CITY OF EL CAJON
Successor Agency Oversight Board

Supplemental Referral Information

Ralph M. Brown Act (2012)

League of California Cities – AB X 1 26 Timeline

Map - Redevelopment Agency Owned Properties / Property Transfer Memo

Enforceable Obligation Define

Council Report (8/23/2011): Enforceable Obligation Payment Schedule

Council Report (1/24/2012): Amended Enforceable Obligation Payment Schedule

Council Report (2/28/2012): Amended Draft Recognized Obligations Payment Schedule

Council Report (1/10/2012): Impact of AB x 1 26 on the El Cajon Redevelopment Agency

Assembly Bill No. 26

RALPH M. BROWN ACT
GOVERNMENT CODE
SECTION 54950-54963

54950. In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

54950.5. This chapter shall be known as the Ralph M. Brown Act.

54951. As used in this chapter, "local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency.

54952. As used in this chapter, "legislative body" means:

(a) The governing body of a local agency or any other local body created by state or federal statute.

(b) A commission, committee, board, or other body of a local agency, whether permanent or temporary, decisionmaking or advisory, created by charter, ordinance, resolution, or formal action of a legislative body. However, advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body are not legislative bodies, except that standing committees of a legislative body, irrespective of their composition, which have a continuing subject matter jurisdiction, or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body are legislative bodies for purposes of this chapter.

(c) (1) A board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that either:

(A) Is created by the elected legislative body in order to exercise authority that may lawfully be delegated by the elected governing body to a private corporation, limited liability company, or other entity.

(B) Receives funds from a local agency and the membership of whose governing body includes a member of the legislative body of the

local agency appointed to that governing body as a full voting member by the legislative body of the local agency.

(2) Notwithstanding subparagraph (B) of paragraph (1), no board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that receives funds from a local agency and, as of February 9, 1996, has a member of the legislative body of the local agency as a full voting member of the governing body of that private corporation, limited liability company, or other entity shall be relieved from the public meeting requirements of this chapter by virtue of a change in status of the full voting member to a nonvoting member.

(d) The lessee of any hospital the whole or part of which is first leased pursuant to subdivision (p) of Section 32121 of the Health and Safety Code after January 1, 1994, where the lessee exercises any material authority of a legislative body of a local agency delegated to it by that legislative body whether the lessee is organized and operated by the local agency or by a delegated authority.

54952.1. Any person elected to serve as a member of a legislative body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this chapter and shall be treated for purposes of enforcement of this chapter as if he or she has already assumed office.

54952.2. (a) As used in this chapter, "meeting" means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b) (1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among

themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the members of the legislative body who are not members of the standing committee attend only as observers.

54952.3. (a) A legislative body that has convened a meeting and whose membership constitutes a quorum of any other legislative body may convene a meeting of that other legislative body, simultaneously or in serial order, only if a clerk or a member of the convened legislative body verbally announces, prior to convening any simultaneous or serial order meeting of that subsequent legislative body, the amount of compensation or stipend, if any, that each member will be entitled to receive as a result of convening the simultaneous or serial meeting of the subsequent legislative body and identifies that the compensation or stipend shall be provided as a result of convening a meeting for which each member is entitled to collect compensation or a stipend. However, the clerk or member of the legislative body shall not be required to announce the amount of compensation if the amount of compensation is prescribed in statute and no additional compensation has been authorized by a local agency.

(b) For purposes of this section, compensation and stipend shall not include amounts reimbursed for actual and necessary expenses incurred by a member in the performance of the member's official duties, including, but not limited to, reimbursement of expenses relating to travel, meals, and lodging.

54952.6. As used in this chapter, "action taken" means a collective

decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance.

54952.7. A legislative body of a local agency may require that a copy of this chapter be given to each member of the legislative body and any person elected to serve as a member of the legislative body who has not assumed the duties of office. An elected legislative body of a local agency may require that a copy of this chapter be given to each member of each legislative body all or a majority of whose members are appointed by or under the authority of the elected legislative body.

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report

any action taken and the vote or abstention on that action of each member present for the action.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), when a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and that number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(4) This subdivision shall remain in effect only until January 1, 2018.

54953.1. The provisions of this chapter shall not be construed to prohibit the members of the legislative body of a local agency from giving testimony in private before a grand jury, either as individuals or as a body.

54953.2. All meetings of a legislative body of a local agency that are open and public shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

54953.3. A member of the public shall not be required, as a condition to attendance at a meeting of a legislative body of a local agency, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the

meeting is to be held, or is circulated to the persons present during the meeting, it shall state clearly that the signing, registering, or completion of the document is voluntary, and that all persons may attend the meeting regardless of whether a person signs, registers, or completes the document.

54953.5. (a) Any person attending an open and public meeting of a legislative body of a local agency shall have the right to record the proceedings with an audio or video recorder or a still or motion picture camera in the absence of a reasonable finding by the legislative body of the local agency that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any audio or video recording of an open and public meeting made for whatever purpose by or at the direction of the local agency shall be subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), but, notwithstanding Section 34090, may be erased or destroyed 30 days after the recording. Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency.

54953.6. No legislative body of a local agency shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

54953.7. Notwithstanding any other provision of law, legislative bodies of local agencies may impose requirements upon themselves which allow greater access to their meetings than prescribed by the minimal standards set forth in this chapter. In addition thereto, an elected legislative body of a local agency may impose such requirements on those appointed legislative bodies of the local agency of which all or a majority of the members are appointed by or under the authority of the elected legislative body.

54954. (a) Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. Meetings of advisory committees or standing committees, for which an agenda is posted at least 72 hours in advance of the meeting pursuant to subdivision (a) of Section 54954.2, shall be considered for purposes of this chapter as regular meetings of the legislative body.

(b) Regular and special meetings of the legislative body shall be

held within the boundaries of the territory over which the local agency exercises jurisdiction, except to do any of the following:

(1) Comply with state or federal law or court order, or attend a judicial or administrative proceeding to which the local agency is a party.

(2) Inspect real or personal property which cannot be conveniently brought within the boundaries of the territory over which the local agency exercises jurisdiction provided that the topic of the meeting is limited to items directly related to the real or personal property.

(3) Participate in meetings or discussions of multiagency significance that are outside the boundaries of a local agency's jurisdiction. However, any meeting or discussion held pursuant to this subdivision shall take place within the jurisdiction of one of the participating local agencies and be noticed by all participating agencies as provided for in this chapter.

(4) Meet in the closest meeting facility if the local agency has no meeting facility within the boundaries of the territory over which the local agency exercises jurisdiction, or at the principal office of the local agency if that office is located outside the territory over which the agency exercises jurisdiction.

(5) Meet outside their immediate jurisdiction with elected or appointed officials of the United States or the State of California when a local meeting would be impractical, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(6) Meet outside their immediate jurisdiction if the meeting takes place in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(7) Visit the office of the local agency's legal counsel for a closed session on pending litigation held pursuant to Section 54956.9, when to do so would reduce legal fees or costs.

(c) Meetings of the governing board of a school district shall be held within the district, except under the circumstances enumerated in subdivision (b), or to do any of the following:

(1) Attend a conference on nonadversarial collective bargaining techniques.

(2) Interview members of the public residing in another district with reference to the trustees' potential employment of an applicant for the position of the superintendent of the district.

(3) Interview a potential employee from another district.

(d) Meetings of a joint powers authority shall occur within the territory of at least one of its member agencies, or as provided in subdivision (b). However, a joint powers authority which has members throughout the state may meet at any facility in the state which complies with the requirements of Section 54961.

(e) If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the presiding officer of the legislative body or his or her designee in a notice to the local media that have requested notice pursuant to Section 54956, by the most rapid means of communication available at the time.

54954.1. Any person may request that a copy of the agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. If requested, the agenda and documents in the agenda packet shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Upon receipt of the written request, the legislative body or its designee shall cause the requested materials to be mailed at the time the agenda is posted pursuant to Section 54954.2 and 54956 or upon distribution to all, or a majority of all, of the members of a legislative body, whichever occurs first. Any request for mailed copies of agendas or agenda packets shall be valid for the calendar year in which it is filed, and must be renewed following January 1 of each year. The legislative body may establish a fee for mailing the agenda or agenda packet, which fee shall not exceed the cost of providing the service. Failure of the requesting person to receive the agenda or agenda packet pursuant to this section shall not constitute grounds for invalidation of the actions of the legislative body taken at the meeting for which the agenda or agenda packet was not received.

54954.2. (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's Internet Web site, if the local agency has one. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

54954.3. (a) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2. However, the agenda need not provide an opportunity for members of the public to address the legislative body on any item that has already been considered by a committee, composed exclusively of members of the legislative body, at a public meeting wherein all interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item, unless the item has been substantially changed since the committee heard the item, as determined by the legislative body. Every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.

(b) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

(c) The legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

54954.4. (a) The Legislature hereby finds and declares that Section 12 of Chapter 641 of the Statutes of 1986, authorizing reimbursement to local agencies and school districts for costs mandated by the state pursuant to that act, shall be interpreted strictly. The intent of the Legislature is to provide reimbursement for only those costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986.

(b) In this regard, the Legislature directs all state employees and officials involved in reviewing or authorizing claims for reimbursement, or otherwise participating in the reimbursement process, to rigorously review each claim and authorize only those claims, or parts thereof, which represent costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986 and for which complete documentation exists. For purposes of Section 54954.2, costs eligible for reimbursement shall only include the actual cost to post a single agenda for any one meeting.

(c) The Legislature hereby finds and declares that complete, faithful, and uninterrupted compliance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) is a matter of overriding public importance. Unless specifically stated, no future Budget Act, or related budget enactments, shall, in any manner, be interpreted to suspend, eliminate, or otherwise modify the legal obligation and duty of local agencies to fully comply with Chapter 641 of the Statutes of 1986 in a complete, faithful, and uninterrupted manner.

54954.5. For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in substantial compliance with this section. Substantial compliance is satisfied by including the information provided below, irrespective of its format.

(a) With respect to a closed session held pursuant to Section 54956.7:

LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

(b) With respect to every item of business to be discussed in closed session pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Agency negotiator: (Specify names of negotiators attending the closed session) (If circumstances necessitate the absence of a specified negotiator, an agent or designee may participate in place of the absent negotiator so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

(c) With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

(In addition to the information noticed above, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to paragraphs (2) to (5), inclusive, of subdivision (e) of Section 54956.9.)

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

(d) With respect to every item of business to be discussed in closed session pursuant to Section 54956.95:

LIABILITY CLAIMS

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

(e) With respect to every item of business to be discussed in closed session pursuant to Section 54957:

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: (Specify name of law enforcement agency and title of officer, or name of applicable agency representative and title)

PUBLIC EMPLOYEE APPOINTMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

(f) With respect to every item of business to be discussed in closed session pursuant to Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances

necessitate the absence of a specified designated representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

(g) With respect to closed sessions called pursuant to Section 54957.8:

CASE REVIEW/PLANNING

(No additional information is required in connection with a closed session to consider case review or planning.)

(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:

REPORT INVOLVING TRADE SECRET

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)

Estimated date of public disclosure: (Specify month and year)

HEARINGS

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)

(i) With respect to every item of business to be discussed in closed session pursuant to Section 54956.86:

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW

(No additional information is required in connection with a closed session to discuss a charge or complaint pursuant to Section 54956.86.)

(j) With respect to every item of business to be discussed in closed session pursuant to Section 54956.96:

CONFERENCE INVOLVING A JOINT POWERS AGENCY (Specify by name)

Discussion will concern: (Specify closed session description used by the joint powers agency)

Name of local agency representative on joint powers agency board: (Specify name)

(Additional information listing the names of agencies or titles of representatives attending the closed session as consultants or other representatives.)

(k) With respect to every item of business to be discussed in closed session pursuant to Section 54956.75:

AUDIT BY CALIFORNIA STATE AUDITOR'S OFFICE

54954.6. (a) (1) Before adopting any new or increased general tax or any new or increased assessment, the legislative body of a local agency shall conduct at least one public meeting at which local officials shall allow public testimony regarding the proposed new or increased general tax or new or increased assessment in addition to the noticed public hearing at which the legislative body proposes to enact or increase the general tax or assessment.

For purposes of this section, the term "new or increased assessment" does not include any of the following:

(A) A fee that does not exceed the reasonable cost of providing the services, facilities, or regulatory activity for which the fee is charged.

(B) A service charge, rate, or charge, unless a special district's principal act requires the service charge, rate, or charge to conform to the requirements of this section.

(C) An ongoing annual assessment if it is imposed at the same or lower amount as any previous year.

(D) An assessment that does not exceed an assessment formula or range of assessments previously specified in the notice given to the public pursuant to subparagraph (G) of paragraph (2) of subdivision (c) and that was previously adopted by the agency or approved by the voters in the area where the assessment is imposed.

(E) Standby or immediate availability charges.

(2) The legislative body shall provide at least 45 days' public notice of the public hearing at which the legislative body proposes to enact or increase the general tax or assessment. The legislative body shall provide notice for the public meeting at the same time and in the same document as the notice for the public hearing, but the meeting shall occur prior to the hearing.

(b) (1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased general tax shall be accomplished by placing a display advertisement of at least one-eighth page in a newspaper of general circulation for three weeks pursuant to Section 6063 and by a first-class mailing to those interested parties who have filed a written request with the local agency for mailed notice of public meetings or hearings on new or increased general taxes. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the first publication of the joint notice pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. Notwithstanding paragraph (2) of subdivision (a), the joint notice need not include notice of the public meeting after the meeting has taken place. The public hearing pursuant to subdivision (a) shall take place no earlier than 45 days after the first publication of the joint notice pursuant to this subdivision. Any written request for mailed notices shall be effective for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

(2) The notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) The amount or rate of the tax. If the tax is proposed to be increased from any previous year, the joint notice shall separately state both the existing tax rate and the proposed tax rate increase.

(B) The activity to be taxed.

(C) The estimated amount of revenue to be raised by the tax annually.

(D) The method and frequency for collecting the tax.

(E) The dates, times, and locations of the public meeting and hearing described in subdivision (a).

(F) The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the tax.

(c) (1) The joint notice of both the public meeting and the public

hearing required by subdivision (a) with respect to a proposal for a new or increased assessment on real property or businesses shall be accomplished through a mailing, postage prepaid, in the United States mail and shall be deemed given when so deposited. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the joint mailing pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. The envelope or the cover of the mailing shall include the name of the local agency and the return address of the sender. This mailed notice shall be in at least 10-point type and shall be given to all property owners or business owners proposed to be subject to the new or increased assessment by a mailing by name to those persons whose names and addresses appear on the last equalized county assessment roll, the State Board of Equalization assessment roll, or the local agency's records pertaining to business ownership, as the case may be.

(2) The joint notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) In the case of an assessment proposed to be levied on property, the estimated amount of the assessment per parcel. In the case of an assessment proposed to be levied on businesses, the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to calculate the amount of assessment to be levied against each business. If the assessment is proposed to be increased from any previous year, the joint notice shall separately state both the amount of the existing assessment and the proposed assessment increase.

(B) A general description of the purpose or improvements that the assessment will fund.

(C) The address to which property owners may mail a protest against the assessment.

(D) The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the assessment.

(E) A statement that a majority protest will cause the assessment to be abandoned if the assessment act used to levy the assessment so provides. Notice shall also state the percentage of protests required to trigger an election, if applicable.

(F) The dates, times, and locations of the public meeting and hearing described in subdivision (a).

(G) A proposed assessment formula or range as described in subparagraph (D) of paragraph (1) of subdivision (a) if applicable and that is noticed pursuant to this section.

(3) Notwithstanding paragraph (1), in the case of an assessment that is proposed exclusively for operation and maintenance expenses imposed throughout the entire local agency, or exclusively for operation and maintenance assessments proposed to be levied on 50,000 parcels or more, notice may be provided pursuant to this subdivision or pursuant to paragraph (1) of subdivision (b) and shall include the estimated amount of the assessment of various types, amounts, or uses of property and the information required by subparagraphs (B) to (G), inclusive, of paragraph (2) of subdivision (c).

(4) Notwithstanding paragraph (1), in the case of an assessment proposed to be levied pursuant to Part 2 (commencing with Section 22500) of Division 2 of the Streets and Highways Code by a regional park district, regional park and open-space district, or regional open-space district formed pursuant to Article 3 (commencing with

Section 5500) of Chapter 3 of Division 5 of, or pursuant to Division 26 (commencing with Section 35100) of, the Public Resources Code, notice may be provided pursuant to paragraph (1) of subdivision (b).

(d) The notice requirements imposed by this section shall be construed as additional to, and not to supersede, existing provisions of law, and shall be applied concurrently with the existing provisions so as to not delay or prolong the governmental decisionmaking process.

(e) This section shall not apply to any new or increased general tax or any new or increased assessment that requires an election of either of the following:

(1) The property owners subject to the assessment.

(2) The voters within the local agency imposing the tax or assessment.

(f) Nothing in this section shall prohibit a local agency from holding a consolidated meeting or hearing at which the legislative body discusses multiple tax or assessment proposals.

(g) The local agency may recover the reasonable costs of public meetings, public hearings, and notice required by this section from the proceeds of the tax or assessment. The costs recovered for these purposes, whether recovered pursuant to this subdivision or any other provision of law, shall not exceed the reasonable costs of the public meetings, public hearings, and notice.

(h) Any new or increased assessment that is subject to the notice and hearing provisions of Article XIII C or XIII D of the California Constitution is not subject to the notice and hearing requirements of this section.

54955. The legislative body of a local agency may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting the clerk or secretary of the legislative body may declare the meeting adjourned to a stated time and place and he shall cause a written notice of the adjournment to be given in the same manner as provided in Section 54956 for special meetings, unless such notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by ordinance, resolution, bylaw, or other rule.

54955.1. Any hearing being held, or noticed or ordered to be held, by a legislative body of a local agency at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the legislative body in the same manner and to the same extent set forth in Section 54955 for the adjournment of meetings; provided, that if the hearing is continued to a time less

than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

54956. (a) A special meeting may be called at any time by the presiding officer of the legislative body of a local agency, or by a majority of the members of the legislative body, by delivering written notice to each member of the legislative body and to each local newspaper of general circulation and radio or television station requesting notice in writing and posting a notice on the local agency's Internet Web site, if the local agency has one. The notice shall be delivered personally or by any other means and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the legislative body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the legislative body a written waiver of notice. The waiver may be given by telegram. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

(b) Notwithstanding any other law, a legislative body shall not call a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive, as defined in subdivision (d) of Section 3511.1. However, this subdivision does not apply to a local agency calling a special meeting to discuss the local agency's budget.

(c) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

54956.5. (a) For purposes of this section, "emergency situation" means both of the following:

(1) An emergency, which shall be defined as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body.

(2) A dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist

activity that poses peril so immediate and significant that requiring a legislative body to provide one-hour notice before holding an emergency meeting under this section may endanger the public health, safety, or both, as determined by a majority of the members of the legislative body.

(b) (1) Subject to paragraph (2), in the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a legislative body may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement of Section 54956 or both of the notice and posting requirements.

(2) Each local newspaper of general circulation and radio or television station that has requested notice of special meetings pursuant to Section 54956 shall be notified by the presiding officer of the legislative body, or designee thereof, one hour prior to the emergency meeting, or, in the case of a dire emergency, at or near the time that the presiding officer or designee notifies the members of the legislative body of the emergency meeting. This notice shall be given by telephone and all telephone numbers provided in the most recent request of a newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(c) During a meeting held pursuant to this section, the legislative body may meet in closed session pursuant to Section 54957 if agreed to by a two-thirds vote of the members of the legislative body present, or, if less than two-thirds of the members are present, by a unanimous vote of the members present.

(d) All special meeting requirements, as prescribed in Section 54956 shall be applicable to a meeting called pursuant to this section, with the exception of the 24-hour notice requirement.

(e) The minutes of a meeting called pursuant to this section, a list of persons who the presiding officer of the legislative body, or designee of the legislative body, notified or attempted to notify, a copy of the rollcall vote, and any actions taken at the meeting shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

54956.6. No fees may be charged by the legislative body of a local agency for carrying out any provision of this chapter, except as specifically authorized by this chapter.

54956.7. Whenever a legislative body of a local agency determines that it is necessary to discuss and determine whether an applicant for a license or license renewal, who has a criminal record, is sufficiently rehabilitated to obtain the license, the legislative body may hold a closed session with the applicant and the applicant's attorney, if any, for the purpose of holding the discussion and

making the determination. If the legislative body determines, as a result of the closed session, that the issuance or renewal of the license should be denied, the applicant shall be offered the opportunity to withdraw the application. If the applicant withdraws the application, no record shall be kept of the discussions or decisions made at the closed session and all matters relating to the closed session shall be confidential. If the applicant does not withdraw the application, the legislative body shall take action at the public meeting during which the closed session is held or at its next public meeting denying the application for the license but all matters relating to the closed session are confidential and shall not be disclosed without the consent of the applicant, except in an action by an applicant who has been denied a license challenging the denial of the license.

54956.75. (a) Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency that has received a confidential final draft audit report from the Bureau of State Audits from holding closed sessions to discuss its response to that report.

(b) After the public release of an audit report by the Bureau of State Audits, if a legislative body of a local agency meets to discuss the audit report, it shall do so in an open session unless exempted from that requirement by some other provision of law.

54956.8. Notwithstanding any other provision of this chapter, a legislative body of a local agency may hold a closed session with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its negotiators, the real property or real properties which the negotiations may concern, and the person or persons with whom its negotiators may negotiate.

For purposes of this section, negotiators may be members of the legislative body of the local agency.

For purposes of this section, "lease" includes renewal or renegotiation of a lease.

Nothing in this section shall preclude a local agency from holding a closed session for discussions regarding eminent domain proceedings pursuant to Section 54956.9.

54956.81. Notwithstanding any other provision of this chapter, a legislative body of a local agency that invests pension funds may hold a closed session to consider the purchase or sale of particular, specific pension fund investments. All investment transaction decisions made during the closed session shall be made by rollcall vote entered into the minutes of the closed session as provided in subdivision (a) of Section 54957.2.

54956.86. Notwithstanding any other provision of this chapter, a legislative body of a local agency which provides services pursuant to Section 14087.3 of the Welfare and Institutions Code may hold a closed session to hear a charge or complaint from a member enrolled in its health plan if the member does not wish to have his or her name, medical status, or other information that is protected by federal law publicly disclosed. Prior to holding a closed session pursuant to this section, the legislative body shall inform the member, in writing, of his or her right to have the charge or complaint heard in an open session rather than a closed session.

54956.87. (a) Notwithstanding any other provision of this chapter, the records of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors, whether paper records, records maintained in the management information system, or records in any other form, that relate to provider rate or payment determinations, allocation or distribution methodologies for provider payments, formulas or calculations for these payments, and contract negotiations with providers of health care for alternative rates are exempt from disclosure for a period of three years after the contract is fully executed. The transmission of the records, or the information contained therein in an alternative form, to the board of supervisors shall not constitute a waiver of exemption from disclosure, and the records and information once transmitted to the board of supervisors shall be subject to this same exemption.

