

CITY OF MONTCLAIR
AGENDA FOR SPECIAL CITY COUNCIL, REDEVELOPMENT AGENCY, AND
MONTCLAIR HOUSING AUTHORITY MEETINGS

To be held in the Council Chambers
5111 Benito Street, Montclair, California

January 12, 2012

6:00 p.m.

As a courtesy please silence your cell phones, pagers, and other electronic devices while the meeting is in session. Thank you.

The CC/RDA/MHC meetings are now available in audio format on the City's website at www.ci.montclair.ca.us and can be accessed the day following the meeting after 10:00 a.m.

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- I. **CALL TO ORDER** – City Council and Redevelopment Agency and Montclair Housing Authority Boards of Directors
- II. **ROLL CALL**
- III. **PUBLIC COMMENT**

This section is intended to provide members of the public with an opportunity to comment on any subject that does not appear on this agenda. Each speaker will be afforded five minutes to address the City Council Members and Redevelopment Agency and Montclair Housing Authority Boards of Directors. (Government Code Section 54954.3)

Under the provisions of the Brown Act, the Council/Agency Board/MHA Board is prohibited from taking action on items not listed on the agenda.

IV. RESOLUTIONS

- A. Consider City Council's Adoption of Resolution No. 12-2934 Electing for the City to Serve as the Successor Agency to the City of Montclair Redevelopment Agency and Making Certain Findings in Connection Therewith [CC] 3
- B. Consider Montclair Housing Authority Board of Directors' Adoption of Resolution No. 12-01 Electing for the Montclair Housing Authority to Serve as the Successor Housing Agency to the City of Montclair Redevelopment Agency and Making Certain Findings in Connection Therewith [MHA] 7

V. ADJOURNMENT

The next regularly scheduled City Council, Redevelopment Agency, and Montclair Housing Corporation meetings will be held on Tuesday, January 17, 2012, at 7:00 p.m. in the Council Chambers.

Reports, backup materials, and additional materials related to any item on this Agenda distributed to the City Council, Redevelopment Agency Board, or Montclair Housing Authority Board after distribution of the Agenda packet are available for public inspection in the Office of the City Clerk located at 5111 Benito Street, Montclair, California, between 7:00 a.m. and 6:00 p.m., Monday through Thursday.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (909) 625-9415. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

I, Yvonne L. Smith, Deputy City Clerk, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 72 hours prior to this meeting on the bulletin board adjacent to the south door of Montclair City Hall on January 10, 2012.

AGENDA REPORT

SUBJECT: CONSIDER CITY COUNCIL'S ADOPTION OF RESOLUTION NO. 12-2934 ELECTING FOR THE CITY TO SERVE AS THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

DATE: January 12, 2012

SECTION: RESOLUTIONS

ITEM NO.: A

FILE I.D.: RDA050

DEPT.: REDEVELOPMENT

REASON FOR CONSIDERATION: As the City Council is aware, the California Supreme Court upheld the validity of ABX1 26, the legislation eliminating redevelopment agencies, on December 29, 2011. At the same time, the Supreme Court invalidated ABX1 27, the legislation providing for the continuation of redevelopment agencies. The provisions of ABX1 26 dissolve every redevelopment agency in the state effective February 1, 2012. In addition, as of February 1, 2012, a "Successor Agency" is created for each redevelopment agency. The Successor Agency will be the city or county that created the redevelopment agency unless that city or county elects not to serve in that capacity.

Technically, a city or county needs to adopt a resolution and deliver it to the County Auditor-Controller no later than January 13, 2012, only if it elects not to act as the Successor Agency for its former redevelopment agency. However, Redevelopment Agency Special Counsel advises that cities or counties electing to serve as the Successor Agency adopt a resolution as well to indicate a clear statement of intent. The City Council is requested to consider adoption of proposed Resolution No. 12-2934 electing to make the City the Successor Agency.

BACKGROUND: The background regarding the requested adoption of proposed Resolution No. 12-2934 has been detailed above. The purpose of the Successor Agency is to receive the assets of the former redevelopment agency and make the required payments for obligations of the former redevelopment agency.

