code Enforcement Meeting - <b>Canceled</b>	
17	City Council Meeting Council Chambers	7:00 p.m.
19	Safety Committee Meeting City Manager's Conference Room	9:00 a.m.
19	Public Works Committee Meeting City Manager's Conference Room	2:00 p.m.
23	Planning Commission Meeting Council Chambers	7:00 p.m.
31	City Manager's Staff Meeting City Manager's Conference Room	9:00 a.m.



## Swift-Water Rescue Drill December 2011