(b) Notwithstanding any other provision of law, the governing board of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors may order that a meeting held solely for the purpose of discussion or taking action on health plan trade secrets, as defined in subdivision (f), shall be held in closed session. The requirements of making a public report of action taken in closed session, and the vote or abstention of every member present, may be limited to a brief general description without the information constituting the trade secret.

(c) Notwithstanding any other provision of law, the governing board of a health plan may meet in closed session to consider and take action on matters pertaining to contracts and contract negotiations by the health plan with providers of health care services concerning all matters related to rates of payment. The governing board may delete the portion or portions containing trade secrets from any documents that were finally approved in the closed session held pursuant to subdivision (b) that are provided to persons who have made the timely or standing request.

(d) Nothing in this section shall be construed as preventing the governing board from meeting in closed session as otherwise provided by law.

(e) The provisions of this section shall not prevent access to any

records by the Joint Legislative Audit Committee in the exercise of its powers pursuant to Article 1 (commencing with Section 10500) of Chapter 4 of Part 2 of Division 2 of Title 2. The provisions of this section also shall not prevent access to any records by the Department of Managed Health Care in the exercise of its powers pursuant to Article 1 (commencing with Section 1340) of Chapter 2.2 of Division 2 of the Health and Safety Code.

(f) For purposes of this section, "health plan trade secret" means a trade secret, as defined in subdivision (d) of Section 3426.1 of the Civil Code, that also meets both of the following criteria:

(1) The secrecy of the information is necessary for the health plan to initiate a new service, program, marketing strategy, business plan, or technology, or to add a benefit or product.

(2) Premature disclosure of the trade secret would create a substantial probability of depriving the health plan of a substantial economic benefit or opportunity.

54956.9. (a) Nothing in this chapter shall be construed to prevent a legislative body of a local agency, based on advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the local agency in the litigation.

(b) For purposes of this chapter, all expressions of the lawyer-client privilege other than those provided in this section are hereby abrogated. This section is the exclusive expression of the lawyer-client privilege for purposes of conducting closed-session meetings pursuant to this chapter.

(c) For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(d) For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

(1) Litigation, to which the local agency is a party, has been initiated formally.

(2) A point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency.

(3) Based on existing facts and circumstances, the legislative body of the local agency is meeting only to decide whether a closed session is authorized pursuant to paragraph (2).

(4) Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation.

(e) For purposes of paragraphs (2) and (3) of subdivision (d), "existing facts and circumstances" shall consist only of one of the following:

(1) Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

(2) Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might

result in litigation against the agency and that are known to a potential plaintiff or plaintiffs, which facts or circumstances shall be publicly stated on the agenda or announced.

(3) The receipt of a claim pursuant to the Government Claims Act (Division 3.6 (commencing with Section 810) of Title 1 of the Government Code) or some other written communication from a potential plaintiff threatening litigation, which claim or communication shall be available for public inspection pursuant to Section 54957.5.

(4) A statement made by a person in an open and public meeting threatening litigation on a specific matter within the responsibility of the legislative body.

(5) A statement threatening litigation made by a person outside an open and public meeting on a specific matter within the responsibility of the legislative body so long as the official or employee of the local agency receiving knowledge of the threat makes a contemporaneous or other record of the statement prior to the meeting, which record shall be available for public inspection pursuant to Section 54957.5. The records so created need not identify the alleged victim of unlawful or tortious sexual conduct or anyone making the threat on their behalf, or identify a public employee who is the alleged perpetrator of any unlawful or tortious conduct upon which a threat of litigation is based, unless the identity of the person has been publicly disclosed.

(f) Nothing in this section shall require disclosure of written communications that are privileged and not subject to disclosure pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

(g) Prior to holding a closed session pursuant to this section, the legislative body of the local agency shall state on the agenda or publicly announce the paragraph of subdivision (d) that authorizes the closed session. If the session is closed pursuant to paragraph (1) of subdivision (d), the body shall state the title of or otherwise specifically identify the litigation to be discussed, unless the body states that to do so would jeopardize the agency's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(h) A local agency shall be considered to be a "party" or to have a "significant exposure to litigation" if an officer or employee of the local agency is a party or has significant exposure to litigation concerning prior or prospective activities or alleged activities during the course and scope of that office or employment, including litigation in which it is an issue whether an activity is outside the course and scope of the office or employment.

54956.95. (a) Nothing in this chapter shall be construed to prevent a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, for purposes of insurance pooling, or a local agency member of the joint powers agency, from holding a closed session to discuss a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the joint powers agency or a local agency member of the joint powers agency.

(b) Nothing in this chapter shall be construed to prevent the Local Agency Self-Insurance Authority formed pursuant to Chapter 5.5

(commencing with Section 6599.01) of Division 7 of Title 1, or a local agency member of the authority, from holding a closed session to discuss a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the authority or a local agency member of the authority.

(c) Nothing in this section shall be construed to affect Section 54956.9 with respect to any other local agency.

54956.96. (a) Nothing in this chapter shall be construed to prevent the legislative body of a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, from adopting a policy or a bylaw or including in its joint powers agreement provisions that authorize either or both of the following:

(1) All information received by the legislative body of the local agency member in a closed session related to the information presented to the joint powers agency in closed session shall be confidential. However, a member of the legislative body of a member local agency may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that member local agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that member local agency.

(B) Other members of the legislative body of the local agency present in a closed session of that member local agency.

(2) Any designated alternate member of the legislative body of the joint powers agency who is also a member of the legislative body of a local agency member and who is attending a properly noticed meeting of the joint powers agency in lieu of a local agency member's regularly appointed member to attend closed sessions of the joint powers agency.

(b) If the legislative body of a joint powers agency adopts a policy or a bylaw or includes provisions in its joint powers agreement pursuant to subdivision (a), then the legislative body of the local agency member, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the joint powers agency pursuant to paragraph (1) of subdivision (a).

54957. (a) This chapter shall not be construed to prevent the legislative body of a local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, or their respective deputies, or a security consultant or a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, or a threat to the public's right of access to public services or public facilities.

(b) (1) Subject to paragraph (2), this chapter shall not be construed to prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to

consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.

(2) As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of his or her right to have the complaints or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the legislative body against the employee based on the specific complaints or charges in the closed session shall be null and void.

(3) The legislative body also may exclude from the public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

(4) For the purposes of this subdivision, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. This subdivision shall not limit local officials' ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this subdivision shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline.

54957.1. (a) The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention on that action of every member present, as follows:

(1) Approval of an agreement concluding real estate negotiations pursuant to Section 54956.8 shall be reported after the agreement is final, as follows:

(A) If its own approval renders the agreement final, the body shall report that approval and the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with the other party to the negotiations, the local agency shall disclose the fact of that approval and the substance of the agreement upon inquiry by any person, as soon as the other party or its agent has informed the local agency of its approval.

(2) Approval given to its legal counsel to defend, or seek or refrain from seeking appellate review or relief, or to enter as an amicus curiae in any form of litigation as the result of a consultation under Section 54956.9 shall be reported in open session at the public meeting during which the closed session is held. The report shall identify, if known, the adverse party or parties and the substance of the litigation. In the case of approval given to initiate or intervene in an action, the announcement need not identify the action, the defendants, or other particulars, but shall specify that the direction to initiate or intervene in an action has been given and that the action, the defendants, and the other

particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(3) Approval given to its legal counsel of a settlement of pending litigation, as defined in Section 54956.9, at any stage prior to or during a judicial or quasi-judicial proceeding shall be reported after the settlement is final, as follows:

(A) If the legislative body accepts a settlement offer signed by the opposing party, the body shall report its acceptance and identify the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with some other party to the litigation or with the court, then as soon as the settlement becomes final, and upon inquiry by any person, the local agency shall disclose the fact of that approval, and identify the substance of the agreement.

(4) Disposition reached as to claims discussed in closed session pursuant to Section 54956.95 shall be reported as soon as reached in a manner that identifies the name of the claimant, the name of the local agency claimed against, the substance of the claim, and any monetary amount approved for payment and agreed upon by the claimant.

(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.

(6) Approval of an agreement concluding labor negotiations with represented employees pursuant to Section 54957.6 shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.

(7) Pension fund investment transaction decisions made pursuant to Section 54956.81 shall be disclosed at the first open meeting of the legislative body held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.

(b) Reports that are required to be made pursuant to this section may be made orally or in writing. The legislative body shall provide to any person who has submitted a written request to the legislative body within 24 hours of the posting of the agenda, or to any person who has made a standing request for all documentation as part of a request for notice of meetings pursuant to Section 54954.1 or 54956, if the requester is present at the time the closed session ends, copies of any contracts, settlement agreements, or other documents that were finally approved or adopted in the closed session. If the action taken results in one or more substantive amendments to the related documents requiring retyping, the documents need not be released until the retyping is completed during normal business hours, provided that the presiding officer of the legislative body or his or her designee orally summarizes the substance of the amendments for the benefit of the document requester or any other

person present and requesting the information.

(c) The documentation referred to in subdivision (b) shall be available to any person on the next business day following the meeting in which the action referred to is taken or, in the case of substantial amendments, when any necessary retyping is complete.

(d) Nothing in this section shall be construed to require that the legislative body approve actions not otherwise subject to legislative body approval.

(e) No action for injury to a reputational, liberty, or other personal interest may be commenced by or on behalf of any employee or former employee with respect to whom a disclosure is made by a legislative body in an effort to comply with this section.

(f) This section is necessary to implement, and reasonably within the scope of, paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

54957.2. (a) The legislative body of a local agency may, by ordinance or resolution, designate a clerk or other officer or employee of the local agency who shall then attend each closed session of the legislative body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be kept confidential. The minute book shall be available only to members of the legislative body or, if a violation of this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction wherein the local agency lies. Such minute book may, but need not, consist of a recording of the closed session.

(b) An elected legislative body of a local agency may require that each legislative body all or a majority of whose members are appointed by or under the authority of the elected legislative body keep a minute book as prescribed under subdivision (a).

54957.5. (a) Notwithstanding Section 6255 or any other law, agendas of public meetings and any other writings, when distributed to all, or a majority of all, of the members of a legislative body of a local agency by any person in connection with a matter subject to discussion or consideration at an open meeting of the body, are disclosable public records under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be made available upon request without delay. However, this section shall not include any writing exempt from public disclosure under Section 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, 6254.22, or 6254.26.

(b) (1) If a writing that is a public record under subdivision (a), and that relates to an agenda item for an open session of a regular meeting of the legislative body of a local agency, is distributed less than 72 hours prior to that meeting, the writing shall be made available for public inspection pursuant to paragraph (2) at the time the writing is distributed to all, or a majority of

all, of the members of the body.

(2) A local agency shall make any writing described in paragraph (1) available for public inspection at a public office or location that the agency shall designate for this purpose. Each local agency shall list the address of this office or location on the agendas for all meetings of the legislative body of that agency. The local agency also may post the writing on the local agency's Internet Web site in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

(3) This subdivision shall become operative on July 1, 2008.

(c) Writings that are public records under subdivision (a) and that are distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the local agency or a member of its legislative body, or after the meeting if prepared by some other person. These writings shall be made available in appropriate alternative formats upon request by a person with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(d) This chapter shall not be construed to prevent the legislative body of a local agency from charging a fee or deposit for a copy of a public record pursuant to Section 6253, except that a surcharge shall not be imposed on persons with disabilities in violation of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(e) This section shall not be construed to limit or delay the public's right to inspect or obtain a copy of any record required to be disclosed under the requirements of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).This chapter shall not be construed to require a legislative body of a local agency to place any paid advertisement or any other paid notice in any publication.

54957.6. (a) Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation.

However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its designated representatives.

Closed sessions of a legislative body of a local agency, as permitted in this section, shall be for the purpose of reviewing its position and instructing the local agency's designated representatives.

Closed sessions, as permitted in this section, may take place prior to and during consultations and discussions with representatives of employee organizations and unrepresented employees.

Closed sessions with the local agency's designated representative regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits may include discussion of an agency's

available funds and funding priorities, but only insofar as these discussions relate to providing instructions to the local agency's designated representative.

Closed sessions held pursuant to this section shall not include final action on the proposed compensation of one or more unrepresented employees.

For the purposes enumerated in this section, a legislative body of a local agency may also meet with a state conciliator who has intervened in the proceedings.

(b) For the purposes of this section, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee, but shall not include any elected official, member of a legislative body, or other independent contractors.

54957.7. (a) Prior to holding any closed session, the legislative body of the local agency shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the legislative body may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.

(b) After any closed session, the legislative body shall reconvene into open session prior to adjournment and shall make any disclosures required by Section 54957.1 of action taken in the closed session.

(c) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcements.

54957.8. (a) For purposes of this section, "multijurisdictional law enforcement agency" means a joint powers entity formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 that provides law enforcement services for the parties to the joint powers agreement for the purpose of investigating criminal activity involving drugs; gangs; sex crimes; firearms trafficking or felony possession of a firearm; high technology, computer, or identity theft; human trafficking; or vehicle theft.

(b) Nothing contained in this chapter shall be construed to prevent the legislative body of a multijurisdictional law enforcement agency, or an advisory body of a multijurisdictional law enforcement agency, from holding closed sessions to discuss the case records of any ongoing criminal investigation of the multijurisdictional law enforcement agency or of any party to the joint powers agreement, to hear testimony from persons involved in the investigation, and to discuss courses of action in particular cases.

54957.9. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

54957.10. Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions to discuss a local agency employee's application for early withdrawal of funds in a deferred compensation plan when the application is based on financial hardship arising from an unforeseeable emergency due to illness, accident, casualty, or other extraordinary event, as specified in the deferred compensation plan.

54958. The provisions of this chapter shall apply to the legislative body of every local agency notwithstanding the conflicting provisions of any other state law.

54959. Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor.

54960. (a) The district attorney or any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body, or to determine the applicability of this chapter to past actions of the legislative body, subject to Section 54960.2, or to determine whether any rule or action by the legislative body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the legislative body to audio record its closed sessions as hereinafter provided.

(b) The court in its discretion may, upon a judgment of a violation of Section 54956.7, 54956.8, 54956.9, 54956.95, 54957, or

54957.6, order the legislative body to audio record its closed sessions and preserve the audio recordings for the period and under the terms of security and confidentiality the court deems appropriate.

(c) (1) Each recording so kept shall be immediately labeled with the date of the closed session recorded and the title of the clerk or other officer who shall be custodian of the recording.

(2) The audio recordings shall be subject to the following discovery procedures:

(A) In any case in which discovery or disclosure of the audio recording is sought by either the district attorney or the plaintiff in a civil action pursuant to Section 54959, 54960, or 54960.1 alleging that a violation of this chapter has occurred in a closed session that has been recorded pursuant to this section, the party seeking discovery or disclosure shall file a written notice of motion with the appropriate court with notice to the governmental agency that has custody and control of the audio recording. The notice shall be given pursuant to subdivision (b) of Section 1005 of the Code of Civil Procedure.

(B) The notice shall include, in addition to the items required by Section 1010 of the Code of Civil Procedure, all of the following:

(i) Identification of the proceeding in which discovery or disclosure is sought, the party seeking discovery or disclosure, the date and time of the meeting recorded, and the governmental agency that has custody and control of the recording.

(ii) An affidavit that contains specific facts indicating that a violation of the act occurred in the closed session.

(3) If the court, following a review of the motion, finds that there is good cause to believe that a violation has occurred, the court may review, in camera, the recording of that portion of the closed session alleged to have violated the act.

(4) If, following the in camera review, the court concludes that disclosure of a portion of the recording would be likely to materially assist in the resolution of the litigation alleging violation of this chapter, the court shall, in its discretion, make a certified transcript of the portion of the recording a public exhibit in the proceeding.

(5) This section shall not permit discovery of communications that are protected by the attorney-client privilege.

54960.1. (a) The district attorney or any interested person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 is null and void under this section. Nothing in this chapter shall be construed to prevent a legislative body from curing or correcting an action challenged pursuant to this section.

(b) Prior to any action being commenced pursuant to subdivision (a), the district attorney or interested person shall make a demand of the legislative body to cure or correct the action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5. The demand shall be in writing and clearly describe the challenged action of the legislative body and nature of

the alleged violation.

(c) (1) The written demand shall be made within 90 days from the date the action was taken unless the action was taken in an open session but in violation of Section 54954.2, in which case the written demand shall be made within 30 days from the date the action was taken.

(2) Within 30 days of receipt of the demand, the legislative body shall cure or correct the challenged action and inform the demanding party in writing of its actions to cure or correct or inform the demanding party in writing of its decision not to cure or correct the challenged action.

(3) If the legislative body takes no action within the 30-day period, the inaction shall be deemed a decision not to cure or correct the challenged action, and the 15-day period to commence the action described in subdivision (a) shall commence to run the day after the 30-day period to cure or correct expires.

(4) Within 15 days of receipt of the written notice of the legislative body's decision to cure or correct, or not to cure or correct, or within 15 days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall be required to commence the action pursuant to subdivision (a) or thereafter be barred from commencing the action.

(d) An action taken that is alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in substantial compliance with Sections 54953, 54954.2, 54954.5, 54954.6, 54956, and 54956.5.

(2) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement thereto.

(3) The action taken gave rise to a contractual obligation, including a contract let by competitive bid other than compensation for services in the form of salary or fees for professional services, upon which a party has, in good faith and without notice of a challenge to the validity of the action, detrimentally relied.

(4) The action taken was in connection with the collection of any tax.

(5) Any person, city, city and county, county, district, or any agency or subdivision of the state alleging noncompliance with subdivision (a) of Section 54954.2, Section 54956, or Section 54956.5, because of any defect, error, irregularity, or omission in the notice given pursuant to those provisions, had actual notice of the item of business at least 72 hours prior to the meeting at which the action was taken, if the meeting was noticed pursuant to Section 54954.2, or 24 hours prior to the meeting at which the action was taken if the meeting was noticed pursuant to Section 54956, or prior to the meeting at which the action was taken if the meeting is held pursuant to Section 54956.5.

(e) During any action seeking a judicial determination pursuant to subdivision (a) if the court determines, pursuant to a showing by the legislative body that an action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 has been cured or corrected by a subsequent action of the legislative body, the action filed pursuant to subdivision (a) shall be dismissed with prejudice.

(f) The fact that a legislative body takes a subsequent action to

cure or correct an action taken pursuant to this section shall not be construed or admissible as evidence of a violation of this chapter.

54960.2. (a) The district attorney or any interested person may file an action to determine the applicability of this chapter to past actions of the legislative body pursuant to subdivision (a) of Section 54960 only if all of the following conditions are met:

(1) The district attorney or interested person alleging a violation of this chapter first submits a cease and desist letter by postal mail or facsimile transmission to the clerk or secretary of the legislative body being accused of the violation, as designated in the statement pertaining to that public agency on file pursuant to Section 53051, or if the agency does not have a statement on file designating a clerk or a secretary, to the chief executive officer of that agency, clearly describing the past action of the legislative body and nature of the alleged violation.

(2) The cease and desist letter required under paragraph (1) is submitted to the legislative body within nine months of the alleged violation.

(3) The time during which the legislative body may respond to the cease and desist letter pursuant to subdivision (b) has expired and the legislative body has not provided an unconditional commitment pursuant to subdivision (c).

(4) Within 60 days of receipt of the legislative body's response to the cease and desist letter, other than an unconditional commitment pursuant to subdivision (c), or within 60 days of the expiration of the time during which the legislative body may respond to the cease and desist letter pursuant to subdivision (b), whichever is earlier, the party submitting the cease and desist letter shall commence the action pursuant to subdivision (a) of Section 54960 or thereafter be barred from commencing the action.

(b) The legislative body may respond to a cease and desist letter submitted pursuant to subdivision (a) within 30 days of receiving the letter. This subdivision shall not be construed to prevent the legislative body from providing an unconditional commitment pursuant to subdivision (c) at any time after the 30-day period has expired, except that in that event the court shall award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to this section, in accordance with Section 54960.5.

(c) (1) If the legislative body elects to respond to the cease and desist letter with an unconditional commitment to cease, desist from, and not repeat the past action that is alleged to violate this chapter, that response shall be in substantially the following form:

To _____:

The [name of legislative body] has received your cease and desist letter dated [date] alleging that the following described past action of the legislative body violates the Ralph M. Brown Act:

[Describe alleged past action, as set forth in the cease and desist letter submitted pursuant to subdivision (a)]

In order to avoid unnecessary litigation and without admitting any

violation of the Ralph M. Brown Act, the [name of legislative body] hereby unconditionally commits that it will cease, desist from, and not repeat the challenged past action as described above.

The [name of legislative body] may rescind this commitment only by a majority vote of its membership taken in open session at a regular meeting and noticed on its posted agenda as "Rescission of Brown Act Commitment." You will be provided with written notice, sent by any means or media you provide in response to this message, to whatever address or addresses you specify, of any intention to consider rescinding this commitment at least 30 days before any such regular meeting. In the event that this commitment is rescinded, you will have the right to commence legal action pursuant to subdivision (a) of Section 54960 of the Government Code. That notice will be delivered to you by the same means as this commitment, or may be mailed to an address that you have designated in writing.

Very truly yours,

_____

[Chairperson or acting chairperson of the legislative body]

(2) An unconditional commitment pursuant to this subdivision shall be approved by the legislative body in open session at a regular or special meeting as a separate item of business, and not on its consent agenda.

(3) An action shall not be commenced to determine the applicability of this chapter to any past action of the legislative body for which the legislative body has provided an unconditional commitment pursuant to this subdivision. During any action seeking a judicial determination regarding the applicability of this chapter to any past action of the legislative body pursuant to subdivision (a), if the court determines that the legislative body has provided an unconditional commitment pursuant to this subdivision, the action shall be dismissed with prejudice. Nothing in this subdivision shall be construed to modify or limit the existing ability of the district attorney or any interested person to commence an action to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body.

(4) Except as provided in subdivision (d), the fact that a legislative body provides an unconditional commitment shall not be construed or admissible as evidence of a violation of this chapter.

(d) If the legislative body provides an unconditional commitment as set forth in subdivision (c), the legislative body shall not thereafter take or engage in the challenged action described in the cease and desist letter, except as provided in subdivision (e). Violation of this subdivision shall constitute an independent violation of this chapter, without regard to whether the challenged action would otherwise violate this chapter. An action alleging past violation or threatened future violation of this subdivision may be brought pursuant to subdivision (a) of Section 54960, without regard to the procedural requirements of this section.