All assets, properties, contracts, leases, books and records, buildings, and equipment will be transferred to the control of the Successor Agency on February 1, 2012, according to the Supreme Court's timeline. A Successor Agency is required to make payments and perform other obligations due for the obligations of a former redevelopment agency, which include the following:

- Repay bonds
- Repay the loan of funds by a redevelopment agency except those funds between a former redevelopment agency and its sponsoring city or county

Prepared by:

M. STAATS
Yvonne L. Smith

Reviewed and
Approved by:

Presented by:

M. STAATS
[Signature]

- Repayment of funds required by a federal or state government or for employee pension obligations
- Repay judgments or settlements
- Repay legally binding and enforceable agreements or contracts that are "not otherwise void as violating the debt limit or public policy"

ABX1 26 further requires the establishment of an Oversight Board to supervise the actions of each Successor Agency. The Oversight Board will consist of the following seven representatives:

- Two member appointed by the County Board of Supervisors
- One member appointed by the Mayor
- One member appointed by the County Superintendent of Schools
- One member appointed by the Chancellor of the California Community Colleges
- One member appointed from the largest special district taxing agency
- One former redevelopment agency employee appointed by the Mayor

It would be the responsibility of the Successor Agency to work with and accept the direction of the Oversight Board to approve the repayment of debt owed by the former redevelopment agency. However, pursuant to the Supreme Court decision, there is no timetable for implementation of the Oversight Board except that it must be established by May 1, 2012.

Resolution No. 12-2934 selects the Montclair Housing Authority as the successor housing agency to assume the housing functions of the City of Montclair Redevelopment Agency.

FISCAL IMPACT: Although there would be some fiscal impact to the City in becoming the Successor Agency, staff believes that it is in the City's best interest for the City to act as Successor Agency.

ABX1 26 does allow the Successor Agency an allowance for administrative costs from the assets of the former redevelopment agency. Administrative costs may be an amount up to 5 percent of the property tax allocated to the Successor Agency for Fiscal Year 2011-12 and up to 3 percent of the property tax allocated to the Successor Agency in each succeeding fiscal year provided, however, that the annual amount of the administrative costs shall not be less than \$250,000 for any fiscal year.

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 12-2934 electing for the City to serve as the successor agency to the City of Montclair Redevelopment Agency and making certain findings in connection therewith.

RESOLUTION NO. 12-2934

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTCLAIR ELECTING FOR THE CITY TO SERVE AS THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, the City of Montclair Redevelopment Agency ("Agency") is a community redevelopment agency organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.* ("CRL") and has been authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Montclair ("City"); and

WHEREAS, Part 1.85 of the Community Redevelopment Law ("Part 1.85") as adopted by ABX1 26 ("AB 26") provides for the statewide dissolution of all redevelopment agencies, including the Agency, and provides that, thereafter, a successor agency will administer the enforceable obligations of the Agency and otherwise wind up the Agency's affairs, all subject to the review and approval by an oversight committee; and

WHEREAS, the City desires to affirm and make its election to become the successor agency pursuant to Part 1.85; and

WHEREAS, the City desires to affirm the election to become successor agency for City of Montclair Redevelopment Project Area No. I, Redevelopment Project Area No. II, Redevelopment Project Area No. III, Redevelopment Project Area No. IV, Redevelopment Project Area No. V, and the Mission Boulevard Joint Redevelopment Project Areas pursuant to Part 1.85; and

WHEREAS, by making such election, the City is not making that certain election to perform certain housing activities as described in Health and Safety Code Section 34176(a) and selects the Montclair Housing Authority to serve as the successor housing agency pursuant to Health and Safety Code Section 34176(b)(3); and

WHEREAS, the City has duly considered all other related matters and has determined that the City's election to serve as successor agency to the Agency is in the best interests of the City and Agency and the health, safety, and welfare of its residents and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Montclair does hereby find and determine as follows:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. The City Council hereby elects to serve as the successor agency to the Agency; such election is made pursuant to Part 1.85, Chapter 3 of AB 26 and does

not include any election described under Health and Safety Code Section 34176(a) but selects the Montclair Housing Authority to serve as successor housing agency pursuant to Health and Safety Code Section 34176(b)(3).

Section 3. This Resolution shall be effective immediately upon adoption.

Section 4. The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this XX day of XX, 2012.

Mayor

ATTEST:

Deputy City Clerk

I, Yvonne L. Smith, Deputy City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 12-2934 was duly adopted by the City Council of said city and was approved by the Mayor of said city at a regular meeting of said City Council held on the XX day of XX, 2012, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Yvonne L. Smith
Deputy City Clerk

AGENDA REPORT

SUBJECT: CONSIDER MONTCLAIR HOUSING AUTHORITY BOARD OF DIRECTORS' ADOPTION OF RESOLUTION NO. 12-01 ELECTING FOR THE MONTCLAIR HOUSING AUTHORITY TO SERVE AS THE SUCCESSOR HOUSING AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH	DATE: January 12, 2012
	SECTION: RESOLUTIONS
	ITEM NO.: B
	FILE I.D.: MHA030
	DEPT.: REDEVELOPMENT