(e) The legislative body may resolve to rescind an unconditional commitment made pursuant to subdivision (c) by a majority vote of its membership taken in open session at a regular meeting as a separate item of business not on its consent agenda, and noticed on its posted agenda as "Rescission of Brown Act Commitment," provided that not less than 30 days prior to such regular meeting, the legislative body

provides written notice of its intent to consider the rescission to each person to whom the unconditional commitment was made, and to the district attorney. Upon rescission, the district attorney or any interested person may commence an action pursuant to subdivision (a) of Section 54960. An action under this subdivision may be brought pursuant to subdivision (a) of Section 54960, without regard to the procedural requirements of this section.

54960.5. A court may award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to Section 54960, 54960.1, or 54960.2 where it is found that a legislative body of the local agency has violated this chapter. Additionally, when an action brought pursuant to Section 54960.2 is dismissed with prejudice because a legislative body has provided an unconditional commitment pursuant to paragraph (1) of subdivision (c) of that section at any time after the 30-day period for making such a commitment has expired, the court shall award court costs and reasonable attorney fees to the plaintiff if the filing of that action caused the legislative body to issue the unconditional commitment. The costs and fees shall be paid by the local agency and shall not become a personal liability of any public officer or employee of the local agency.

A court may award court costs and reasonable attorney fees to a defendant in any action brought pursuant to Section 54960 or 54960.1 where the defendant has prevailed in a final determination of such action and the court finds that the action was clearly frivolous and totally lacking in merit.

54961. (a) No legislative body of a local agency shall conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of ancestry or any characteristic listed or defined in Section 11135, or which is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. This section shall apply to every local agency as defined in Section 54951.

(b) No notice, agenda, announcement, or report required under this chapter need identify any victim or alleged victim of tortious sexual conduct or child abuse unless the identity of the person has been publicly disclosed.

54962. Except as expressly authorized by this chapter, or by Sections 1461, 1462, 32106, and 32155 of the Health and Safety Code, or by Sections 37606, 37606.1, and 37624.3 of the Government Code as they apply to hospitals, or by any provision of the Education Code pertaining to school districts and community college districts, no closed session may be held by any legislative body of any local agency.

54963. (a) A person may not disclose confidential information that

has been acquired by being present in a closed session authorized by Section 54956.7, 54956.8, 54956.86, 54956.87, 54956.9, 54957, 54957.6, 54957.8, or 54957.10 to a person not entitled to receive it, unless the legislative body authorizes disclosure of that confidential information.

(b) For purposes of this section, "confidential information" means a communication made in a closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session under this chapter.

(c) Violation of this section may be addressed by the use of such remedies as are currently available by law, including, but not limited to:

(1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.

(2) Disciplinary action against an employee who has willfully disclosed confidential information in violation of this section.

(3) Referral of a member of a legislative body who has willfully disclosed confidential information in violation of this section to the grandjury.

(d) Disciplinary action pursuant to paragraph (2) of subdivision (c) shall require that the employee in question has either received training as to the requirements of this section or otherwise has been given notice of the requirements of this section.

(e) A local agency may not take any action authorized by subdivision (c) against a person, nor shall it be deemed a violation of this section, for doing any of the following:

(1) Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the illegality of an action taken by a legislative body of a local agency or the potential illegality of an action that has been the subject of deliberation at a closed session if that action were to be taken by a legislative body of a local agency.

(2) Expressing an opinion concerning the propriety or legality of actions taken by a legislative body of a local agency in closed session, including disclosure of the nature and extent of the illegal or potentially illegal action.

(3) Disclosing information acquired by being present in a closed session under this chapter that is not confidential information.

(f) Nothing in this section shall be construed to prohibit disclosures under the whistleblower statutes contained in Section 1102.5 of the Labor Code or Article 4.5 (commencing with Section 53296) of Chapter 2 of this code.

LEAGUE OF CALIFORNIA CITIES℠

AB x1 26 Timeline as modified by *California Redevelopment Association v. Matosantos**

By January 13	If city does not want to serve as the "successor agency" to its redevelopment agency, then it must submit a resolution to that effect to the County Auditor-Controller by this date. If a city wishes to serve as the "successor agency," no action is required.
February 1	Redevelopment agencies are dissolved.
By February 1	Successor agency must create Redevelopment Obligation Retirement Fund.
By February 1	Successor agency must decide whether to retain affordable housing function of the redevelopment agency. If successor agency does not elect to retain this function, it is transferred to the housing authority or, if no housing authority exists, to the State Housing and Community Development Agency.
By February 1	Successor agency must review the enforceable obligation payment schedule (EOPS) adopted by the redevelopment agency last fall, modify it if necessary, and readopt. The EOPS is subject to review and approval by the Oversight Board once that board has been formed. The successor agency may only make payments for those obligations identified in the EOPS until a Recognized Obligation Payment Schedule (ROPS) is approved.
By March 1	Successor agency must adopt a Recognized Obligation Payment Schedule (ROPS). This is a permanent schedule of obligations that replaces the interim EOPS once the ROPS has been approved. The County Auditor-Controller will allocate property tax increment to successor agencies to pay debts listed on ROPS.
By April 1	Successor agency reports to the County Auditor-Controller whether the total amount of property tax available to the agency will be sufficient to fund its ROPS obligations over the next six-month fiscal period.
By April 15	Successor agency must send the adopted ROPS to the State Controller and the State Department of Finance for approval. The ROPS is also subject to approval by the Oversight Board.
By May 1	Oversight Boards begin operations, files report of membership with State Department of Finance.
Starting May 1	Successor agency may only pay those obligations listed in the approved ROPS. The approved ROPS replaces the EOPS.
By May 16 and continuing thereafter as specified	The County Auditor-Controller transfers property tax to the successor agency in an amount equal to the cost of the obligations specified in the ROPS. This amount is transferred into the successor agency's Redevelopment Obligation Retirement Fund, and payments from this fund are used to satisfy the obligations identified in the ROPS.

* This timeline does not represent a complete list of deadlines imposed by AB x1 26 as modified, but rather, it is list of the most relevant and time-sensitive deadlines and milestones for cities that will be opting to become the successor agency to their redevelopment agency. Please consult with your city attorney or your redevelopment agency counsel for more information.

v. 1.0 January 4, 2012

El Cajon Redevelopment Agency Owned Properties

Housing

Non-Housing

N

February 23, 2012

Object	Sub_Status	Tenant	Parcel_N	Address	Prop_Typ	No_Ac
1	Land Held for	N/a	487-180-01	51-155 Chambers Street	Triplex	0.09
2	Land Held for	N/a	487-180-13	82-386 Linda Way	Triplex	0.11
3	Land Held for	N/a	487-180-13	76-380 Linda Way	Triplex	0.11
4	Land Held for	N/a	487-180-13	60-364 & 366-370 Linda Way	Triplex	0.29
5	Land Held for	N/a	487-180-13	60-364 & 366-370 Linda Way	Triplex	0.29
6	Land Held for	N/a	487-191-11	31 Chambers & pkg lot	Commercia	0.30
7	Land Held for	N/a	487-191-11	31 Chambers & pkg lot	Commercia	0.30
8	Lease Purchas	Por Favor	488-083-11	56 E. Main Street	Land	0.08
9	Lease Purchas	Por Favor	488-083-11	56 E. Main Street	Land	0.08
10	Leased	Wieghorst Museum	488-083-21	49 Rea Avenue	Land	0.50
11	Leased	El Cajon Sr. Towers	488-111-11	46 Ballantyne	Land	0.15
12	Partial Lease	El Cajon Sr. Towers	488-111-3	Lot adj to 488-111-14-00 (146 Ballantyne)	Land	0.56
13	Partial Lease	Mangia Bene	488-211-22	01 E. Main St; Prescott Promenade	Park	0.36
14	Land; Park	N/a	488-212-1	Prescott Promenade	Park	0.04
15	Land; Park	N/a	488-212-2	Prescott Promenade	Park	0.16
16	Ground Lease	Lexington Sr. Towers	488-212-22	50 E. Lexington Ave	Senior Apts	1.55
17	Land Held for	N/a	488-072-3	Magnolia Ave frontage; Parcel 1 of PM 2062	Land	1.10
18	Land Held for	N/a	488-072-4	Rea Avenue properties; Parcel 3 of PM 206	Land	0.65
19	Land Held for	N/a	482-250-35	72-588 N. Johnson Ave	Commercia	1.36
20	Land Held for	Drummond Coach & Paint; Crystal Cleaners; Russells	482-250-35	31-555 Raleigh Ave	Commercia	0.56
21	Land Held for	N/a	488-083-01	15 Rea Ave	Commercia	0.10
22	Land Held for	Ledcor	488-082-11	41 N. Magnolia Avenue	Commercia	0.81
23	Land	N/a	488-082-11	18-130 Rea Avenue	Commercia	0.23
24	Land Held for	El Cajon Police Dept	483-071-51	00 Fletcher Parkway	Municipal	3.48
25	N/A	N/A	488-212-2	Parking lot adjacent to Lexington Sr. Apartm	N/A	N/A

CITY OF EL CAJON

INTEROFFICE MEMORANDUM

DATE: January 31, 2012

TO: Rob Turner, Acting City Manager/Executive Director

FROM: Jenny Ficacci, Redevelopment & Housing Manager
Victoria Danganan, Sr. Accountant

VIA: Melissa Ayres, Director of Community Development

CC: Nancy Palm, Deputy City Manager/Director of Finance
Holly Reed-Falk, Financial Operations Manager

SUBJECT: Transfer of El Cajon Redevelopment Agency **non-housing** assets to the City of El Cajon as Successor Agency.

California Health and Safety Code §34175(b) (added by ABx1 26) provides, among other things, that all assets of a former redevelopment agency shall be transferred to the control of the agency's successor agency for administration pursuant to the provisions of the law. The assets shown on the attached schedules are an inventory of known non-housing real property and loans/receivables to be transferred from the El Cajon Redevelopment Agency to the City of El Cajon as the Successor Agency effective February 1, 2012, as provided in §34175(b). These transfers are made pursuant to action taken at the joint meetings of the City and Agency held on January 10, 2012, and January 24, 2012, and by Resolution No: ECRA-426. Acceptance by the City is pursuant to Resolution 104-01.

Attachments:

1. Attachment 1: Non-Housing Real Property Assets, effective 1/31/2012
2. Attachment 2: Non-Housing Loans/Receivables, effective 1/31/2012

ATTACHMENT 1

El Cajon Redevelopment Agency
Non-Housing Real Property Assets
Effective 1/31/2012

Parcel #	Site Address Description	Date Acquired	Purchase Price	Current Use
488-083-15-00	Vacant lot adj to 156 E. Main Street	5/14/1986	Unknown	Lease Purchase with Por-Favor
488-083-16-00	156 E. Main Street, El Cajon, CA 92020	5/14/1986	Unknown	Lease Purchase with Por-Favor
488-083-27-00	149 Rea Avenue, El Cajon, CA 92020	6/18/1993	Unknown	Long-term lease with Wieghorst Museum
488-211-21-00	201 E. Main St; Prescott Promenade	2/16/1989	$ 150,405.73	Encroachment lease of a portion of Municipal Park - Prescott Promenade
488-212-19-00	Municipal Park	7/14/1992	$ 23,422.14	Muncipal Park - Prescott Promenade
488-212-20-00	Municipal Park	9/29/1994	$ 101,440.80	Municipal Park - Prescott Promenade
488-212-22-00	Parking Lot - library and community center	3/7/1996	$ 1,478,554.00	Public parking lot for County Library, Ronald Reagan Community Center, and Fire Station 8
488-072-38-00	Improved parking lot	6/11/2009	$ 4,442,183.49	Improved parking lot for City employees
488-072-40-00	Improved parking lot	6/11/2009	$ -	Parking lot for City Hall, Courthouse, Council Chambers.
482-250-34-00	572-588 N. Johnson Avenue, El Cajon, CA	8/24/2009	$ 2,981,050.12	Vacant land held for resale; under DEH cleanup directive.
482-250-36-00	531-555 Raleigh Avenue, El Cajon, CA 92020	8/24/2009	$ 1,056,917.77	Leased commercial space.
488-083-03-00	115 Rea Ave, El Cajon, CA 92020	10/1/2009	$ 653,471.53	Vacant commercial building ready for redevelopment.
488-082-18-00	141 N. Magnolia Avenue, El Cajon, CA 92020	12/29/2009	$ 2,068,893.33	Vacant commercial building ready for demolition.
488-082-12-00	118-130 Rea Avenue, El Cajon, CA 92020	11/10/2010	$ 1,035,454.29	Vacant commercial buildings ready for demolition.
483-071-52-00	100 Fletcher Parkway, El Cajon, CA 92020	6/16/2011	$ 4,850,000.00	Vacant municipal building ready for demolition.
	TOTAL		**$ 18,841,793.20**	

ATTACHMENT 2

El Cajon Redevelopment Agency
Non-Housing Loans/Receivables
Effective 1/31/2012

Loan #	Parcel #	Type of Receivable	Date	Current Balance(1)	Accrued Interest(2)	Total Due
BREW01-03	487-192-56-00	LEASEHOLD DEED OF TRUST	February 11, 2010	$ 627,228.61	$ 13,179.76	$ 640,408.37
JKC Palm Springs	482-260-17-00	DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER ATTACHED HERETO	March 29, 2011	$ -	$ -	$ -
Kenworth	482-250-32-00 and 487-121-43-00	AGENCY DEED OF TRUST	April 19, 2011	$ 1,900,000.00	$ -	$ 1,900,000.00
SW Corner	488-152-47 to 488-152-50	Invoice #0000007563	March 3, 2011	$ 50,193.00	$ -	$ 50,193.00
Mangia Bene	Prescott Promenade	Invoice #0000007394	January 14, 2011	$ 5,545.96	$ -	$ 5,545.96
	TOTAL			**$ 2,582,967.57**	**$ 13,179.76**	**$ 2,596,147.33**
(1) JKC Palm Springs Deed of Trust for $650,000 has not yet been disbursed.						
(2) Includes accrued interest to 1/31/2012						

ENFORCEABLE OBLIGATION DEFINED AS:

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE (EOPS) Health & Safety Code 34167(d)	RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) Health & Safety Code 34171(d)
(1) Bonds, as defined by Section 33602 and bonds issued pursuant to Section **5850** of the Government Code, including the required debt service, reserve set-asides and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the redevelopment agency.	(1)(A) Bonds, as defined by Section 33602 and bonds issued pursuant to Section **58383** of the Government Code, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency.
(2) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, including, but not limited to, moneys borrowed from the Low and Moderate Income Housing Fund, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.	(1)(B) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.
(3) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, and unemployment payments.	(1)(C) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement.
(4) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.	(1)(D) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.
(5) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.	(1)(E) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy. However, nothing in this act shall prohibit either the successor agency, with the approval or at the direction of the oversight board, or the oversight board itself from terminating any existing agreements or contracts and providing any necessary and required compensation or remediation for such termination.
(6) Contracts or agreements necessary for the continued administration or operation of the redevelopment agency to the extent permitted by this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.	(1)(F) Contracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.
	(1)(G) Amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund of a redevelopment agency, which had been deferred as of the effective date of the act adding this part; provided, however, that the repayment schedule is approved by the oversight board.
	(2) For purposes of this part, "enforceable obligation" does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency. However, written agreements entered into
	(2)(A) at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and
	(2)(B) solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations for purposes of this part. Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations.
	(3) Contracts or agreements between the former redevelopment agency and other public agencies, to perform services or provide funding for governmental or private services or capital projects outside of redevelopment project areas that do not provide benefit to the redevelopment project and thus were not properly authorized under Part 1 (commencing with Section 33000) shall be deemed void on the effective date of this part; provided, however, that such contracts or agreements for the provision of housing properly authorized under Part 1 (commencing with Section 33000) shall not be deemed void.

City Clerk Date Stamp

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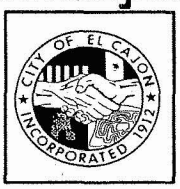
El Cajon Redevelopment Agency



Agenda Report

MEETING: August 23, 2011
ITEM NO: 1.15

DATE: **August 15, 2011**

TO: **Agency Members: Lewis, McClellan, Hanson-Cox, Kendrick, and Wells**

FROM: **Director of Community Development**

SUBJECT: **ENFORCEABLE OBLIGATIONS PAYMENT SCHEDULE**

RECOMMENDATION: That the Redevelopment Agency:
Adopt the next resolution in order containing the El Cajon Redevelopment Agency's Enforceable Obligation Payment Schedule pursuant to Health & Safety Code Section 34169(g).

BACKGROUND:

On June 28, 2011, Governor Brown signed several budget trailer bills to implement the State Budget for Fiscal Year 2011-2012, including: ABx1 26 (the "Dissolution Act"), which immediately suspended all new redevelopment activities and incurrence of indebtedness, and dissolves redevelopment agencies effective October 1, 2011; and ABx1 27 (the "Continuation Act") that allows redevelopment agencies to avoid dissolution under the Dissolution Act if their host cities/counties elect to comply with the alternative redevelopment program described in Part 1.9 thereof. Under the Continuation Act, a redevelopment agency can continue to exist, if its host community commits to making certain payments beginning in January of 2012. The legislation allows an agency to transfer funding to its host city for the purpose of making the payments.

The City Council adopted an ordinance declaring the City's decision to comply with the Continuation Act in order to enable the El Cajon Redevelopment Agency (Agency) to resume its redevelopment activities. The ordinance was introduced on July 12th, and adopted on July 26th. Pursuant to the express language of the Continuation Act, the Agency's powers were restored as of the "enactment" of the ordinance. Technically, "enactment" takes place upon the passage of the motion to approve the ordinance. Therefore, based on the language of the legislation, the Agency's powers were restored as of July 26, 2011.

Within 60 days of the Governor's signing of the bills, cities that were ***not*** intending to "opt in" to the Continuation Act were required to adopt an Enforceable Obligation Payment Schedule (Schedule). The Schedule is required to list all of a redevelopment agency's monetary obligations that are "enforceable" within the meaning of the Dissolution Act. The list is to include:

(A) The project name associated with the obligation.
(B) The payee.
(C) A short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made.
(D) The amount of payments obligated to be made, by month, through December 2011.

Certain types of payment schedules (e.g., schedules for bond payments and employee costs) may be aggregated. The Schedule must be adopted at a public meeting and shall be posted on the Agency's or host community's website. Once adopted, the Schedule may be amended at any public meeting of the Agency. After adoption or amendment, the Schedule is to be provided to the county auditor-controller, the State Controller, and the State Department of Finance.

Based upon the entire statutory scheme signed by the Governor, if a city chose to adopt an opt-in ordinance, it was not subject to the requirement to adopt an Enforceable Obligation Payment Schedule. For this reason, Agency staff had not anticipated preparing or presenting such a schedule.

The California Redevelopment Association, the League of California Cities, and two cities filed a legal challenge to the Dissolution Act and the Continuation Act directly in the California Supreme Court. On August 11th, the Court issued an order indicating that it would exercise jurisdiction over the lawsuit. The Court set an expedited briefing schedule to allow it to decide the case before the first payment is due in January 2012. The Court also stayed the effectiveness of all of the Continuation Act, and some of the Dissolution Act. Unfortunately, the portion of the Dissolution Act that was not stayed creates uncertainties. Specifically, while the Court suspended the effect of the statute requiring the preparation and adoption of the Enforceable Obligation Payment Schedule, it left intact the following provision contained in Health & Safety Code section 34167:

> "(h) After the enforceable obligation payment schedule is adopted pursuant to Section 34169, or after 60 days from the effective date of this part [June 28, 2011], whichever is sooner, the agency shall not make a payment unless it is listed in an adopted enforceable obligation payment schedule, other than payments required to meet obligations with respect to bonded indebtedness."

Under the totality of the legislative scheme, this provision would not have applied to El Cajon since it had opted in. However, since the legislation under which it opted in is now on hold, the concern is that if no Schedule is adopted, one could argue that the Agency could make no payments after August 27, 2011. While this would be an absurd result, since the City had already taken the steps to opt in, Agency staff and Agency Counsel do not wish to run the risk that payments made without such a list could be challenged at a later date. For this reason, Agency Counsel has prepared the attached proposed resolution.

CEQA: This item is not subject to CEQA review pursuant to CEQA Guidelines Section 15378(b)(4) because such approvals are not considered a project, and are government funding mechanisms and fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant environmental impact.

FISCAL IMPACT: None. The purpose of adopting the Enforceable Obligation Payment Schedule is to ensure that the Agency may be able to continue to make certain payments necessary to continue operations of the Redevelopment Agency.

PREPARED BY:

Melissa Ayres
Director of Community Development

APPROVED BY:

Kathi Henry
Executive Director

Attachments:
1. Proposed Resolution with Exhibit A
2. Judicial Council of California – News Release #39 dated August 11, 2011

RESOLUTION NO. ECRA-_____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON APPROVING AND ADOPTING AN 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 El Cajon ("City") created the Redevelopment Agency of the City of El Cajon ("Agency"); and

WHEREAS, the Agency has been responsible for implementing the Redevelopment Plan(s) for the El Cajon Redevelopment Project(s) covering certain properties within the City ("Project Area(s)"); 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, AB 1X 26 also requires redevelopment agencies to adopt, by August 27, 2011, an Enforceable Obligation Payment Schedule ("EOPS") which will serve as the basis for the payment of the Agency's outstanding financial obligations if the City does not adopt an ordinance electing to participate in the Alternate Redevelopment Program and the Agency is dissolved; and

WHEREAS, the City adopted a version of the Continuation Ordinance on July 26, 2011. The City held a first reading of the Continuation Ordinance on July 12, 2011, and a second reading on July 26, 2011; and

WHEREAS, since the adoption of the ordinance, the Agency has been operating under the provisions of AB 1x 27; and

WHEREAS, the California League of Cities and the California Redevelopment Association filed suit in the Supreme Court of the State of California challenging the constitutionality of AB 1X 26 and AB 1X 27; and

WHEREAS, on August 11, 2011, 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; and

WHEREAS, because AB 1X 27, the statutory scheme which the City and Agency had opted into through the adoption of the Continuation Ordinance, has been stayed, it appears the Agency must adopt an EOPS at this time because although the Court order

stayed enforcement of Health and Safety Code Section 34169, the Court order left in place Health and Safety Code Section 34167 which relies upon and makes reference to an adopted EOPS; and

WHEREAS, adoption of the EOPS is important as the Agency may be limited to only making payments for debts and obligations listed on the EOPS during the time the stay is in place.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of EOPS. The Agency hereby approves and adopts the Enforceable Obligation Payment Schedule, in substantially the form attached hereto as Exhibit A, as required by the recently enacted legislation AB 1X 26.

Section 3. Posting; Transmittal to Appropriate Agencies. The Executive Director is hereby authorized and directed to post a copy of the EOPS on the City's website. The Executive Director is further authorized and directed to transmit, by mail or electronic means, to the San Diego County Auditor-Controller, the State Controller and the State Department of Finance, notification providing the website location of the posted EOPS and other information as required by AB 1X 26.

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					
						Aug**	Sept	Oct	Nov	Dec	Total
1)	2000 Taxable Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing projects	51,544,287.00	1,250,965.00		634,217.50				$ 634,217.50
2)	2005 Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing projects	96,998,156.00	2,520,605.00		1,741,352.50				$ 1,741,352.50
3)	2007 Tax Allocation Bonds	Bank of New York	Bond issue to fund non-housing projects	25,208,022.00	924,419.00		613,659.50				$ 613,659.50
4)	Fiscal Agent & Arbitrage Fees	Bank of New York/Bondlogistix	Administration of bonds and arbitrage evaluation costs	13,500.00	13,500.00	4,717.00			2,900.00		$ 7,617.00
5)	County Administration Fees	County of San Diego	Administration and collection of tax increment	174,000.00	174,000.00						$ -
6)	City Promissory Note secured by Deed	City of El Cajon	Purchase and Sale Agreement for 100 Fletcher Pkwy	4,133,438.18	840,665.00					840,665.00	$ 840,665.00
7)	Construction Contract	Ledcor Construction	Construction and land Improvement project	3,912,160.00	3,912,160.00	782,432.00	782,432.00	782,432.00	782,432.00	782,432.00	$ 3,912,160.00
8)	Professional Services Agreement	Wimmer Yamada and Caughey	Landscape design services	13,104.68	13,104.68	6,552.34	6,552.34				$ 13,104.68
9)	Professional Services Agreement	SCS Engineers	Services for groundwater testing and sampling	23,574.16	23,574.16	1,964.51	1,964.51	1,964.51	1,964.51	1,964.51	$ 9,822.55
10)	Professional Services Agreement	H.M. Pitt Labs, Inc.	Environmental services for Johnson Ave	46,957.00	46,957.00	3,913.08	3,913.08	3,913.08	3,913.08	3,913.08	$ 19,565.40
11)	Professional Services Agreement	Overland Pacific Cutler, Inc.	Relocation services for ECRA owned properties	8,480.00	8,480.00	706.67	706.67	706.67	706.67	706.67	$ 3,533.35
12)	Professional Services Agreement	Hargrave Enviromental Consulting, Inc.	Environmental testing for SW Corner	3,694.87	3,694.87	3,694.87					$ 3,694.87
13)	Professional Services Agreement	Rosenow Spevacek	Consulting services - RDA Plan Amendment	339,488.85	339,488.85	48,498.41	48,498.41	48,498.41	48,498.41	48,498.41	$ 242,492.05
14)	Professional Services Agreement	HVS Consulting & Valuation	Consulting and valuation services	13,500.00	13,500.00		6,750.00	6,750.00			$ 13,500.00
15)	Professional Services Agreement	AES Property Services	Grafitti abatement services	47,916.00	47,916.00	4,356.00	4,356.00	4,356.00	4,356.00	4,356.00	$ 21,780.00
16)	Participation Agreement	Downtown El Cajon Brewing Company	Promissory Note for major tenant improvements	212,745.85	212,745.85	212,745.85					$ 212,745.85
17)	Disposition and Development Agreement	Chambers Senior Residences, L.P.	Housing project for senior housing	4,400,000.00	4,400,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	$ 500,000.00
18)	Employee Costs	Agency and City of El Cajon Employees	Employee payroll for administration/operation of agency/projects	1,365,613.00	1,365,613.00	113,801.08	113,801.08	113,801.08	113,801.08	113,801.08	$ 569,005.40
19)	PBID Assessments	Greater Downtown El Cajon PBID	Special assessment on Agency properties in PBID district	87,869.00	87,869.00					87,869.00	$ 87,869.00
20)	Professional Services Agreement	Recon Environmental Consultants	Environmental services relating to the SP amendment	166,256.53	166,256.53	13,854.71	13,854.71	13,854.71	13,854.71	13,854.71	$ 69,273.55
21)	Professional Services Agreement	Schmidt Design Group	Architectural services for medians	19,473.49	19,473.49	9,736.75	9,736.75				$ 19,473.50
22)	Professional Services Agreement	Overland Pacific Cutler, Inc.	Relocation services for 120 Rea	5,312.50	5,312.50	442.71	442.71	442.71	442.71	442.71	$ 2,213.55
23)	Professional Services Agreement	Rosenow Spevacek	Consulting services - General Redevelopment	230,254.84	230,254.84	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	$ 50,000.00
24)	Professional Services Agreement	Ninyo & Moore	Environmental testing services	470,403.21	470,403.21	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	$ 50,000.00
25)	Professional Services Agreement	Anderson Valuation, Inc.	Appraisal services	3,000.00	3,000.00	1,500.00	1,500.00				$ 3,000.00
26)	Professional Services Agreement	Andrew A. Smith Company	Appraisal services	30,025.00	30,025.00	1,375.00	1,375.00	1,375.00	1,375.00	1,375.00	$ 6,875.00
27)	Affordable Housing Agreement	Weiland Development Company buyers	Funding for 26 inclusionary housing units	2,949,700.00	2,949,700.00	113,450.00	113,450.00			2,722,800.00	$ 2,949,700.00
28)	Affordable Housing Agreement	Bay Kitchen and Bath Remodelers	Funding for acquisition and substantial rehabilitation	550,000.00	550,000.00		300,000.00			250,000.00	$ 550,000.00
29)	Owner Participation Agreement	JKC Palm Springs Automotive, Inc.	Funding for façade and major tenant improvements	650,000.00	650,000.00						$ -
30)	Owner Participation Agreement	Parkway Plaza GP, LLC	Funding for façade and major tenant improvements	2,000,000.00	2,000,000.00					2,000,000.00	$ 2,000,000.00
											$ -
	Totals - This Page			$ 195,620,932.16	$ 23,273,682.98	$ 1,443,740.98	$ 4,518,562.76	$ 1,098,094.17	$ 1,094,244.17	$ 6,992,678.17	$ 15,147,320.25
	Totals - Page 2			$ 36,646,985.64	$ 5,973,320.64	$ 118,512.00	$ 118,512.00	$ 122,662.00	$ 110,178.67	$ 69,928.67	$ 539,793.34
	Totals - Page 3			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Totals - Page 4			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Totals - Other Obligations			$ 252,413,917.00	$ 7,264,700.00	$ -	$ -	$ -	$ -	$ 1,942,884.78	$ 2,430,469.56
	Grand total - All Pages			$ 484,681,834.80	$ 36,511,703.62	$ 1,562,252.98	$ 4,637,074.76	$ 1,220,756.17	$ 1,204,422.84	$ 9,005,491.62	$ 18,117,583.15

*** This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is valid through 12/31/11. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.) If an agency adopts a continuation ordinance per ABX1 27, this EOPS will not be valid and there is no need to prepare a ROPS.**

**** Include only payments to be made after the adoption of the EOPS.**

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					
						Aug**	Sept	Oct	Nov	Dec	Total
1)	Auditing Fees	Rogers, Anderson, Malody & Scott	Annual audit of Agency's financials per CRL 33080.1	18,000.00						8,500.00	$ 8,500.00
2)	Professional Services Agreement	Community Housingworks	Loss mitigation consulting	41,186.64	41,186.64			4,000.00			$ 4,000.00
3)	Administration/Operation of Agency	Agency vendors (1)	Operating costs pursuant to CRL 34167(d)(6); 33127; and 33134	47,850.00	47,850.00	3,987.50	3,987.50	3,987.50	3,987.50	3,987.50	$ 19,937.50
4)	Administration/Operation of Agency	City of El Cajon (2)	Operating costs pursuant to CRL 34167(d)(6); 33127; and 33134	290,444.00	290,444.00	24,203.67	24,203.67	24,203.67	24,203.67	24,203.67	$ 121,018.35
5)	Lease Agreements	Agency vendors (3)	Utility, tax, maintenance obligations associated with Agency leases/property	14,650.00	14,650.00	1,220.83	1,220.83	1,220.83	1,220.83	1,220.83	$ 6,104.15
6)	Relocation obligations	EC Bail Bonds; Tortora; (4)	Relocation obligations associated with Civic Center Complex properties	200,000.00	200,000.00	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	$ 83,333.35
7)	Administration/Operation of Agency	Agency vendors (5)	Other technical/professional svcs utilized for ongoing operations of Agency	40,200.00	40,200.00	3,350.00	3,350.00	3,500.00	3,350.00	3,350.00	$ 16,900.00
8)	Administration/Operation of Agency	McDougal Love Eckis Boehmer & Foley	Legal costs associated with ongoing operations of the Agency	144,000.00	144,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	$ 60,000.00
9)	Professional Services	Geocon	Soil testing and reporting services for Civic Center Plaza Improvement	30,000.00	30,000.00	7,500.00	7,500.00	7,500.00	7,500.00		$ 30,000.00
10)	Construction Administration	GAFCON, Inc	Construction administration of Civic Center Plaza Improvement Project	165,000.00	165,000.00	41,250.00	41,250.00	41,250.00	41,250.00		$ 165,000.00
11)	Remittance agreement	City of El Cajon	Voluntary remittance payment required under ABx1 27	35,630,655.00	4,974,990.00						$ -
12)	Inspection Services	Kleinfelder	Inspection of Civic Center Plaza Improvements	25,000.00	25,000.00	8,333.33	8,333.33	8,333.33			$ 24,999.99
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26)											$ -
27)											$ -
28)											$ -
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31)											$ -
32)											$ -
33)											$ -
34)											$ -
35)											$ -
36)											$ -
37)											$ -
38)											$ -
39)											$ -
40)											$ -
	Totals - This Page			$ 36,646,985.64	$ 5,973,320.64	$ 118,512.00	$ 118,512.00	$ 122,662.00	$ 110,178.67	$ 69,928.67	$ 539,793.34

*** This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is valid through 12/31/11. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.) If an agency adopts a continuation ordinance per ABX1 27, this EOPS will not be valid and there is no need to prepare a ROPS.**

**** Include only payments to be made after the adoption of the EOPS.**

(1) Staples, Greatland, Creative Forms, Impact Govt, Iron Mountain, EC Gazette, EC Californian, Union Tribune, BNY, Bondlogistix, County of SD, Union Bank, First American Title, Fidelity National Title, Chicago Title, CRA, ICSC, City of EC, Federal Express, EC Blueprint, Applied Business Software, Calyx, Metroscan, Thompson-West, CRA, Agency staff training reimbursements.

(2) City of El Cajon

(3) County of SD, National Fence, Helix Water District, SDGE, Waste Management.

(4) East Meets West (Ver Hoeve); UJ Music.

(5) County of SD, LSI/FNIS Tax Service, Idcheckdirect.com, Affordable Housing Applications, Graffiti Tracker, GAFCON, Inc

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

OTHER OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					
						Aug**	Sept	Oct	Nov	Dec	Total
1)	Pass Through Agreement	County of San Diego	Payments per former CRL 33401	142,178,360.00	1,454,600.00				56,500.00	239,300.00	$ 295,800.00
2)	Pass Through Agreement	Cajon Valley School District	Payments per former CRL 33401	20,857,053.00	1,768,900.00				110,200.00	467,900.00	$ 578,100.00
3)	Pass Through Agreement	Grossmont Union HS District	Payments per former CRL 33401	771,055.00	708,200.00				54,700.00	231,700.00	$ 286,400.00
4)	Statutory Payments	Various Agencies	Payments per CRL 33607.5 and .7	445,442.00	26,300.00						$ -
5)	Housing Set-Aside	El Cajon Redevelopment Agency	20% Housing Set Aside	78,737,306.00	2,957,637.00				227,400.00	965,200.00	$ 1,192,600.00
6)	Inflationary Pass Through	Various Agencies	Payment per CRL 33676	9,424,701.00	349,063.00				38,784.78	38,784.78	$ 77,569.56
7)											$ -
8)											$ -
9)											$ -
10)											$ -
11)											$ -
12)											$ -
13)											$ -
14)											$ -
15)											$ -
16)											$ -
17)											$ -
18)											$ -
19)											$ -
20)											$ -
21)											$ -
22)											$ -
23)											$ -
24)											$ -
25)											$ -
26)											$ -
27)											$ -
28)											$ -
	Totals - Other Obligations			**$ 252,413,917.00**	**$ 7,264,700.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,942,884.78**	**$ 2,430,469.56**

*** This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is valid through 12/31/11. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.) If an agency adopts a continuation ordinance per ABX1 27, this EOPS will not be valid and there is no need to prepare a ROPS.**

**** Include only payments to be made after the adoption of the EOPS.**

***** All payment amounts are estimates**

NEWS RELEASE

Release Number: **39** Release Date: **August 11, 2011**

JUDICIAL COUNCIL OF CALIFORNIA
ADMINISTRATIVE OFFICE OF THE COURTS
Public Information Office
455 Golden Gate Avenue
San Francisco, CA 94102-3688
www.courtinfo.ca.gov

415-865-7740

Lynn Holton
Public Information Officer

California Supreme Court To Decide Redevelopment Case

Court sets expedited briefing schedule, and Targets an opinion before mid-January 2012

San Francisco—The California Supreme Court today issued an order in *California Redevelopment Assn. v. Matosantos* (S194861), directing the parties to show cause why the relief sought in the petition for a writ of mandate should not be granted. This case involves the validity of recent legislation (Stats. 2011, 1st Ex. Sess. 2011-2012, ch. 5 [Assem. Bill No. 26 X1)]; Stats. 2011, 1st Ex. Sess. 2011-2012, ch. 6 [Assem. Bill No. 27 X1]), dissolving and reenacting with changes the statutory framework for redevelopment agencies throughout California.

The court allowed the first statute 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, entering into new partnerships, adopting or amending redevelopment plans, etc., but it stayed enforcement of both statutes in all other respects.

The court established an expedited briefing schedule designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012.

A copy of the court's order is attached.

-#-

(over)

S194861

IN THE SUPREME COURT OF CALIFORNIA

En Banc

CALIFORNIA REDEVELOPMENT ASSOCIATION et al., Petitioners,

v.

ANA MATOSANTOS, as Director, etc. et al., Respondents.

The request for a stay of chapter 5, Statutes 2011, First Extraordinary Session (Assembly Bill No. 26 X1) is granted, except that the request to stay Division 24, Part 1.8 of the Health and Safety Code (Health & Saf. Code, §§ 34161-34167) is denied. The request for a stay of chapter 6, Statutes 2011, First Extraordinary Session (Assembly Bill No. 27 X1) is granted.

Ana Matosantos, Director of the California Department of Finance, John Chiang, Controller of the State of California, and Patrick O'Connell, Auditor-Controller of the County of Alameda, are ORDERED TO SHOW CAUSE before this court, when the above matter is called on calendar, why the relief sought by petitioners should not be granted.

The return is to be served and filed by respondents on or before September 9, 2011.

A reply may be served and filed by petitioners on or before September 24, 2011.

Any application to file an amicus curiae brief, accompanied by the proposed brief, may be served and filed on or before September 30, 2011.

Any reply to an amicus brief may be served and filed on or before October 7, 2011.

The court does not contemplate extending any time set out above. The briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012.

Kennard, J., is of the opinion a stay should not be issued.

Cantil-Sakauye
Chief Justice

Kennard
Associate Justice

Baxter
Associate Justice

Werdegar
Associate Justice

Chin
Associate Justice

Corrigan
Associate Justice

Associate Justice

City Clerk Date Stamp
RECEIVED OFFICE OF
CITY CLERK
EL CAJON CA

2012 JAN 19 A 9:00

El Cajon Redevelopment Agency

MEETING: January 24, 2012
ITEM NO: 4.1

Agenda Report

DATE: January 17, 2012

TO: Agency Members: Lewis, Hanson-Cox, Kendrick, McClellan and Wells

FROM: Director of Community Development

SUBJECT: AMENDED ENFORCEABLE OBLIGATIONS PAYMENT SCHEDULE

RECOMMENDATION: That the Redevelopment Agency:
Adopt the next resolution in order containing the El Cajon Redevelopment Agency's amended Enforceable Obligation Payment Schedule pursuant to Health & Safety Code Section 34169(g).

BACKGROUND:

The El Cajon Redevelopment Agency adopted the first Enforceable Obligations Payment Schedule ("EOPS"), pursuant to Section 34169 of Health and Safety Code on August 23, 2011. That original EOPS was required for obligations through December 31, 2011. Based on the California Supreme Court decision upholding ABx1 26 (the "Dissolution Act"), the Supreme Court extended all deadlines set between the bill's effective date and May 1, 2012, by four (4) months and therefore extended the date of dissolution of redevelopment agencies from October 1, 2011 to February 1, 2012. These extensions now provide the Agency with an opportunity to amend and clarify the EOPS prior to the dissolution date of the Agency on February 1, 2012.

The EOPS schedule is required to list all of a redevelopment agency's monetary obligations that are "enforceable" within the meaning of the Dissolution Act. The list is to include:

(A) The project name associated with the obligation.
(B) The payee.
(C) A short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made.
(D) The amount of payments obligated to be made, by month, from January 1, 2012 to June 30, 2012.

Certain types of payment schedules (e.g., schedules for bond payments and employee costs) may be aggregated. The Schedule must be adopted at a public meeting and shall be posted on the Agency's or host community's website. Once adopted, the Schedule may be amended at any public meeting of the Agency. After adoption or amendment, the Schedule is to be provided to the County Auditor-Controller, the State Controller, and the State Department of Finance.

FISCAL IMPACT:

None at this time. The purpose of adopting the amended Enforceable Obligation Payment Schedule is to ensure that the Agency and City, as Successor Agency, may be able to continue to make certain payments necessary to continue operations of the enforceable obligations of the Redevelopment Agency.

PREPARED BY:

Melissa Ayres

Melissa Ayres
Director of Community Development

APPROVED BY:

Rob Turner

Rob Turner,
Acting Executive Director

Attachments:
1. Proposed Resolution with Amended EOPS

RESOLUTION NO. ECRA-__

A RESOLUTION OF THE EL CAJON REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON TO REVISE THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE (EOPS)

WHEREAS, Assembly Bill X1 26 ("AB 26") and Assembly Bill X1 27 ("AB 27") were passed by the State Legislature on June 15, 2011 and signed by the Governor on June 28, 2011; and

WHEREAS, on August 23, 2011, the El Cajon Redevelopment Agency ("Agency") adopted Resolution No. ECRA-423 approving an Enforceable Obligation Payment Schedule ("EOPS"), as required by AB 26; and

WHEREAS, the EOPS adopted by the Agency included obligations required pursuant to AB 27; and

WHEREAS, on December 29, 2011, the California Supreme Court found that AB 26 was constitutional but AB 27 was not constitutional.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON DOES HEREBY RESOLVES AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of Revised EOPS. The Agency hereby approves and adopts the revised EOPS, attached hereto as Exhibit "A" and incorporated herein by reference.

Section 3. Posting; Transmittal to Appropriate Agencies. The Acting Executive Director is hereby authorized and directed to post a copy of the EOPS on the City's website. The Acting Executive Director is further authorized and directed to transmit, by mail or electronic means, to the San Diego County Auditor-Controller, the State Controller and the State Department of Finance, notification providing the website location of the posted EOPS and other information as required by AB 1x 26.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

"EXHIBIT A"

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

Amended items are in "bold & italics."

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month**						
						Jan	Feb	Mar	Apr	May	June	Total
1)	2000 Taxable Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing	51,544,287.00	1,250,965.00			612,508.00				$ 612,508.00
2)	2005 Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing	96,998,156.00	2,520,605.00			763,053.00				$ 763,053.00
3)	2007 Tax Allocation Bonds	Bank of New York	Bond issue to fund non-housing projects	25,208,022.00	924,419.00			306,660.00				$ 306,660.00
4)	***Fiscal agent & arbitrage fees***	***Bank of New York/Bondlogistix***	***Administration of bonds and arbitrage evaluation costs***	***350,000.00***	***13,500.00***							***$ -***
5)	***Tax Increment administration fees***	***County of San Diego***	***Administration and collection of tax***	***7,165,065.00***	***220,000.00***				***220,000.00***			***$ 220,000.00***
6)	100 Fletcher Parkway Promissory Note	City of El Cajon	Purchase and Sale Agreement	4,133,438.18	840,665.00							$ -
7)	***Civic Center Plaza Upgrades - Construction contract***	***Ledcor Construction***	***Construction and land improvement project***	***2,269,504.00***	***2,269,504.00***	***725,000.00***	***650,000.00***	***125,000.00***				***$ 1,500,000.00***
8)	***Civic Center Plaza Upgrades - Professional services agreement***	***Wimmer Yamada and Caughey***	***Landscape design services***	***18,604.68***	***18,604.68***							***$ -***
9)	Hazardous Material Testing (Park/ Ballantyne) - Professional services Agreement	SCS Engineers	On-going testing as required by the County Department Environmental Health (DEH) and Region 9 Water Quality Control Board	23,574.16	23,574.16		4,500.00	4,500.00	4,500.00	5,000.00	5,000.00	$ 23,500.00
10)	Hazardous Material Testing (Johnson Ave) Professional services Agreement	H.M. Pitt Labs, Inc.	Environmental services for Johnson Ave	46,957.00	46,957.00							$ -
11)	Agency owned properties - Professional services agreement	Overland Pacific Cutler, Inc.	Relocation services for Agency owned properties	8,480.00	8,480.00							$ -
12)	***Environmental Testing (Southwest Corner) - Professional services agreement***	***Hargrave Environmental Consulting, Inc.***	***On-going testing as required by the County Department Environmental Health (DEH) and Region 9 Water Quality Control Board***	***23,694.87***	***23,694.87***	***3,950.00***	***3,950.00***	***3,950.00***	***3,950.00***	***3,950.00***	***3,944.87***	***$ 23,694.87***
13)	***Professional services agreement***	***Rosenow Spevacek***	***Consulting services for Redevelopment Plan Amendment***	***339,488.85***	***9,093.75***							***$ -***
14)	Civic Center Complex Revitalization - Professional services agreement	HVS Consulting & Valuation	Consulting and valuation services	13,500.00	13,500.00							$ -
15)	Graffiti Abatement - Professional services agreement	AES Property Services	Graffiti abatement services	47,916.00	47,916.00	3,993.00	3,993.00	3,993.00	3,993.00	3,993.00	3,993.00	$ 23,958.00
16)	Business Recruitment/Retention - Participation Agreement	Downtown El Cajon Brewing Company	Promissory Note for major tenant improvements	212,745.85	212,745.85							$ -
17)	Linda Way/Chambers Senior Residences Disposition & Development Agreement	Chambers Senior Residences, L.P.	Housing project for senior housing	4,400,000.00	4,400,000.00	638,794.00	737,444.00	387,442.00	439,774.00	409,774.00	790,536.00	$ 3,403,764.00
18)	***Administration/operation of Agency***	***City of El Cajon/Agency Employees***	***Staff costs for administration/operation of agency/projects***	***2,863,538.00***	***1,365,613.00***	***93,000.00***	***76,700.00***	***76,700.00***	***76,700.00***	***76,700.00***	***76,700.00***	***$ 476,500.00***
19)	***Special assessments***	***Greater Downtown El Cajon PBID***	***Special assessment on Agency properties in PBID district***	***167,269.00***	***87,869.00***	***87,869.00***						***$ 87,869.00***
20)	Environmental services - Professional services agreement	Recon Environmental Consultants	Environmental services relating to Specific Plan amendment	166,256.53	166,256.53	21,000.00		21,000.00		21,000.00		$ 63,000.00
21)	Median Improvements - Professional services agreement	Schmidt Design Group	Architectural services for medians	19,473.49	19,473.49							$ -
22)	Civic Center Complex Revitalization- Professional services agreement	Overland Pacific Cutler, Inc.	Relocation services for 120 Rea	5,312.50	5,312.50	200.00	200.00	200.00	200.00	200.00	200.00	$ 1,200.00
23)	Consulting - Professional services agreement	Rosenow Spevacek	Consulting services - General Redevelopment	230,254.84	230,254.84	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	$ 24,000.00
24)	Environmental services (Redevelopment project areas/properties) - Professional services agreement	Ninyo & Moore	Environmental testing services as required by the County Department of Enrionmental Health	470,403.21	470,403.21	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	$ 51,000.00
25)	Agency owned properties - Professional Services Agreement	Anderson Valuation, Inc.	Appraisal services	3,000.00	3,000.00							$ -
26)	Agency owned properties - Professional Services Agreement	Andrew A. Smith Company	Appraisal services	30,025.00	30,025.00							$ -
27)	***First-time Homebuyer Assistance - Affordable Housing Agreement***	***Weiland Development Company home buyers***	***Funding for 26 inclusionary housing units***	***2,169,750.00***	***2,169,750.00***		***226,900.00***				***1,496,800.00***	***$ 1,723,700.00***
28)	***Greenovation - Affordable Housing Agreement***	***Bay Kitchen and Bath Remodelers***	***Funding for acquisition and substantial rehabilitation***	***550,000.00***	***550,000.00***						***260,000.00***	***$ 260,000.00***
29)	Façade Improvement - Owner Participation Agreement	JKC Palm Springs Automotive, Inc.	Façade and major tenant improvements	650,000.00	650,000.00						650,000.00	$ 650,000.00
30)	Façade Improvement - Owner Participation Agreement	Parkway Plaza GP, LLC	Façade and major tenant improvements	2,000,000.00	2,000,000.00						2,000,000.00	$ 2,000,000.00
	Totals - This Page			$202,128,716.16	$ 20,592,181.88	$1,586,306.00	$1,716,187.00	$2,317,506.00	$ 761,617.00	$ 533,117.00	$5,299,673.87	$12,214,406.87
	Totals - Page 2			$ 2,223,419.64	$ 1,243,859.64	$ 139,456.58	$ 135,768.17	$ 46,165.00	$ 46,165.00	$ 46,165.00	$ 50,165.00	$ 463,884.75
	Totals - Other Obligations			$255,342,930.00	$ 6,470,249.00	$ 771,896.00	$ 84,800.00	$ 172,700.00	$1,476,094.00	$ 431,700.00	$1,181,113.00	$ 4,118,303.00
	Grand total - All Pages			$459,695,065.80	$ 28,306,290.52	$2,497,658.58	$1,936,755.17	$2,536,371.00	$2,283,876.00	$1,010,982.00	$6,530,951.87	$16,796,594.62

* This amended Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late January. It is valid through 06/30/2012. It is the basis for the preliminary draft of the initial Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 01/31/2012. (The initial draft ROPS must be prepared by the Successor Agency by 03/01/2012.)