REASON FOR CONSIDERATION: As the Montclair Housing Authority Board of Directors is aware, the California Supreme Court upheld the validity of ABX1 26, the legislation eliminating redevelopment agencies, on December 29, 2011. At the same time, the Supreme Court invalidated ABX1 27, the legislation providing for the continuation of redevelopment agencies. The provisions of ABX1 26 dissolve every redevelopment agency in the state effective February 1, 2012. In addition, as of February 1, 2012, a "Successor Agency" is created for each redevelopment agency. A city or county may assume the housing functions of a former agency and take over the housing assets of that former redevelopment agency. However, if a city or county does not take over the housing functions, the housing functions may be transferred to a local housing authority.

Redevelopment Agency Special Counsel advises that the election of an entity to serve as the Successor Housing Agency should be made no later than January 13, 2012. Adoption of a resolution is recommended to indicate a clear statement of intent. The Montclair Housing Authority Board of Directors is requested to consider adoption of proposed Resolution No. 12-01 electing to make the Montclair Housing Corporation the Successor Housing Agency.

BACKGROUND: ABX1 26 provides for a city, county, or designated housing authority to become a Successor Housing Agency to the former redevelopment agency. The Successor Housing Agency would assume the former redevelopment agency's housing functions to fulfill housing obligations and would be able to exercise Redevelopment Law housing powers to fulfill such obligations. It should be noted that any amounts in the former redevelopment agency's Housing Fund are not included as assets transferred to the Successor Housing Agency.

FISCAL IMPACT: There should be no significant impact to staff in making the Montclair Housing Authority the Successor Housing Agency.

RECOMMENDATION: Staff recommends the Montclair Housing Authority Board of Directors adopt Resolution No. 12-01 electing for the Montclair Housing Authority to serve as the Successor Housing Agency to the City of Montclair Redevelopment Agency and making certain findings in connection therewith.

Prepared by: M. STRAITS
Proofed by: Yvonne Lomnick

Reviewed and Approved by: M. STRAITS
Presented by: James De Santis

RESOLUTION NO. 12-01

A RESOLUTION OF THE CITY OF MONTCLAIR HOUSING AUTHORITY ELECTING FOR THE MONTCLAIR HOUSING AUTHORITY TO SERVE AS THE SUCCESSOR HOUSING AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, the City of Montclair Redevelopment Agency ("Agency") is a community redevelopment agency organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.* ("CRL") and has been authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Montclair ("City"); and

WHEREAS, Part 1.85 of the Community Redevelopment Law ("Part 1.85") as adopted by ABX1 26 ("AB 26") provides for the statewide dissolution of all redevelopment agencies, including the Agency, and provides that, thereafter, a successor agency will administer the enforceable obligations of the Agency and otherwise wind up the Agency's affairs, all subject to the review and approval by an oversight committee; and

WHEREAS, the City Council of the City of Montclair created the Montclair Housing Authority ("Montclair Housing Authority") on July 18, 2011; and

WHEREAS, Section 34176(b)(3) of the Health and Safety Code, added by Part 1.85, allows a local housing authority in the territorial jurisdiction of the former redevelopment agency to elect to retain the responsibility for performing housing functions previously performed by a redevelopment agency with all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency to be transferred to a local housing authority; and

WHEREAS, the City Council has authorized the transfer of such housing responsibilities to the Montclair Housing Authority pursuant to City Council Resolution No. 12-2934; and

WHEREAS, the Montclair Housing Authority desires to affirm and make its election to become the successor housing agency pursuant to Part 1.85; and

WHEREAS, the Montclair Housing Authority has duly considered all other related matters and has determined that the Montclair Housing Authority's election to serve as successor housing agency to the Agency is in the best interests of the City and Agency and the health, safety, and welfare of its residents and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Montclair Housing Authority does hereby find and determine as follows:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. The Montclair Housing Authority hereby elects to serve as the Successor Housing Agency to the Agency; such election is made pursuant to Part 1.85, Chapter 3 of AB 26 and accepts such election described under Health and Safety Code Section 34176(b)(3).

Section 3. This Resolution shall be effective immediately upon adoption.

Section 4. The Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this XX day of XX, 2012.

Chairman

ATTEST:

Secretary

I, Yvonne L. Smith, Secretary of the Montclair Housing Authority, DO HEREBY CERTIFY that Resolution No. 12-01 was duly adopted by the Montclair Housing Authority Board of Directors at a regular meeting thereof held on the XX day of XX, 2012, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Yvonne L. Smith
Secretary