** Include only payments to be made after the adoption of the amended EOPS. All payment amounts are estimates.

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

"EXHIBIT A"

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

Amended items are in "bold & italics."

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month**						
						Jan	Feb	Mar	Apr	May	June	Total
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2)	2005 Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing	96,998,156.00	2,520,605.00			763,053.00				$ 763,053.00
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4)	***Fiscal agent & arbitrage fees***	***Bank of New York/Bondlogistix***	***Administration of bonds and arbitrage evaluation costs***	***350,000.00***	***13,500.00***							***$ -***
5)	***Tax Increment administration fees***	***County of San Diego***	***Administration and collection of tax***	***7,165,065.00***	***220,000.00***				***220,000.00***			***$ 220,000.00***
6)	100 Fletcher Parkway Promissory Note	City of El Cajon	Purchase and Sale Agreement	4,133,438.18	840,665.00							$ -
7)	***Civic Center Plaza Upgrades - Construction contract***	***Ledcor Construction***	***Construction and land improvement project***	***2,414,504.00***	***2,414,504.00***	***725,000.00***	***650,000.00***	***125,000.00***				***$ 1,500,000.00***
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13)	***Professional services agreement***	***Rosenow Spevacek***	***Consulting services for Redevelopment Plan Amendment***	***339,488.85***	***9,093.75***							***$ -***
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18)	***Administration/operation of Agency***	***City of El Cajon/Agency Employees***	***Staff costs for administration/operation of agency/projects***	***2,863,538.00***	***1,365,613.00***	***93,000.00***	***76,700.00***	***76,700.00***	***76,700.00***	***76,700.00***	***76,700.00***	***$ 476,500.00***
19)	***Special assessments***	***Greater Downtown El Cajon PBID***	***Special assessment on Agency properties in PBID district***	***167,269.00***	***87,869.00***	***87,869.00***						***$ 87,869.00***
20)	Environmental services - Professional services agreement	Recon Environmental Consultants	Environmental services relating to Specific Plan amendment	166,256.53	166,256.53	21,000.00		21,000.00		21,000.00		$ 63,000.00
21)	Median Improvements - Professional services agreement	Schmidt Design Group	Architectural services for medians	19,473.49	19,473.49							$ -
22)	Civic Center Complex Revitalization- Professional services agreement	Overland Pacific Cutler, Inc.	Relocation services for 120 Rea	5,312.50	5,312.50	200.00	200.00	200.00	200.00	200.00	200.00	$ 1,200.00
23)	Consulting - Professional services agreement	Rosenow Spevacek	Consulting services - General Redevelopment	230,254.84	230,254.84	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	$ 24,000.00
24)	Environmental services (Redevelopment project areas/properties) - Professional services agreement	Ninyo & Moore	Environmental testing services as required by the County Department of Enrionmental Health	470,403.21	470,403.21	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	$ 51,000.00
25)	Agency owned properties - Professional Services Agreement	Anderson Valuation, Inc.	Appraisal services	3,000.00	3,000.00							$ -
26)	Agency owned properties - Professional Services Agreement	Andrew A. Smith Company	Appraisal services	30,025.00	30,025.00							$ -
27)	***First-time Homebuyer Assistance - Affordable Housing Agreement***	***Weiland Development Company home buyers***	***Funding for 26 inclusionary housing units***	***2,169,750.00***	***2,169,750.00***		***226,900.00***				***1,496,800.00***	***$ 1,723,700.00***
28)	***Greenovation - Affordable Housing Agreement***	***Bay Kitchen and Bath Remodelers***	***Funding for acquisition and substantial rehabilitation***	***550,000.00***	***550,000.00***						***260,000.00***	***$ 260,000.00***
29)	Façade Improvement - Owner Participation Agreement	JKC Palm Springs Automotive, Inc.	Façade and major tenant improvements	650,000.00	650,000.00						650,000.00	$ 650,000.00
30)	Façade Improvement - Owner Participation Agreement	Parkway Plaza GP, LLC	Façade and major tenant improvements	2,000,000.00	2,000,000.00						2,000,000.00	$ 2,000,000.00
	Totals - This Page			$202,273,716.16	$ 20,737,181.88	$1,586,306.00	$1,716,187.00	$2,317,506.00	$ 761,617.00	$ 533,117.00	$5,299,673.87	$12,214,406.87
	Totals - Page 2			$ 2,223,419.64	$ 1,243,859.64	$ 139,456.58	$ 135,768.17	$ 46,165.00	$ 46,165.00	$ 46,165.00	$ 50,165.00	$ 463,884.75
	Totals - Other Obligations			$255,342,930.00	$ 6,470,249.00	$ 771,896.00	$ 84,800.00	$ 172,700.00	$1,476,094.00	$ 431,700.00	$1,181,113.00	$ 4,118,303.00
	Grand total - All Pages			$459,840,065.80	$ 28,451,290.52	$2,497,658.58	$1,936,755.17	$2,536,371.00	$2,283,876.00	$1,010,982.00	$6,530,951.87	$16,796,594.62

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** Include only payments to be made after the adoption of the amended EOPS. All payment amounts are estimates.

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

"EXHIBIT A"

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

Amended items are in "bold & italics."

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month*** Jan	Feb	Mar	Apr	May	June	Total
1)	***Agency auditing services***	***Rogers, Anderson, Malody & Scott/ Muniservices LLC***	***Annual audit of Agency's financials per CRL 33080.1 and property tax audit***	***300,000.00***	***18,000.00***	***10,550.00***					***4,000.00***	***$ 14,550.00***
2)	Consulting - Professional services	Community Housingworks	Loss mitigation consulting	41,186.64	41,186.64							$ -
3)	Administration/operation of Agency	Agency vendors (1)	Operating costs pursuant to CRL 34167(d)(6); 33127; and 33134	47,850.00	47,850.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	$ 15,000.00
4)	Administration/operation of Agency	City of El Cajon (2)	Operating costs pursuant to CRL 34167(d)(6); 33127; and 33134	290,444.00	290,444.00	24,200.00	24,200.00	24,200.00	24,200.00	24,200.00	24,200.00	$ 145,200.00
5)	***Agency lease agreements***	***Agency vendors (3)***	***Utilities, property tax, property liability insurance, maintenance obligations associated with Agency leases/properties***	***100,000.00***	***20,000.00***	***1,600.00***	***1,600.00***	***1,600.00***	***1,600.00***	***1,600.00***	***1,600.00***	***$ 9,600.00***
6)	***Agency properties - functional maintenance***	***City of El Cajon (2)***	***Maintenance and servicing of Agency properties directly by City staff***	***771,950.00***	***154,390.00***	***12,865.00***	***12,865.00***	***12,865.00***	***12,865.00***	***12,865.00***	***12,865.00***	***$ 77,190.00***
7)	Civic Center Complex Agency properties - Relocation obligations	EC Bail Bonds; Tortora; (4)	Relocation obligations associated with Civic Center Complex properties	200,000.00	200,000.00							$ -
8)	Agency - Other professiona/technical services	Agency vendors (5)	Other technical/professional services utilized for ongoing operations of Agency	40,200.00	40,200.00							$ -
9)	Agency legal services	McDougal Love Eckis Boehmer & Foley	Legal costs associated with ongoing operations of the Agency	144,000.00	144,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	$ 30,000.00
10)	Civic Center Plaza Improvement - Professional services	Geocon	Soil testing and reporting services for Civic Center Plaza	30,000.00	30,000.00							$ -
11)	***Civic Center Plaza Improvement - Construction management***	***GAFCON, Inc***	***Construction management of Civic Center Plaza Improvement project***	***165,000.00***	***165,000.00***	***45,465.75***	***60,000.00***					***$ 105,465.75***
12)	Remittance agreement	City of El Cajon	Voluntary remittance payment required under ABx1 27	0.00	0.00	*Invalid per Supreme Court decision.*						$ -
13)	***Civic Center Plaza Improvement - Professional services***	***Kleinfelder West, Inc***	***Inspection services for Civic Center Plaza construction and improvements***	***60,000.00***	***60,000.00***	***25,375.00***	***25,000.00***					***$ 50,375.00***
14)	***100 Fletcher Parkway - Professional services agreement***	***Helix Environment Planning Inc (PO 90664)***	***Air quality and greenhouse gas testing services***	***12,375.00***	***12,375.00***	***7,771.83***	***4,603.17***					***$ 12,375.00***
15)	***100 Fletcher Parkway - Professional services agreement***	***Kimley-Horn (PO90667)***	***Traffic engineering services***	***17,914.00***	***17,914.00***	***1,629.00***						***$ 1,629.00***
16)	***100 Fletcher Parkway - Professional services agreement***	***State of California, SD County Clerk***	***Notice of Determination - preparation, filing and fees.***	***2,500.00***	***2,500.00***	***2,500.00***						***$ 2,500.00***
17)												$ -
18)												$ -
19)												$ -
20)												$ -
21)												$ -
22)												$ -
23)												$ -
24)												$ -
25)												$ -
26)												$ -
27)												$ -
28)												$ -
29)												$ -
30)												$ -
31)												$ -
	Totals - This Page			$ 2,223,419.64	$1,243,859.64	$ 139,456.58	$ 135,768.17	$ 46,165.00	$ 46,165.00	$ 46,165.00	$ 50,165.00	$ 463,884.75

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(1) Staples, Greatland, Creative Forms, Impact Govt, Iron Mountain, EC Gazette, EC Californian, Union Tribune, Union Bank, First American Title, Fidelity National Title, Chicago Title, CRA, ICSC, City of EC, Federal Express, EC Blueprint, Applied Business Software, Calyx, Metroscan, Thompson-West, CRA, Agency staff training reimbursements.

(2) City of El Cajon

(3) County of SD, National Construction Rentals, Helix Water District, SDGE, Waste Management, Dixieline, Alliant Insurance, Diamond Environment,etc.

(4) East Meets West (Ver Hoeve); UJ Music.

(5) County of SD, LSI/FNIS Tax Service, Idcheckdirect.com, Affordable Housing Applications, Graffiti Tracker, GAFCON, Inc

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

"EXHIBIT A"

AMENDED OTHER OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

Amended items are in "bold & italics."

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month**						
						Jan	Feb	Mar	Apr	May	June	Total
1)	Pass through agreement	County of San Diego	Payments per former CRL 33401	142,178,360.00	1,513,684.00	98,901.00	16,200.00	27,600.00	214,406.00	77,600.00	781,000.00	$ 1,215,707.00
2)	Pass through agreement	Cajon Valley School District	Payments per former CRL 33401	20,857,053.00	1,070,839.00	192,920.00	21,200.00	41,000.00	234,478.00			$ 489,598.00
3)	Pass through agreement	Grossmont Union HS District	Payments per former CRL 33401	771,055.00	708,238.00	95,723.00	9,800.00	21,000.00	200,000.00	69,000.00	24,313.00	$ 419,836.00
4)	***Statutory pass through payments***	***Various Taxing Agencies***	***Payments per CRL 33607.5 and .7***	***16,885,652.00***	***20,900.00***						***20,900.00***	***$ 20,900.00***
5)	***Housing 20% set aside***	***El Cajon Redevelopment Agency***	***20% Housing Set Aside***	***68,150,810.00***	***2,906,588.00***	***384,352.00***	***37,600.00***	***83,100.00***	***827,210.00***	***285,100.00***	***104,900.00***	***$ 1,722,262.00***
6)	Inflationary Pass Through	Various Agencies	Payment per CRL 33676	0.00	0.00	*County deducts amount from tax Increment distribution*						$ -
7)	***Successor Agency - Administrative Allowance***	***City of El Cajon***	***Minimum Payment per CRL 34171 (b)***	***6,500,000.00***	***250,000.00***						***250,000.00***	***$ 250,000.00***
8)												$ -
9)												$ -
10)												$ -
11)												$ -
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24)												$ -
25)												$ -
26)												$ -
27)												$ -
28)												$ -
28)												$ -
	Totals - Other Obligations			$255,342,930.00	$ 6,470,249.00	$ 771,896.00	$ 84,800.00	$172,700.00	$ 1,476,094.00	$431,700.00	$ 1,181,113.00	$ 4,118,303.00

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** Include only payments to be made after the adoption of the amended EOPS. All payment amounts are estimates.

City Clerk Date Stamp

2012 FEB 22 P 2:55

City of El Cajon

MEETING: February 28, 2012
ITEM NO: 1.12

Agenda Report

DATE: February 16, 2012

TO: Mayor Lewis, Mayor Pro Tem Hanson-Cox
Councilmembers Kendrick, McClellan, and Wells

FROM: Melissa Ayres, Director of Community Development

SUBJECT: AMENDED DRAFT RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE

RECOMMENDATION: That the City Council as Successor Agency Board:

Authorize staff to submit an amended draft Recognized Obligation Payment Schedule ("ROPS") pursuant to Health & Safety Code Section 34177(l)(2)(A).

BACKGROUND:

On September 27, 2011, Redevelopment Agency members adopted Resolution No. ECRA-424 containing the Agency's initial draft Recognized Obligation Payment Schedule ("ROPS"). The ROPS reflects estimated expenditures and the source of payment for enforceable obligations of the former El Cajon Redevelopment Agency from October 1, 2011 through December 31, 2011, and from January 1, 2012 through June 30, 2012.

With the dissolution of the El Cajon Redevelopment Agency effective February 1, 2012, the City of El Cajon as Successor Agency must now prepare a draft ROPS by March 1, 2012. Once created, the ROPS must be submitted to an Oversight Board for approval, the County of San Diego Auditor-Controller, the Controller's Office and the State Department of Finance by April 15, 2012. The draft ROPS will be made available to Council members prior to the meeting.

FISCAL IMPACT:

None. The ROPS represents amended and updated expenditures prepared for the listed periods, including other budgeted costs for projects and properties formerly

owned by the Agency that will continue. The ROPS may be amended from time to time until certified by an outside auditor and approved by the Oversight Board.

PREPARED BY:

Melissa Ayres
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED BY:

Rob Turner
ACTING CITY MANAGER

ATTACHMENTS:

1. Draft Recognized Obligations Payment Schedule (Resolution No. ECRA-424) adopted 9/27/11

RESOLUTION NO. ECRA-424

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON APPROVING AND ADOPTING A PRELIMINARY DRAFT OF A RECOGNIZED 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 El Cajon ("City") created the Redevelopment Agency of the City of El Cajon ("Agency"); and

WHEREAS, the Agency has been responsible for implementing the Redevelopment Plan(s) for the El Cajon Redevelopment Project(s) covering certain properties within the City ("Project Area(s)"); 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, AB 1X 26 also requires until successor agencies are authorized pursuant to AB 1X 26 redevelopment agencies are required to prepare a preliminary draft of its initial recognized obligation payment schedule (the "ROPS") not later than September 30, 2011, to be provided to the successor agency if one is established pursuant to AB 1X 26; and

WHEREAS, the City adopted a version of the Continuation Ordinance on July 26, 2011; and

WHEREAS, since the adoption of the ordinance the Agency has been operating under the provisions of AB 1x 27; and

WHEREAS, the California League of Cities and the California Redevelopment Association filed suit in the Supreme Court of the State of California challenging the constitutionality of AB 1X 26 and AB 1X 27; and

WHEREAS, on August 11, 2011, 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; and

(Continued on page 2)

WHEREAS, because AB 1X 27, the statutory scheme which the City and Agency had opted into through the adoption of the Continuation Ordinance, has been stayed, and because Health and Safety Code section 34169(i), which is part of AB 1X 26 that is not subject to the Supreme Court stay order remains in effect, and allows the Department of Finance to review action taken by the Agency in approving its ROPS, the Agency should, in an abundance of caution, adopt an ROPS at this time; and

WHEREAS, adoption of the ROPS is necessary for the remaining three-month period of the existing fiscal year (beginning October 1, 2011 through December 31, 2011), and each six-month period for every subsequent fiscal year, beginning the six-month period of January 1, 2012 through June 30, 2012, and is important as the Agency may be limited to only making payments for debts and obligations listed on the ROPS if the stay is lifted at any time; and

WHEREAS, in adopting the ROPS the Agency expressly reserves its right to challenge the constitutionality and enforceability of AB 1X 26 and AB 1X 27.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of ROPS. The Agency hereby approves and adopts the Draft Recognized Obligation Payment Schedule for each six month fiscal year period of October 1, 2011 through December 31, 2011, and January 1, 2012 through and including June 30, 2012, in substantially the form attached hereto as Exhibit A, as required by the recently enacted legislation AB 1X 26.

Section 3. Posting; Designation of Official; Provision of Telephone Number and E-mail Address to Department of Finance. The Executive Director is hereby authorized and directed to post a copy of the ROPS on the City's website. The Executive Director is hereby designated as the official to whom the Department of Finance may request a copy of the ROPS for its review, and to provide the telephone number and e-mail contact information of the Executive Director to the Department of Finance, and to perform such other actions, and provide such other information as required by AB 1X 26.

Section 4. Reservation of Rights in Litigation. The Agency hereby re-affirms its reservation of any and all rights it has to any claims or defenses it might have in the existing and any future litigation challenging the constitutionality of AB 1X 26 and AB 1X 27.

(Continued on page 3)

PASSED AND ADOPTED by the El Cajon Redevelopment Agency of the City of El Cajon, California, at an Adjourned Regular Joint City Council/Redevelopment Agency Meeting held this 27th day of September, 2011, by the following vote to wit:

AYES	:	Lewis, Hanson-Cox, Kendrick, McClellan, Wells
NOES	:	None
ABSENT	:	None
DISQUALIFY:		None

MARK LEWIS
Chair of the El Cajon Redevelopment Agency

ATTEST:

KATHIE RUTLEDGE
Secretary of the El Cajon Redevelopment Agency

I hereby certify that the above and foregoing is a full and true copy of Resolution No. ECRA-424 of the Resolutions of the Redevelopment Agency of the City of El Cajon, California, as adopted by the Agency at the Adjourned Regular Joint Meeting of the City Council/Redevelopment Agency on the 27th day of September, 2011.

Kathie Rutledge
Secretary of the El Cajon Redevelopment Agency

9/27/11 (Item 4.2)

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34169(h) (*)

	Project Name / Debt Obligation	Payee	Description	Funding Source**	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by 6-month periods		
							Oct-Dec	Jan-June	Total
1)	2000 Taxable Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing projects	TI, LM	51,544,287.00	1,250,965.00	0.00	616,747.50	$ 616,747.50
2)	2005 Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing projects	TI, LM	96,998,156.00	2,520,605.00	0.00	779,252.50	$ 779,252.50
3)	2007 Tax Allocation Bonds	Bank of New York	Bond issue to fund non-housing projects	TI	25,208,022.00	924,419.00	0.00	310,759.50	$ 310,759.50
4)	Fiscal Agent & Arbitrage Fees	Bank of New York/Bondlogistix	Administration of bonds and arbitrage evaluation costs	TI	13,500.00	13,500.00	2,900.00	5,883.00	$ 8,783.00
5)	County Administration Fees	County of San Diego	Administration and collection of tax increment	TI	174,000.00	174,000.00	0.00	174,000.00	$ 174,000.00
6)	City Promissory Note secured by Deed	City of El Cajon	Purchase and Sale Agreement for 100 Fletcher Pkwy	TI	4,133,438.18	840,665.00	840,665.00	0.00	$ 840,665.00
7)	Construction Contract	Ledcor Construction	Construction and land improvement project	Bonds	3,912,160.00	3,912,160.00	2,347,296.00	0.00	$ 2,347,296.00
8)	Professional Services Agreement	Wimmer Yamada and Caughey	Landscape design services	Bonds	13,104.68	13,104.68	0.00	0.00	$ -
9)	Professional Services Agreement	SCS Engineers	Services for groundwater testing and sampling	TI	23,574.16	23,574.16	5,893.53	13,751.61	$ 19,645.14
10)	Professional Services Agreement	H.M. Pitt Labs, Inc.	Environmental services for Johnson Ave	TI	46,957.00	46,957.00	11,739.24	27,391.60	$ 39,130.84
11)	Professional Services Agreement	Overland Pacific Cutler, Inc.	Relocation services for ECRA owned properties	TI	8,480.00	8,480.00	2,120.01	4,946.65	$ 7,066.66
12)	Professional Services Agreement	Hargrave Enviromental Consulting, Inc.	Environmental testing for SW Corner	TI	3,694.87	3,694.87	0.00	0.00	$ -
13)	Professional Services Agreement	Rosenow Spevacek	Consulting services - RDA Plan Amendment	TI,LM	339,488.85	339,488.85	145,495.23	96,996.80	$ 242,492.03
14)	Professional Services Agreement	HVS Consulting & Valuation	Consulting and valuation services	TI	13,500.00	13,500.00	6,750.00	0.00	$ 6,750.00
15)	Professional Services Agreement	AES Property Services	Grafitti abatement services	TI	47,916.00	47,916.00	13,068.00	26,136.00	$ 39,204.00
16)	Participation Agreement	Downtown El Cajon Brewing Company	Promissory Note for major tenant improvements	TI	212,745.85	212,745.85	0.00	0.00	$ -
17)	Disposition and Development Agreement	Chambers Senior Residences, L.P.	Housing project for senior housing	LM	4,400,000.00	4,400,000.00	300,000.00	3,100,000.00	$ 3,400,000.00
18)	Employee Costs	Agency and City of El Cajon Employees	Employee payroll for administration/operation of agency/projects	TI,LM, Bonds	1,365,613.00	1,365,613.00	341,403.24	796,607.60	$ 1,138,010.84
19)	PBID Assessments	Greater Downtown El Cajon PBID	Special assessment on Agency properties in PBID district	TI	87,869.00	87,869.00	87,869.00	0.00	$ 87,869.00
20)	Professional Services Agreement	Recon Environmental Consultants	Environmental services relating to the SP amendment	Bonds	166,256.53	166,256.53	41,564.13	96,982.98	$ 138,547.11
21)	Professional Services Agreement	Schmidt Design Group	Architectural services for medians	Bonds	19,473.49	19,473.49	0.00	0.00	$ -
22)	Professional Services Agreement	Overland Pacific Cutler, Inc.	Relocation services for 120 Rea	TI	5,312.50	5,312.50	1,328.13	3,098.95	$ 4,427.08
23)	Professional Services Agreement	Rosenow Spevacek	Consulting services - General Redevelopment	TI, LM	230,254.84	230,254.84	30,000.00	0.00	$ 30,000.00
24)	Professional Services Agreement	Ninyo & Moore	Environmental testing services	TI, Other	470,403.21	470,403.21	30,000.00	60,000.00	$ 90,000.00
25)	Professional Services Agreement	Anderson Valuation, Inc.	Appraisal services	TI,LM	3,000.00	3,000.00	0.00	0.00	$ -
26)	Professional Services Agreement	Andrew A. Smith Company	Appraisal services	TI,LM	30,025.00	30,025.00	4,125.00	8,250.00	$ 12,375.00
27)	Affordable Housing Agreement	Weiland Development Company buyers	Funding for 25 inclusionary housing units	LM	2,949,700.00	2,949,700.00	2,722,800.00	0.00	$ 2,722,800.00
28)	Affordable Housing Agreement	Bay Kitchen and Bath Remodelers	Funding for acquisition and substantial rehabilitation	LM	550,000.00	550,000.00	250,000.00	0.00	$ 250,000.00
29)	Owner Participation Agreement	JKC Palm Springs Automotive, Inc.	Funding for façade and major tenant improvements	Bonds	650,000.00	650,000.00	0.00	650,000.00	$ 650,000.00
30)	Owner Participation Agreement	Parkway Plaza GP, LLC	Funding for façade and major tenant improvements	Bonds	2,000,000.00	2,000,000.00	2,000,000.00	0.00	$ 2,000,000.00
	Totals - This Page				$ 195,620,932.16	$ 23,273,682.98	$ 9,185,016.51	$ 6,770,804.69	$ 15,955,821.20
	Totals - Page 2				$ 36,646,985.64	$ 5,991,320.64	$ 302,769.34	$ 5,390,248.66	$ 5,693,018.00
	Totals - Page 3				$ -	$ -	$ -		$ -
	Totals - Page 4				$ -	$ -	$ -		$ -
	Totals - Other Obligations				$ 252,413,917.00	$ 7,264,700.00	$ 2,430,469.56	$ 4,834,230.44	$ 7,264,700.00
	Grand total - All Pages				$ 484,681,834.80	$ 36,529,703.62	$ 11,918,255.41	$ 16,995,283.79	$ 28,913,539.20

* This Draft Recognized Obligation Payment Schedule (ROPS) is to be adopted by the redevelopment agency no later than late September 30,2011.

** Funding Sources: TI - Tax Increment; LM - Low & Moderate Income Housing Fund; Bonds - 2005 and 2007 Bond Proceeds; Other - Rent, interest, sales proceeds, repayments, etc.

EXHIBIT "A"

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34169(h) (*)

	Project Name / Debt Obligation	Payee	Description	Funding Source **	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by 6-month periods		
							Oct-Dec	Jan-June	Total
1)	Auditing Fees	Rogers, Anderson, Malody & Scott	Annual audit of Agency's financials per CRL 33080.1	TI , LM	18,000.00	18,000.00	8,500.00	9,500.00	$ 18,000.00
2)	Professsional Services Agreement	Community Housingworks	Loss mitigation consulting	LM	41,186.64	41,186.64	4,000.00	37,186.64	$ 41,186.64
3)	Administration/Operation of Agency	Agency vendors (1)	Operating costs pursuant to CRL 34167(d)(6); 33127; and 33134	TI,LM,Bonds,Other	47,850.00	47,850.00	11,962.50	23,925.00	$ 35,887.50
4)	Administration/Operation of Agency	City of El Cajon (2)	Operating costs pursuant to CRL 34167(d)(6); 33127; and 33134	TI,LM,Bonds,Other	290,444.00	290,444.00	72,611.01	145,222.02	$ 217,833.03
5)	Lease Agreements	Agency vendors (3)	Utility, tax, maintenance obligations associated with Agency leases/property	TI,LM,Bonds,Other	14,650.00	14,650.00	3,662.49	7,324.98	$ 10,987.47
6)	Relocation obligations	EC Bail Bonds; Tortora; (4)	Relocation obligations associated with Civic Center Complex properties	TI	200,000.00	200,000.00	50,000.01	100,000.02	$ 150,000.03
7)	Administration/Operation of Agency	Agency vendors (5)	Other technical/professional svcs utilized for ongoing operations of Agency	TI,LM,Bonds,Other	40,200.00	40,200.00	10,200.00	20,100.00	$ 30,300.00
8)	Administration/Operation of Agency	McDougal Love Eckis Boehmer & Foley	Legal costs associated with ongoing operations of the Agency	TI,LM	144,000.00	144,000.00	36,000.00	72,000.00	$ 108,000.00
9)	Professional Services	Geocon	Soil testing and reporting services for Civic Center Plaza Improvement	Bonds	30,000.00	30,000.00	15,000.00	0.00	$ 15,000.00
10)	Construction Administration	GAFCON, Inc	Construction administration of Civic Center Plaza Improvement Project	Bonds	165,000.00	165,000.00	82,500.00	0.00	$ 82,500.00
11)	Remittance agreement	City of El Cajon	Voluntary remittance payment required under ABx1 27	TI,LM	35,630,655.00	4,974,990.00	0.00	4,974,990.00	$ 4,974,990.00
12)	Inspection Services	Kleinfelder	Inspection of Civic Center Plaza Improvements	Bonds	25,000.00	25,000.00	8,333.33		$ 8,333.33
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14)									
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30)									
	Totals - This Page				$ 36,646,985.64	$ 5,991,320.64	$ 302,769.34	$ 5,390,248.66	$ 5,693,018.00

* This Draft Recognized Obligation Payment Schedule (ROPS) is to be adopted by the redevelopment agency no later than late September 30,2011.

** Funding Sources: TI - Tax Increment; LM - Low & Moderate Income Housing Fund; Bonds - 2005 and 2007 Bond Proceeds; Other - Rent , interest, sales proceeds, repayments, etc.

(1) Staples, Greatland, Creative Forms, Impact Govt, Iron Mountain, EC Gazette, EC Californian, Union Tribune, BNY, Bondlogistix, County of SD, Union Bank, First American Title, Fidelity National Title, Chicago Title, CRA, ICSC, City of EC, Federal Express, EC Blueprint, Applied Business Software, Calyx, Metroscan, Thompson-West, CRA, Agency staff training reimbursements.

(2) City of El Cajon

(3) County of SD, National Fence, Helix Water District, SDGE, Waste Management.

(4) East Meets West (Ver Hoeve); UJ Music.

(5) County of SD, LSI/FNIS Tax Service, Idcheckdirect.com, Affordable Housing Applications, Graffiti Tracker, GAFCON, Inc

Name of Redevelopment Agency: El Cajon Redevelopment Agency

Project Area(s) Central Business District and Amended Area

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34169(h) (*)

	Project Name / Debt Obligation	Payee	Description	Funding Source**	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by 6-month periods		
							Oct-Dec	Jan-June	Total
1)	Pass Through Agreement	County of San Diego	Payments per former CRL 33401	TI	142,178,360.00	1,454,600.00	295,800.00	1,158,800.00	$ 1,454,600.00
2)	Pass Through Agreement	Cajon Valley School District	Payments per former CRL 33401	TI	20,857,053.00	1,768,900.00	578,100.00	1,190,800.00	$ 1,768,900.00
3)	Pass Through Agreement	Grossmont Union HS District	Payments per former CRL 33401	TI	771,055.00	708,200.00	286,400.00	421,800.00	$ 708,200.00
4)	Statutory Payments	Various Agencies	Payments per CRL 33607.5 and .7	TI	445,442.00	26,300.00	0.00	26,300.00	$ 26,300.00
5)	Housing Set-Aside	El Cajon Redevelopment Agency	20% Housing Set Aside	TI	78,737,306.00	2,957,637.00	1,192,600.00	1,765,037.00	$ 2,957,637.00
6)	Inflationary Pass Through	Various Agencies	Payment per CRL 33676	TI	9,424,701.00	349,063.00	77,569.56	271,493.44	$ 349,063.00
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26)									
27)									
28)									
	Totals - Other Obligations				$ 252,413,917.00	$ 7,264,700.00	$ 2,430,469.56	$ 4,834,230.44	$ 7,264,700.00

* This Draft Recognized Obligation Payment Schedule (ROPS) is to be adopted by the redevelopment agency no later than late September 30,2011.

** Funding Sources: TI - Tax Increment; LM - Low & Moderate Income Housing Fund; Bonds - 2005 and 2007 Bond Proceeds; Other - Rent , interest, sales proceeds, repayments, etc.

Name of Successor Agency: City of El Cajon

ITEM NO: 1.12

AMENDED DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169

	Project Name / Debt Obligation	Payee (s)	Description	Funding Source	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month**							
							Oct-Dec	Jan	Feb	Mar	Apr	May	June	Total
1	2000 Taxable Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing projects	Redevelopment Property Tax Trust Fund (RPTTF)	51,544,287.00	1,250,965.50	638,457.50			612,508.00				$ 1,250,965.50
2	2005 Tax Allocation Bonds	Bank of New York	Bond issue to fund housing/non-housing	RPTTF	96,998,156.00	2,520,605.50	1,757,552.50			763,053.00				$ 2,520,605.50
3	2007 Tax Allocation Bonds	Bank of New York	Bond issue to fund non-housing projects	RPTTF	25,208,022.00	924,419.38	617,759.38			306,660.00				$ 924,419.38
4	Bond administration & arbitrage services fees	Bank of New York/Bondlogistix	Fiscal agent and arbitrage fees	RPTTF	350,000.00	11,017.00	3,300.00				3,000.00			$ 6,300.00
5	Tax increment administration	County of San Diego	Tax increment administration and collection fees	RPTTF	7,165,065.00	234,602.43	14,602.43				220,000.00			$ 234,602.43
6	Promissory note	City of El Cajon	RD0801S - 100 Fletcher Parkway purchase and sale agreement	RPTTF	4,133,438.18	840,665.10	840,665.10							$ 840,665.10
7	Construction contract	Ledcor Construction	RDR0708S - Civic Center Plaza construction and land improvement	Bond proceeds	2,414,504.00	2,235,629.52	231,995.63	1,323,348.13		24,027.00				$ 1,579,370.76
8	Professional services agreement	Wimmer Yamada and Caughey	RDR0708S - Civic Center Plaza upgrades and landscape design services	Bond proceeds	18,604.68	21,150.00	11,946.00	2,944.00						$ 14,890.00
9	Professional services agreement	SCS Engineers	RD0704S - Park/Ballantyne ongoing hazardous material testing required by the County Department Environmental Health and Region 9 Water Quality Control Board	RPTTF	23,574.16	16,897.18	5,281.11	11,616.07						$ 16,897.18
10	Professional services agreement	H.M. Pitt Labs, Inc.	RD1017S - Environmental testing at Johnson Ave	RPTTF	46,957.00	0.00								$ -
11	Professional services agreement	Overland Pacific Cutler, Inc.	Relocation services for Agency owned properties	RPTTF	8,480.00	0.00								$ -
12	Professional services agreement	Hargrave Environmental Consulting, Inc.	RD0706S - Southwest Corner ongoing testing required by the County Department Environmental Health and Region 9 Water Quality Control Board	RPTTF	23,694.87	24,612.30	166.75	8,771.00					13,900.00	$ 22,837.75
13	Professional services agreement	Rosenow Spevacek	Consulting services for amendment of redevelopment plan	RPTTF, LMIH	339,488.85	9,093.75	2,815.00							$ 2,815.00
14	Professional services agreement	HVS Consulting & Valuation	RDR0703S - Civic Center Complex Revitalization consulting and valuation services	RPTTF	13,500.00	10,000.00	6,000.00						4,000.00	$ 10,000.00
15	Professional services agreement	AES Property Services	RD0707S -Graffiti abatement services	RPTTF	47,916.00	47,916.00	11,979.00	3,993.00	3,993.00	3,993.00	3,993.00	3,993.00	3,993.00	$ 35,937.00
16	Participation agreement	Downtown El Cajon Brewing Company	RD1201S - Promissory note for major tenant improvements	RPTTF	212,745.85	210,266.68	7,349.18							$ 7,349.18
17	Disposition & development agreement	Chambers Senior Residences, L.P.	LM0704H - Linda Way housing project for affordable senior housing	LMH	4,400,000.00	2,492,865.00			176,000.00	729,396.00	884,403.00	267,167.00	435,899.00	$ 2,492,865.00
18	Special assessments	Greater Downtown El Cajon PBID	Special assessment on Agency properties in PBID district - housing	RPTTF	167,269.00	87,869.31		87,869.31						$ 87,869.31
19	Professional services agreement	Recon Environmental Consultants	MF0011S - Environmental services related to Specific Plan, non-housing	Bond proceeds	166,256.53	63,774.04	28,809.20	1,618.75	3,861.00	3,861.00	3,861.00	3,861.00	3,861.00	$ 49,732.95
20	Professional services agreement	Schmidt Design Group	RD1015S - Median improvements architectural services	Bond proceeds	19,473.49	0.00								$ -
21	Professional services agreement	Overland Pacific Cutler, Inc.	RDR0703S - Civic Center Complex Revitalization 120 Rea relocation services	RPTTF	5,312.50	1,567.50	35.00						1,000.00	$ 1,035.00
22	Professional services agreement	Rosenow Spevacek	General/project consulting services - redevelopment and housing	RPTTF, LMH, Administrative Allowance	230,254.84	45,043.75	11,378.75	8,855.00	2,000.00	4,000.00	2,000.00	2,000.00	2,000.00	$ 32,233.75
23	Professional services agreement	Ninyo & Moore	Ongoing environmental testing as required by the County Department of Environmental Health	RPTTF, Other Revenues	470,403.21	65,622.22	11,673.34	25,389.34		1,713.00	1,713.00	6,713.00	6,713.00	$ 53,914.68
24	Professional services agreement	Anderson Valuation, Inc.	Appraisal services for agency owned properties	RPTTF	3,000.00	0.00								$ -
25	Professional services agreement	Andrew A. Smith Company	Appraisal services for agency owned properties	RPTTF	30,025.00	750.00						375.00		$ 375.00

	Project Name / Debt Obligation	Payee (s)	Description	Funding Source	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month**							
							Oct-Dec	Jan	Feb	Mar	Apr	May	June	Total
26	Affordable Housing Agreement	Weiland Development Company home buyers	LM0702S - First-time homebuyer funding for 26 inclusionary housing units	LMH	2,169,750.00	498,050.00	106,400.00			52,000.00				$ 158,400.00
27	Affordable Housing Agreement	Bay Kitchen and Bath Remodelers	LM0707S - Greenovation - funding for acquisition and substantial rehabilitation	LMH	550,000.00	260,000.00						260,000.00		$ 260,000.00
28	Owner Participation Agreement	JKC Palm Springs Automotive, Inc.	RD0702S - Façade and major tenant improvements	Bond proceeds	650,000.00	0.00								$ -
29	Owner Participation Agreement	Parkway Plaza GP, LLC	RD0702S - Façade and major tenant improvements	Bond proceeds	2,000,000.00	2,000,000.00							2,000,000.00	$ 2,000,000.00
30	Professional services agreement	Rogers, Anderson, Malody & Scott/ Muniservices LLC	Financial and property tax audit services	RPTTF	300,000.00	24,490.75	3,390.75	10,550.00					10,550.00	$ 24,490.75
31	Professional services agreement	Community Housingworks	Consulting services for housing loss mitigation	LMH	41,186.64	0.00								$ -
32	MF0011S - Specific Plan 182	City of El Cajon/Vendors	Project management and monitoring - Specific plan 182	Bond proceeds	38,000.00	37,695.95	2,971.56	591.26	5,581.00	7,081.00	5,581.00	5,581.00	7,081.00	$ 34,467.82
33	RD0701S - Business Retention/Recruit	City of El Cajon/Vendors	Project monitoring - El Cajon Brewery	RPTTF, Other Revenues	65,000.00	6,443.40	124.00		492.00	1,492.00	1,492.00	492.00	492.00	$ 4,584.00
34	RD0702S - Facade Improvement	City of El Cajon/Vendors	Project management and monitoring - Parkway Plaza, JKC Palm Springs	Bond proceeds	94,000.00	31,375.92			5,798.00	5,798.00	5,798.00	6,798.00	6,998.00	$ 31,190.00
35	RD0704S - Hazmat Test Park/ Ballantyne	City of El Cajon/Vendors	Environmental project management and monitoring - Park Magnolia Villas	RPTTF	TBD pursuant to DDA & DEH	61,450.72	773.64	442.08	2,113.00	1,413.00	2,613.00	13,948.00	40,148.00	$ 61,450.72
36	RD0705S - Hazmat Test Prescott Promenade	City of El Cajon/Vendors	Environmental project management and monitoring - Prescott Promenade	RPTTF	TBD Settlement Agreement	0.00								$ -
37	RD0706S - SW Corner Environmental Testing	City of El Cajon/Vendors	Environmental project management and monitoring - Priest Development Corp	RPTTF	TBD pursuant to DDA & DEH	9,988.74	939.42	663.12	1,913.00	713.00	1,913.00	713.00	1,913.00	$ 8,767.54
38	RD0707S - Graffiti Removal	City of El Cajon/Vendors	Project management and monitoring graffiti abatement	Bond proceeds	20,700.00	20,656.22	5,810.30	1,802.80	1,563.00	1,563.00	1,563.00	1,563.00	1,563.00	$ 15,428.10
39	RD0801S - Old Police Station	City of El Cajon/Vendors	GP and zoning amendments, project management and monitoring, property management and disposition - 100 Fletcher Parkway	RPTTF	325,000.00	65,873.01	20,178.76	5,565.37	6,177.00	6,677.00	6,677.00	6,677.00	11,677.00	$ 63,629.13
40	RD1017S - Johnson Ave Corridor	City of El Cajon/Vendors	Property and project management, environmental coordination, and disposition - Johnson Ave	RPTTF, Other Revenues	190,000.00	37,985.43	3,145.28	1,717.94	5,023.00	6,473.00	6,023.00	6,473.00	7,523.00	$ 36,378.22
41	RD1201S - DDA Projects	City of El Cajon/Vendors	Project Monitoring - SW Corner (Promenade Square LLC), NW Corner (Priest Development Corp), Smith's DDA, St Madelines Sophies Center	RPTTF, Other Revenues	82,000.00	16,400.00			3,280.00	3,280.00	3,280.00	3,280.00	3,280.00	$ 16,400.00
42	RD1202S - Real Property Asset Management	City of El Cajon/Vendors	Management and disposition of agency properties	RPTTF, Other Revenues	299,050.00	59,810.00			11,962.00	11,962.00	11,962.00	11,962.00	11,962.00	$ 59,810.00
43	RDR0703S - Civic Center Revitalization	City of El Cajon/Vendors	Project and property management, disposition - Rea/Magnolia Hotel ENA	RPTTF, Other Revenues	200,000.00	39,212.37	7,590.31	2,736.53	3,591.00	5,091.00	5,091.00	5,091.00	5,591.00	$ 34,781.84
44	RDR0708S - Civic Center Plaza Improvements	City of El Cajon/Vendors	Property and project management - pond and plaza improvements	Bond proceeds	5,800.00	5,792.87	2,526.87		1,633.00	1,633.00				$ 5,792.87
45	LM0702H - First time Homebuyer	El Cajon Housing Authority/ Vendors	Project management and monitoring	LMH	10,000.00	9,840.00	615.00	45.00	1,656.00	1,856.00	2,056.00	1,656.00	1,656.00	$ 9,540.00
46	LM0704H - Linda Way	El Cajon Housing Authority/ Vendors	Project management and monitoring	LMH	75,000.00	25,248.45	2,296.45	1,147.00	5,581.00	5,631.00	3,531.00	3,531.00	3,531.00	$ 25,248.45
47	LM0707H - Greenovation	El Cajon Housing Authority/ Vendors	Project management and monitoring	LMH	10,000.00	3,274.86			410.00	410.00	410.00	1,460.00	410.00	$ 3,100.00
48	Relocation agreements/obligations	Property owners/tenants	RDR0703S - Relocation agreements and obligations associated with Civic Center Complex properties	RPTTF, Other Revenues	TBD pursuant to Relocation Law	0.00								$ -
49	Professional services agreement	Geocon	RDR0708S - Soil testing and reporting services for Civic Center Plaza	Bond Proceeds	30,000.00	0.00								$ -
50	Professional services agreement	GAFCON, Inc.	RDR0708S - Construction management of Civic Center Plaza Improvement project	Bond Proceeds	165,000.00	105,379.25		85,910.25	19,469.00					$ 105,379.25
51	Professional services agreement	Kleinfelder West, Inc.	RDR0708S - Civic Center Plaza construction and improvements inspection services	Bond Proceeds	62,000.00	62,003.20	27,248.20	34,755.00						$ 62,003.20
52	Professional services agreement	Helix Environment Planning Inc.	RD0801S - Air quality and greenhouse gas testing services at 100 Fletcher Parkway	RPTTF	12,375.00	12,375.00		11,250.00						$ 11,250.00

	Project Name / Debt Obligation	Payee (s)	Description	Funding Source	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month**							
							Oct-Dec	Jan	Feb	Mar	Apr	May	June	Total
53	Professional services agreement	Kimley-Horn	RD0801S - Traffic engineering services at 100 Fletcher Parkway	RPTTF	17,914.00	17,914.00	16,285.00							$ 16,285.00
54	Legal services	McDougal Love Eckis Boehmer & Foley	Legal services - general redevelopment and housing	Administrative Allowance	75,000.00	11,844.74	6,596.74	155.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	$ 11,751.74
55	Unfunded retirement and other long-term liabilities	City of El Cajon	Agency's share of unfunded retirement liabilities and compensated absences as of 01/31/2012	RPTTF	1,497,925.00	0.00								$ -
56	Administration Allowance	City of El Cajon - Successor Agency	Allowable administration cost	Administrative Allowance	6,500,000.00	884,641.98	270,001.39	131,675.66	47,895.00	47,545.00	47,545.00	47,545.00	48,845.00	$ 641,052.05
				Total Obligations	209,526,128.80	15,423,079.02	**4,678,659.54**	**1,763,411.61**	310,991.00	2,610,829.00	1,225,505.00	661,879.00	2,635,586.00	13,886,861.15
				Total Other Obligations	180,692,120.00	3,313,661.00	**1,167,620.00**	**387,544.00**	0.00	0.00	0.00	0.00	0.00	1,555,164.00
				Grand Total	390,218,248.80	18,736,740.02	**5,846,279.54**	**2,150,955.61**	310,991.00	2,610,829.00	1,225,505.00	661,879.00	2,635,586.00	15,442,025.15

Lines 32 -47: Reallocation to projects and administration allowance of EOPS items listed on pages-lines: 1-18, 2-3, 2-4, 2-5, 2-6, 2-8, 2-9, 2-16. Pursuant to CRL 34167 (d)(6); 34171(d)(1); 33127; and 33134.
Lines 54-56: Reallocation to administrative allowance of EOPS items on pages-lines: 1-18 and 2-4. Pursuant to CRL 34167(d)(6); 34171(d)(1); 33127; and 33134.

Name of Successor Agency: City of El Cajon

AMENDED DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE - OTHER

Per AB 26 - Section 34167 and 34169

	Project Name / Debt Obligation	Payee	Description	Funding Source	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month**							
							Oct-Dec	Jan	Feb	Mar	Apr	May	June	Total
1)	Pass through agreement	County of San Diego	Payments per former CRL 33401	RPTTF	142,178,360.00	1,513,684.00	297,977.00	98,901.00						$ 396,878.00
2)	Pass through agreement	Cajon Valley School District	Payments per former CRL 33401	RPTTF	20,857,053.00	1,070,839.00	581,241.00	192,920.00						$ 774,161.00
3)	Pass through agreement	Grossmont Union HS District	Payments per former CRL 33401	RPTTF	771,055.00	708,238.00	288,402.00	95,723.00						$ 384,125.00
4)	Statutory pass through payments	Various Taxing Agencies	Payments per CRL 33607.5 and .7	RPTTF	16,885,652.00	20,900.00								$ -
														$ -
	Totals - Other Obligations				$180,692,120.00	$ 3,313,661.00	$1,167,620.00	$ 387,544.00	$ -	$ -	$ -	$ -	$ -	$ 1,555,164.00

City Clerk Date Stamp

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2012 JAN -5 A 10: 46

City of El Cajon

MEETING: January 10, 20

ITEM NO: 4.1

Agenda Report

DATE: January 3, 2012

TO: Mayor/Chairperson Lewis, Mayor Pro Tem/Vice Chair Hanson-Cox, Councilmembers/Directors Kendrick, McClellan and Wells

FROM: Acting City Manager/Executive Director

SUBJECT: IMPACT OF ABX1 26 ON THE EL CAJON REDEVELOPMENT AGENCY

RECOMMENDATION: That the City Council:

1. Affirm that the City of El Cajon will act as the Successor Agency to the El Cajon Redevelopment Agency;
2. Direct the City Manager to notify the County Auditor-Controller of the City assumption of responsibilities previously held by the El Cajon Redevelopment Agency.

BACKGROUND: On June 28, 2011, Governor Brown signed several budget trailer bills to implement the State Budget for Fiscal Year 2011-2012, including: ABx1 26 (the "Dissolution Act"), which immediately suspended all new redevelopment activities, and dissolved redevelopment agencies effective October 1, 2011. He also signed ABx1 27 (the "Continuation Act") that allowed redevelopment agencies to avoid dissolution, if their host cities/counties elected to comply with the alternative redevelopment program described in Part 1.9 of the bill. Under the Continuation Act, an agency could continue to exist, if its host community committed to making certain payments to the State beginning in January 2012.

On July 12, 2011, the City Council, acting as the Redevelopment Agency, elected to proceed with a Voluntary Alternative Redevelopment Program under the Continuation Act and introduced the first reading of Ordinance 4969. This action would have allowed for the continued existence of the El Cajon Redevelopment Agency in exchange for voluntary remittance payments under ABx1 27.

On July 18, 2011, the California Redevelopment Association and the League of California Cities filed a lawsuit (*CRA v. Mantosantos*) asking the California Supreme Court to overturn ABx1 26 and ABx1 27 because they violated Proposition 22, and requested that the Court issue a stay to prevent the legislation from going into effect until the Court could decide the lawsuit. On August 11, a stay was granted, suspending the implementation of most of ABx1 26 and all of ABx1 27.

On December 29, 2011, the California Supreme Court announced its decision in *CRA v. Mantosantos*. It upheld ABx1 26 (the "Dissolution Act") with certain modifications, but struck

down ABx1 27 (the "Continuation Act"). Without immediate legislative action, the Court's ruling means that redevelopment agencies in California are abolished effective February 1, 2012. The most important modifications to ABx1 26 affect the dates established in the legislation for actions to be taken by the City, which were made impossible to meet due to the Court's stay. Accordingly, the Supreme Court extended all of those deadlines that were set to occur between the bill's effective date and May 1, 2012, by four (4) months, approximately equivalent to the period of the stay.

The statute provides that a "successor agency" for each redevelopment agency that is to oversee the liquidation of the Agency's assets and obligations. Under the legislation, the city that authorized the creation of the redevelopment agency is designated as the successor agency for the dissolved redevelopment agency *unless that city elects not to accept that role.*

The powers of the successor agencies are limited under the legislation. Most decisions of the successor agency must be approved by an "oversight board" for that successor agency. In general terms, the oversight board is charged with directing the successor agency in expeditiously winding down the affairs of the dissolved redevelopment agency.

Upon the dissolution of the redevelopment agency its successor agency shall establish a Redevelopment Obligation Retirement Fund; pay enforceable obligations; maintain required reserves; remit unencumbered balances of agency funds to the County Auditor-Controller (including low-mod housing funds); dispose of assets as directed by the oversight board; collect revenues that are due the agency; oversee completion of contractual obligations for outstanding disposition and development agreements; as well as prepare administrative budgets, obligation payments, and other reports for oversight board approval.

Oversight board appointments must be reported to the California Department of Finance by May 1, 2012. Boards will be comprised of seven members, selected as follows:

a. One member appointed by the county board of supervisors;
b. One member appointed by the Mayor of the City of El Cajon;
c. One member appointed by the largest special district, by property tax share;
d. One member appointed by the county board of education;
e. One member appointed by the Chancellor of the California Community Colleges;
f. One member of the public appointed by the county board of supervisors;
g. One member representing the employees of the former redevelopment agency appointed by the Mayor, from the recognized employee organization representing the largest number of former redevelopment agency employees.

The Governor may fill any oversight board member positions that are not filled by May 15, 2012, or where any member position remains vacant for more than 60 days. All members shall serve at the pleasure of the entity that appointed such member, without compensation, and all costs associated with oversight board meetings shall be incurred by the successor agency. The board shall be subject to the Ralph M. Brown Act.

Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and

the taxing entities. Oversight boards must direct the successor agency to do all of the following:

a. Dispose of redevelopment agency assets and properties;
b. Terminate all agreements that do not qualify as enforceable obligations;
c. Terminate agreements between the dissolved redevelopment agency and any public entity located in the same county, obligating the redevelopment agency to provide funding for any debt service obligations of the public entity for the construction, or operation of facilities owned or operated by such public entity, in any instance where the oversight board finds that early termination is in the best interest of the taxing entities;
d. Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to taxing entities, and present proposed termination or amendment agreements.

It is important to understand that all of the following successor agency actions <u>must first be approved</u> by the oversight board:

a. New repayment terms for outstanding loans;
b. Refunding of outstanding bonds or other debt for savings or to finance debt service spikes;
c. Setting aside of amounts in reserves required by indentures or similar documents;
d. Merging of project areas;
e. Continuing acceptance of federal or state grants or other financial assistance;
f. Compensation agreements for payment of property taxes with a city or county that wishes to retain any properties or other assets for future redevelopment activities;
g. Establishment of the Recognized Obligation Payment Schedule;
h. Agreements between the successor agency and the city or county;
i. Pledges or agreements of property tax revenues between the successor agency and the city or county that created the redevelopment agency pursuant to California Health & Safety Code Section 34178.

Commencing on or after July 1, 2016, there shall only be one oversight board appointed in each county where more than one oversight board was created. Any oversight board for each successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

ABx1 26 provides the following abbreviated timeline for dissolution:

- **January 31, 2012 (amended from August 28, 2011)**: prepare an amended Enforceable Obligation Payment Schedule for January 1 through May 1, 2012, covering all payments until the final recognized obligation payment schedule is effective on May 1, 2012 (to be brought back to the City Council on January 24);
- **February 1, 2012 (amended from October 1, 2011)**: all redevelopment agencies are dissolved as of this date and successor agencies designated;
- **March 1, 2012 (amended from November 1, 2011)**: prepare a draft Recognized

Obligation Payment Schedule, using the preliminary draft of the initial recognized obligation payment schedule, for the period of February 1 to July 1, 2012, certified by an external auditor, and submit to the oversight board;

- **April 15, 2012 (amended from December 15, 2011)**: submit the first Recognized Obligation Payment Schedule to the Controller's Office and the Department of Finance ("DOF");
- **May 1, 2012 (amended from January 1, 2012)**: the seven members of the Oversight Board must be selected and reported to the DOF;
- **May 1, 2012 (amended from January 1, 2012)**: successor agency may only pay those payments listed on the approved recognized obligation payment schedule;
- **May 16, 2012 (amended from January 16, 2012)**: County Auditor-Controller makes the first transfer of property tax revenue equal to the amount specified on the recognized obligation payment schedule;
- **July 1, 2016 (on or after):** one oversight board for each county shall be created.

DISCUSSION: There are indications that the California Redevelopment Association, the California League of Cities, and other interested parties will approach the California Legislature concerning a proposal to reinstate redevelopment agencies in an amended form. Any such proposal would require adoption by the Legislature and approval by Governor Brown. Such an outcome will take time and is far from certain. Without amended legislation to the contrary, the City must proceed to implement the provisions of ABx1 26.

The implementation of ABx1 26 will tremendously affect two important redevelopment initiatives currently being planned. The provisions of ABx1 26 forbid the agency from entering into any new financial transactions at all; including sales, leases, and Disposition and Development Agreements (DDAs) on real property owned by the agency. The oversight board will be charged with disposal of real property owned by the agency in a manner aimed at maximizing value (which seems to preclude discounted or subsidized land deals). The two affected projects are:

- The agency owns the previous police facility on Fletcher Parkway. As an asset of the agency, the disposition of the property will be decided by the oversight board.
- The exclusive negotiating agreement with Neal Arthur and Associates will continue to be tolled until February 1, 2012, when it will pass to the successor agency. The agency owns the parcels of land, which are the subject of the agreement, so their disposition and the future of the exclusive negotiating agreement will also be decided by the oversight board.

Staff believes several ongoing projects preceded the deadlines of ABx1 26 and may proceed until their conclusion. They are:

- The façade improvements at Westfield Parkway Plaza.
- The senior housing project at Chambers Street and Linda Way.
- The Kia showroom improvements.
- The Inland Kenworth dealership.

- The Birchwood Lane housing project.

Staff will update the enforceable obligations schedule and provide the City Council will a full list of the agency obligations and their status at the January 24, 2011, City Council meeting.

The infrastructure financing plan for the proposed Downtown Specific Plan depended heavily on tax increment financing from the redevelopment agency. In order for the plan to proceed further, either the Legislature must reinstate redevelopment revenue, or the City must identify other revenues. Staff will set the Downtown Specific Plan aside for the next few months, or until the possible funding sources become clearer.

Regarding the redevelopment housing assets and liabilities, the City may elect to retain these itself, or retention of housing assets and functions may be transferred to the El Cajon Housing Authority, or the San Diego County Housing Authority by the City Council. Over the next two weeks staff will analyze those options and will provide a recommendation and any needed enabling resolutions at the January 24, 2011, City Council meeting.

Staff will also return at a later date with requests to fill the City's two positions on the oversight board and recommendations to meet the other obligations noted above.

FISCAL IMPACT:

Funds that would normally be deposited with the Redevelopment Agency each year will be collected and held by the County Auditor-Controller in a new Redevelopment Property Tax Trust Fund for the successor agency. Funds necessary to cover existing obligated debts and limited funds for administrative overhead will be forwarded to the successor agency; excess funds are deemed property tax revenues and will be redistributed by the County in accordance with normal property tax distribution regulations, where no redevelopment agency exists. Administrative funds are subject to a 5% cap this fiscal year and 3% cap (of total funds allocated to successor agency) each subsequent fiscal year, but are subject to approval by the oversight board.

In net effect, the redevelopment agency will cease to receive tax increment revenue, which totals about $14 million per year, net of the pass through amounts to the other taxing entities. In its place the City will in the future receive up to 11% of the $14 million, or about $1.5 million per year, less any of these funds needed to pay the liabilities of the agency, such as annual debt service payments. Our financial advisors are estimating these numbers in much more detail. Staff will present these estimates to the City Council, when available.

The redevelopment agency currently pays about $1.8 million in operating expenses each year. These expenses consist of such things as personnel costs ($740K); internal engineering costs on agency capital improvements projects ($373K); citywide overhead reimbursements ($290K); PBID assessments ($68K); graffiti abatement, utility box, and other community programs ($235K). Some of these will be valid expenses of the successor agency and the oversight board, but most must either be assumed by the City or be eliminated.

The entire Five Year Capital Improvement Program of the Redevelopment Agency must be terminated. Staff will conclude those contracts that comply with the enforceable obligations deadlines of AB 1X 26 and then will stop all agency capital projects activity.

PREPARED BY:

Rob Turner

Rob Turner
ACTING CITY MANAGER

Assembly Bill No. 26

CHAPTER 5

An act to amend Sections 33500, 33501, 33607.5, and 33607.7 of, and to add Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of, the Health and Safety Code, and to add Sections 97.401 and 98.2 to the Revenue and Taxation Code, relating to redevelopment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 28, 2011. Filed with
Secretary of State June 29, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 26, Blumenfield. Community redevelopment.

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law provides that an action may be brought to review the validity of the adoption or amendment of a redevelopment plan by an agency, to review the validity of agency findings or determinations, and other agency actions.

This bill would revise the provisions of law authorizing an action to be brought against the agency to determine or review the validity of specified agency actions.

(2) Existing law also requires that if an agency ceases to function, any surplus funds existing after payment of all obligations and indebtedness vest in the community.

The bill would suspend various agency activities and prohibit agencies from incurring indebtedness commencing on the effective date of this act. Effective October 1, 2011, the bill would dissolve all redevelopment agencies and community development agencies in existence and designate successor agencies, as defined, as successor entities. The bill would impose various requirements on the successor agencies and subject successor agency actions to the review of oversight boards, which the bill would establish.

The bill would require county auditor-controllers to conduct an agreed-upon procedures audit of each former redevelopment agency by March 1, 2012. The bill would require the county auditor-controller to determine the amount of property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved and deposit this amount in a Redevelopment Property Tax Trust Fund in the county. Revenues in the trust fund would be allocated to various taxing entities in the county and to cover specified expenses of the former agency. By imposing additional duties upon local public officials, the bill would create a state-mandated local program.

(3) The bill would prohibit a redevelopment agency from issuing new bonds, notes, interim certificates, debentures, or other obligations if any legal challenge to invalidate a provision of this act is successful.

(4) The bill would appropriate $500,000 to the Department of Finance from the General Fund for administrative costs associated with the bill.

(5) The bill would provide that its provisions take effect only if specified legislation is enacted in the 2011–12 First Extraordinary Session of the Legislature.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(7) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

(8) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The economy and the residents of this state are slowly recovering from the worst recession since the Great Depression.

(b) State and local governments are still facing incredibly significant declines in revenues and increased need for core governmental services.

(c) Local governments across this state continue to confront difficult choices and have had to reduce fire and police protection among other services.

(d) Schools have faced reductions in funding that have caused school districts to increase class size and layoff teachers, as well as make other hurtful cuts.

(e) Redevelopment agencies have expanded over the years in this state. The expansion of redevelopment agencies has increasingly shifted property taxes away from services provided to schools, counties, special districts, and cities.

(f) Redevelopment agencies take in approximately 12 percent of all of the property taxes collected across this state.

(g) It is estimated that under current law, redevelopment agencies will divert $5 billion in property tax revenue from other taxing agencies in the 2011−12 fiscal year.

(h) The Legislature has all legislative power not explicitly restricted to it. The California Constitution does not require that redevelopment agencies must exist and, unlike other entities such as counties, does not limit the Legislature's control over that existence. Redevelopment agencies were created by statute and can therefore be dissolved by statute.

(i) Upon their dissolution, any property taxes that would have been allocated to redevelopment agencies will no longer be deemed tax increment. Instead, those taxes will be deemed property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agencies, with remaining balances allocated in accordance with applicable constitutional and statutory provisions.

(j) It is the intent of the Legislature to do all of the following in this act:

(1) Bar existing redevelopment agencies from incurring new obligations, prior to their dissolution.

(2) Allocate property tax revenues to successor agencies for making payments on indebtedness incurred by the redevelopment agency prior to its dissolution and allocate remaining balances in accordance with applicable constitutional and statutory provisions.

(3) Beginning October 1, 2011, allocate these funds according to the existing property tax allocation within each county to make the funds available for cities, counties, special districts, and school and community college districts.

(4) Require successor agencies to expeditiously wind down the affairs of the dissolved redevelopment agencies and to provide the successor agencies with limited authority that extends only to the extent needed to implement a winddown of redevelopment agency affairs.

SEC. 2. Section 33500 of the Health and Safety Code is amended to read:

33500. (a) Notwithstanding any other provision of law, including Section 33501, an action may be brought to review the validity of the adoption or amendment of a redevelopment plan at any time within 90 days after the date of the adoption of the ordinance adopting or amending the plan, if the adoption of the ordinance occurred prior to January 1, 2011.

(b) Notwithstanding any other provision of law, including Section 33501, an action may be brought to review the validity of any findings or determinations by the agency or the legislative body at any time within 90 days after the date on which the agency or the legislative body made those findings or determinations, if the findings or determinations occurred prior to January 1, 2011.

(c) Notwithstanding any other law, including Section 33501, an action may be brought to review the validity of the adoption or amendment of a

redevelopment plan at any time within two years after the date of the adoption of the ordinance adopting or amending the plan, if the adoption of the ordinance occurred after January 1, 2011.

(d) Notwithstanding any other law, including Section 33501, an action may be brought to review the validity of any findings or determinations by the agency or the legislative body at any time within two years after the date on which the agency or the legislative body made those findings or determinations, if the findings or determinations occurred after January 1, 2011.

SEC. 3. Section 33501 of the Health and Safety Code is amended to read:

33501. (a) An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of bonds and the redevelopment plan to be financed or refinanced, in whole or in part, by the bonds, or to determine the validity of a redevelopment plan not financed by bonds, including without limiting the generality of the foregoing, the legality and validity of all proceedings theretofore taken for or in any way connected with the establishment of the agency, its authority to transact business and exercise its powers, the designation of the survey area, the selection of the project area, the formulation of the preliminary plan, the validity of the finding and determination that the project area is predominantly urbanized, and the validity of the adoption of the redevelopment plan, and also including the legality and validity of all proceedings theretofore taken and (as provided in the bond resolution) proposed to be taken for the authorization, issuance, sale, and delivery of the bonds, and for the payment of the principal thereof and interest thereon.

(b) Notwithstanding subdivision (a), an action to determine the validity of a redevelopment plan, or amendment to a redevelopment plan that was adopted prior to January 1, 2011, may be brought within 90 days after the date of the adoption of the ordinance adopting or amending the plan.

(c) Any action that is commenced on or after January 1, 2011, which is brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity or legality of any issue, document, or action described in subdivision (a), may be brought within two years after any triggering event that occurred after January 1, 2011.

(d) For the purposes of protecting the interests of the state, the Attorney General and the Department of Finance are interested persons pursuant to Section 863 of the Code of Civil Procedure in any action brought with respect to the validity of an ordinance adopting or amending a redevelopment plan pursuant to this section.

(e) For purposes of contesting the inclusion in a project area of lands that are enforceably restricted, as that term is defined in Sections 422 and 422.5 of the Revenue and Taxation Code, or lands that are in agricultural use, as defined in subdivision (b) of Section 51201 of the Government Code, the Department of Conservation, the county agricultural commissioner, the

county farm bureau, the California Farm Bureau Federation, and agricultural entities and general farm organizations that provide a written request for notice, are interested persons pursuant to Section 863 of the Code of Civil Procedure, in any action brought with respect to the validity of an ordinance adopting or amending a redevelopment plan pursuant to this section.

SEC. 4. Section 33607.5 of the Health and Safety Code is amended to read:

33607.5. (a) (1) This section shall apply to each redevelopment project area that, pursuant to a redevelopment plan which contains the provisions required by Section 33670, is either: (A) adopted on or after January 1, 1994, including later amendments to these redevelopment plans; or (B) adopted prior to January 1, 1994, but amended, after January 1, 1994, to include new territory. For plans amended after January 1, 1994, only the tax increments from territory added by the amendment shall be subject to this section. All the amounts calculated pursuant to this section shall be calculated after the amount required to be deposited in the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 has been deducted from the total amount of tax increment funds received by the agency in the applicable fiscal year.

(2) The payments made pursuant to this section shall be in addition to any amounts the affected taxing entities receive pursuant to subdivision (a) of Section 33670. The payments made pursuant to this section to the affected taxing entities, including the community, shall be allocated among the affected taxing entities, including the community if the community elects to receive payments, in proportion to the percentage share of property taxes each affected taxing entity, including the community, receives during the fiscal year the funds are allocated, which percentage share shall be determined without regard to any amounts allocated to a city, a city and county, or a county pursuant to Sections 97.68 and 97.70 of the Revenue and Taxation Code, and without regard to any allocation reductions to a city, a city and county, a county, a special district, or a redevelopment agency pursuant to Sections 97.71, 97.72, and 97.73 of the Revenue and Taxation Code and Section 33681.12. The agency shall reduce its payments pursuant to this section to an affected taxing entity by any amount the agency has paid, directly or indirectly, pursuant to Section 33445, 33445.5, 33445.6, 33446, or any other provision of law other than this section for, or in connection with, a public facility owned or leased by that affected taxing agency, except: (A) any amounts the agency has paid directly or indirectly pursuant to an agreement with a taxing entity adopted prior to January 1, 1994; or (B) any amounts that are unrelated to the specific project area or amendment governed by this section. The reduction in a payment by an agency to a school district, community college district, or county office of education, or for special education, shall be subtracted only from the amount that otherwise would be available for use by those entities for educational facilities pursuant to paragraph (4). If the amount of the reduction exceeds the amount that otherwise would have been available for use for educational

facilities in any one year, the agency shall reduce its payment in more than one year.

(3) If an agency reduces its payment to a school district, community college district, or county office of education, or for special education, the agency shall do all of the following:

(A) Determine the amount of the total payment that would have been made without the reduction.

(B) Determine the amount of the total payment without the reduction which: (i) would have been considered property taxes; and (ii) would have been available to be used for educational facilities pursuant to paragraph (4).

(C) Reduce the amount available to be used for educational facilities.

(D) Send the payment to the school district, community college district, or county office of education, or for special education, with a statement that the payment is being reduced and including the calculation required by this subdivision showing the amount to be considered property taxes and the amount, if any, available for educational facilities.

(4) (A) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to school districts, 43.3 percent shall be considered to be property taxes for the purposes of paragraph (1) of subdivision (h) of Section 42238 of the Education Code, and 56.7 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(B) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to community college districts, 47.5 percent shall be considered to be property taxes for the purposes of Section 84751 of the Education Code, and 52.5 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(C) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to county offices of education, 19 percent shall be considered to be property taxes for the purposes of Section 2558 of the Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(D) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section for special education, 19 percent shall be considered to be property taxes for the purposes of Section 56712 of the

Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for education facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(E) If, pursuant to paragraphs (2) and (3), an agency reduces its payments to an educational entity, the calculation made by the agency pursuant to paragraph (3) shall determine the amount considered to be property taxes and the amount available to be used for educational facilities in the year the reduction was made.

(5) Local education agencies that use funds received pursuant to this section for school facilities shall spend these funds at schools that are: (A) within the project area, (B) attended by students from the project area, (C) attended by students generated by projects that are assisted directly by the redevelopment agency, or (D) determined by the governing board of a local education agency to be of benefit to the project area.

(b) Commencing with the first fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, including the community if the community elects to receive a payment, an amount equal to 25 percent of the tax increments received by the agency after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted. In any fiscal year in which the agency receives tax increments, the community that has adopted the redevelopment project area may elect to receive the amount authorized by this paragraph.

(c) Commencing with the 11th fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivision (b) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 21 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the first adjusted base year assessed value. The first adjusted base year assessed value is the assessed value of the project area in the 10th fiscal year in which the agency receives tax increment revenues.

(d) Commencing with the 31st fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivisions (b) and (c) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 14 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate

against the amount of assessed value by which the current year assessed value exceeds the second adjusted base year assessed value. The second adjusted base year assessed value is the assessed value of the project area in the 30th fiscal year in which the agency receives tax increments.

(e) (1) Prior to incurring any loans, bonds, or other indebtedness, except loans or advances from the community, the agency may subordinate to the loans, bonds, or other indebtedness the amount required to be paid to an affected taxing entity by this section, provided that the affected taxing entity has approved these subordinations pursuant to this subdivision.

(2) At the time the agency requests an affected taxing entity to subordinate the amount to be paid to it, the agency shall provide the affected taxing entity with substantial evidence that sufficient funds will be available to pay both the debt service and the payments required by this section, when due.

(3) Within 45 days after receipt of the agency's request, the affected taxing entity shall approve or disapprove the request for subordination. An affected taxing entity may disapprove a request for subordination only if it finds, based upon substantial evidence, that the agency will not be able to pay the debt payments and the amount required to be paid to the affected taxing entity. If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive.

(f) (1) The Legislature finds and declares both of the following:

(A) The payments made pursuant to this section are necessary in order to alleviate the financial burden and detriment that affected taxing entities may incur as a result of the adoption of a redevelopment plan, and payments made pursuant to this section will benefit redevelopment project areas.

(B) The payments made pursuant to this section are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan.

(2) Notwithstanding any other provision of law, a redevelopment agency shall not be required, either directly or indirectly, as a measure to mitigate a significant environmental effect or as part of any settlement agreement or judgment brought in any action to contest the validity of a redevelopment plan pursuant to Section 33501, to make any other payments to affected taxing entities, or to pay for public facilities that will be owned or leased to an affected taxing entity.

(g) As used in this section, a "local education agency" is a school district, a community college district, or a county office of education.

SEC. 5. Section 33607.7 of the Health and Safety Code is amended to read:

33607.7. (a) This section shall apply to a redevelopment plan amendment for any redevelopment plans adopted prior to January 1, 1994, that increases the limitation on the number of dollars to be allocated to the redevelopment agency or that increases, or eliminates pursuant to paragraph (1) of subdivision (e) of Section 33333.6, the time limit on the establishing of loans, advances, and indebtedness established pursuant to paragraphs (1)

and (2) of subdivision (a) of Section 33333.6, as those paragraphs read on December 31, 2001, or that lengthens the period during which the redevelopment plan is effective if the redevelopment plan being amended contains the provisions required by subdivision (b) of Section 33670. However, this section shall not apply to those redevelopment plans that add new territory.

(b) If a redevelopment agency adopts an amendment that is governed by the provisions of this section, it shall pay to each affected taxing entity either of the following:

(1) If an agreement exists that requires payments to the taxing entity, the amount required to be paid by an agreement between the agency and an affected taxing entity entered into prior to January 1, 1994.

(2) If an agreement does not exist, the amounts required pursuant to subdivisions (b), (c), (d), and (e) of Section 33607.5, until termination of the redevelopment plan, calculated against the amount of assessed value by which the current year assessed value exceeds an adjusted base year assessed value. The amounts shall be allocated between property taxes and educational facilities, including, in the case of amounts paid during the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance, according to the appropriate formula in paragraph (3) of subdivision (a) of Section 33607.5. In determining the applicable amount under Section 33607.5, the first fiscal year shall be the first fiscal year following the fiscal year in which the adjusted base year value is determined.

(c) The adjusted base year assessed value shall be the assessed value of the project area in the year in which the limitation being amended would have taken effect without the amendment or, if more than one limitation is being amended, the first year in which one or more of the limitations would have taken effect without the amendment. The agency shall commence making these payments pursuant to the terms of the agreement, if applicable, or, if an agreement does not exist, in the first fiscal year following the fiscal year in which the adjusted base year value is determined.

SEC. 6. Part 1.8 (commencing with Section 34161) is added to Division 24 of the Health and Safety Code, to read:

PART 1.8. RESTRICTIONS ON REDEVELOPMENT AGENCY OPERATIONS

Chapter 1. Suspension of Agency Activities and Prohibition on Creation of New Debts

34161. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, no agency shall incur new or expand existing monetary or legal obligations except as provided in this

part. All of the provisions of this part shall take effect and be operative on the effective date of the act adding this part.

34162. (a) Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this act, an agency shall be unauthorized and shall not take any action to incur indebtedness, including, but not limited to, any of the following:

(1) Issue or sell bonds, for any purpose, regardless of the source of repayment of the bonds. As used in this section, the term "bonds," includes, but is not limited to, any bonds, notes, bond anticipation notes, interim certificates, debentures, certificates of participation, refunding bonds, or other obligations issued by an agency pursuant to Part 1 (commencing with Section 33000), and Section 53583 of the Government Code, pursuant to any charter city authority or any revenue bond law.

(2) Incur indebtedness payable from prohibited sources of repayment, which include, but are not limited to, income and revenues of an agency's redevelopment projects, taxes allocated to the agency, taxes imposed by the agency pursuant to Section 7280.5 of the Revenue and Taxation Code, assessments imposed by the agency, loan repayments made to the agency pursuant to Section 33746, fees or charges imposed by the agency, other revenues of the agency, and any contributions or other financial assistance from the state or federal government.

(3) Refund, restructure, or refinance indebtedness or obligations that existed as of January 1, 2011, including, but not limited to, any of the following:

(A) Refund bonds previously issued by the agency or by another political subdivision of the state, including, but not limited to, those issued by a city, a housing authority, or a nonprofit corporation acting on behalf of a city or a housing authority.

(B) Exercise the right of optional redemption of any of its outstanding bonds or elect to purchase any of its own outstanding bonds.

(C) Modify or amend the terms and conditions, payment schedules, amortization or maturity dates of any of the agency's bonds or other obligations that are outstanding or exist as of January 1, 2011.

(4) Take out or accept loans or advances, for any purpose, from the state or the federal government, any other public agency, or any private lending institution, or from any other source. For purposes of this section, the term "loans" include, but are not limited to, agreements with the community or any other entity for the purpose of refinancing a redevelopment project and moneys advanced to the agency by the community or any other entity for the expenses of redevelopment planning, expenses for dissemination of redevelopment information, other administrative expenses, and overhead of the agency.

(5) Execute trust deeds or mortgages on any real or personal property owned or acquired by it.

(6) Pledge or encumber, for any purpose, any of its revenues or assets. As used in this part, an agency's "revenues and assets" include, but are not limited to, agency tax revenues, redevelopment project revenues, other agency revenues, deeds of trust and mortgages held by the agency, rents, fees, charges, moneys, accounts receivable, contracts rights, and other rights to payment of whatever kind or other real or personal property. As used in this part, to "pledge or encumber" means to make a commitment of, by the grant of a lien on and a security interest in, an agency's revenues or assets, whether by resolution, indenture, trust agreement, loan agreement, lease, installment sale agreement, reimbursement agreement, mortgage, deed of trust, pledge agreement, or similar agreement in which the pledge is provided for or created.

(b) Any actions taken that conflict with this section are void from the outset and shall have no force or effect.

(c) Notwithstanding subdivision (a), a redevelopment agency may issue refunding bonds, which are referred to in this part as Emergency Refunding Bonds, only where all of the following conditions are met:

(1) The issuance of Emergency Refunding Bonds is the only means available to the agency to avoid a default on outstanding agency bonds.

(2) Both the county treasurer and the Treasurer have approved the issuance of Emergency Refunding Bonds.

(3) Emergency Refunding Bonds are issued only to provide funds for any single debt service payment that is due prior to October 1, 2011, and that is more than 20 percent larger than a level debt service payment would be for that bond.

(4) The principal amount of outstanding agency bonds is not increased.

34163. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall not have the authority to, and shall not, do any of the following:

(a) Make loans or advances or grant or enter into agreements to provide funds or provide financial assistance of any sort to any entity or person for any purpose, including, but not limited to, all of the following:

(1) Loans of moneys or any other thing of value or commitments to provide financing to nonprofit organizations to provide those organizations with financing for the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing or the acquisition of commercial property for lease, each pursuant to Chapter 7.5 (commencing with Section 33741) of Part 1.

(2) Loans of moneys or any other thing of value for residential construction, improvement, or rehabilitation pursuant to Chapter 8 (commencing with Section 33750) of Part 1. These include, but are not limited to, construction loans to purchasers of residential housing, mortgage loans to purchasers of residential housing, and loans to mortgage lenders, or any other entity, to aid in financing pursuant to Chapter 8 (commencing with Section 33750).

(3) The purchase, by an agency, of mortgage or construction loans from mortgage lenders or from any other entities.

(b) Enter into contracts with, incur obligations, or make commitments to, any entity, whether governmental, tribal, or private, or any individual or groups of individuals for any purpose, including, but not limited to, loan agreements, passthrough agreements, regulatory agreements, services contracts, leases, disposition and development agreements, joint exercise of powers agreements, contracts for the purchase of capital equipment, agreements for redevelopment activities, including, but not limited to, agreements for planning, design, redesign, development, demolition, alteration, construction, reconstruction, rehabilitation, site remediation, site development or improvement, removal of graffiti, land clearance, and seismic retrofits.

(c) Amend or modify existing agreements, obligations, or commitments with any entity, for any purpose, including, but not limited to, any of the following:

(1) Renewing or extending term of leases or other agreements, except that the agency may extend lease space for its own use to a date not to exceed six months after the effective date of the act adding this part and for a rate no more than 5 percent above the rate the agency currently pays on a monthly basis.

(2) Modifying terms and conditions of existing agreements, obligations, or commitments.

(3) Forgiving all or any part of the balance owed to the agency on existing loans or extend the term or change the terms and conditions of existing loans.

(4) Increasing its deposits to the Low and Moderate Income Housing Fund created pursuant to Section 33334.3 beyond the minimum level that applied to it as of January 1, 2011.

(5) Transferring funds out of the Low and Moderate Income Housing Fund, except to meet the minimum housing-related obligations that existed as of January 1, 2011, to make required payments under Sections 33690 and 33690.5, and to borrow funds pursuant to Section 34168.5.

(d) Dispose of assets by sale, long-term lease, gift, grant, exchange, transfer, assignment, or otherwise, for any purpose, including, but not limited to, any of the following:

(1) Assets, including, but not limited to, real property, deeds of trust, and mortgages held by the agency, moneys, accounts receivable, contract rights, proceeds of insurance claims, grant proceeds, settlement payments, rights to receive rents, and any other rights to payment of whatever kind.

(2) Real property, including, but not limited to, land, land under water and waterfront property, buildings, structures, fixtures, and improvements on the land, any property appurtenant to, or used in connection with, the land, every estate, interest, privilege, easement, franchise, and right in land, including rights-of-way, terms for years, and liens, charges, or encumbrances by way of judgment, mortgage, or otherwise, and the indebtedness secured by the liens.

(e) Acquire real property by any means for any purpose, including, but not limited to, the purchase, lease, or exercising of an option to purchase or lease, exchange, subdivide, transfer, assume, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise acquire any real property, any interest in real property, and any improvements on it, including the repurchase of developed property previously owned by the agency and the acquisition of real property by eminent domain; provided, however, that nothing in this subdivision is intended to prohibit the acceptance or transfer of title for real property acquired prior to the effective date of this part.

(f) Transfer, assign, vest, or delegate any of its assets, funds, rights, powers, ownership interests, or obligations for any purpose to any entity, including, but not limited to, the community, the legislative body, another member of a joint powers authority, a trustee, a receiver, a partner entity, another agency, a nonprofit corporation, a contractual counterparty, a public body, a limited-equity housing cooperative, the state, a political subdivision of the state, the federal government, any private entity, or an individual or group of individuals.

(g) Accept financial or other assistance from the state or federal government or any public or private source if the acceptance necessitates or is conditioned upon the agency incurring indebtedness as that term is described in this part.

34164. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall lack the authority to, and shall not, engage in any of the following redevelopment activities:

(a) Prepare, approve, adopt, amend, or merge a redevelopment plan, including, but not limited to, modifying, extending, or otherwise changing the time limits on the effectiveness of a redevelopment plan.

(b) Create, designate, merge, expand, or otherwise change the boundaries of a project area.

(c) Designate a new survey area or modify, extend, or otherwise change the boundaries of an existing survey area.

(d) Approve or direct or cause the approval of any program, project, or expenditure where approval is not required by law.

(e) Prepare, formulate, amend, or otherwise modify a preliminary plan or cause the preparation, formulation, modification, or amendment of a preliminary plan.

(f) Prepare, formulate, amend, or otherwise modify an implementation plan or cause the preparation, formulation, modification, or amendment of an implementation plan.

(g) Prepare, formulate, amend, or otherwise modify a relocation plan or cause the preparation, formulation, modification, or amendment of a relocation plan where approval is not required by law.

(h) Prepare, formulate, amend, or otherwise modify a redevelopment housing plan or cause the preparation, formulation, modification, or amendment of a redevelopment housing plan.

(i) Direct or cause the development, rehabilitation, or construction of housing units within the community, unless required to do so by an enforceable obligation.

(j) Make or modify a declaration or finding of blight, blighted areas, or slum and blighted residential areas.

(k) Make any new findings or declarations that any areas of blight cannot be remedied or redeveloped by private enterprise alone.

(*l*) Provide or commit to provide relocation assistance, except where the provision of relocation assistance is required by law.

(m) Provide or commit to provide financial assistance.

34165. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall lack the authority to, and shall not, do any of the following:

(a) Enter into new partnerships, become a member in a joint powers authority, form a joint powers authority, create new entities, or become a member of any entity of which it is not currently a member, nor take on nor agree to any new duties or obligations as a member or otherwise of any entity to which the agency belongs or with which it is in any way associated.

(b) Impose new assessments pursuant to Section 7280.5 of the Revenue and Taxation Code.

(c) Increase the pay, benefits, or contributions of any sort for any officer, employee, consultant, contractor, or any other goods or service provider that had not previously been contracted.

(d) Provide optional or discretionary bonuses to any officers, employees, consultants, contractors, or any other service or goods providers.

(e) Increase numbers of staff employed by the agency beyond the number employed as of January 1, 2011.

(f) Bring an action pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of any issuance or proposed issuance of revenue bonds under this chapter and the legality and validity of all proceedings previously taken or proposed in a resolution of an agency to be taken for the authorization, issuance, sale, and delivery of the revenue bonds and for the payment of the principal thereof and interest thereon.

(g) Begin any condemnation proceeding or begin the process to acquire real property by eminent domain.

(h) Prepare or have prepared a draft environmental impact report. This subdivision shall not alter or eliminate any requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

34166. No legislative body or local governmental entity shall have any statutory authority to create or otherwise establish a new redevelopment

agency or community development commission. No chartered city or chartered county shall exercise the powers granted in Part 1 (commencing with Section 33000) to create or otherwise establish a redevelopment agency.

34167. (a) This part is intended to preserve, to the maximum extent possible, the revenues and assets of redevelopment agencies so that those assets and revenues that are not needed to pay for enforceable obligations may be used by local governments to fund core governmental services including police and fire protection services and schools. It is the intent of the Legislature that redevelopment agencies take no actions that would further deplete the corpus of the agencies' funds regardless of their original source. All provisions of this part shall be construed as broadly as possible to support this intent and to restrict the expenditure of funds to the fullest extent possible.

(b) For purposes of this part, "agency" or "redevelopment agency" means a redevelopment agency created or formed pursuant to Part 1 (commencing with Section 33000) or its predecessor or a community development commission created or formed pursuant to Part 1.7 (commencing with Section 34100) or its predecessor.

(c) Nothing in this part in any way impairs the authority of a community development commission, other than in its authority to act as a redevelopment agency, to take any actions in its capacity as a housing authority or for any other community development purpose of the jurisdiction in which it operates.

(d) For purposes of this part, "enforceable obligation" means any of the following:

(1) Bonds, as defined by Section 33602 and bonds issued pursuant to Section 5850 of the Government Code, including the required debt service, reserve set-asides and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the redevelopment agency.

(2) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, including, but not limited to, moneys borrowed from the Low and Moderate Income Housing Fund, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(3) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, and unemployment payments.

(4) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.

(5) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.

(6) Contracts or agreements necessary for the continued administration or operation of the redevelopment agency to the extent permitted by this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.

(e) To the extent that any provision of Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100) conflicts with this part, the provisions of this part shall control. Further, if any provision in Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100) provides an authority that this part is restricting or eliminating, the restriction and elimination provisions of this part shall control.

(f) Nothing in this part shall be construed to interfere with a redevelopment agency's authority, pursuant to enforceable obligations as defined in this chapter, to (1) make payments due, (2) enforce existing covenants and obligations, or (3) perform its obligations.

(g) The existing terms of any memorandum of understanding with an employee organization representing employees of a redevelopment agency adopted pursuant to the Meyers-Milias-Brown Act that is in force on the effective date of this part shall continue in force until September 30, 2011, unless a new agreement is reached with a recognized employee organization prior to that date.

(h) After the enforceable obligation payment schedule is adopted pursuant to Section 34169, or after 60 days from the effective date of this part, whichever is sooner, the agency shall not make a payment unless it is listed in an adopted enforceable obligation payment schedule, other than payments required to meet obligations with respect to bonded indebtedness.

(i) The Department of Finance and the Controller shall each have the authority to require any documents associated with the enforceable obligations to be provided to them in a manner of their choosing. Any taxing entity, the department, and the Controller shall each have standing to file a judicial action to prevent a violation under this part and to obtain injunctive or other appropriate relief.

(j) For purposes of this part, "auditor-controller" means the officer designated in subdivision (e) of Section 24000 of the Government Code.

34167.5. Commencing on the effective date of the act adding this part, the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency. If such an asset transfer did occur during that period and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the

extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170). Upon receiving such an order from the Controller, an affected local agency shall, as soon as practicable, reverse the transfer and return the applicable assets to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170). The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in the furtherance of the Community Redevelopment Law and is thereby unauthorized.

34168. (a) Notwithstanding any other law, any action contesting the validity of this part or Part 1.85 (commencing with Section 34170) or challenging acts taken pursuant to these parts shall be brought in the Superior Court of the County of Sacramento.

(b) If any provision of this part or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this part which can be given effect without the invalid provision or application, and to this end, the provisions of this part are severable.

Chapter 2. Redevelopment Agency Responsibilities

34169. Until successor agencies are authorized pursuant to Part 1.85 (commencing with Section 34170), redevelopment agencies shall do all of the following:

(a) Continue to make all scheduled payments for enforceable obligations, as defined in subdivision (d) of Section 34167.

(b) Perform obligations required pursuant to any enforceable obligations, including, but not limited to, observing covenants for continuing disclosure obligations and those aimed at preserving the tax-exempt status of interest payable on any outstanding agency bonds.

(c) Set aside or maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Consistent with the intent declared in subdivision (a) of Section 34167, preserve all assets, minimize all liabilities, and preserve all records of the redevelopment agency.

(e) Cooperate with the successor agencies, if established pursuant to Part 1.85 (commencing with Section 34170), and provide all records and information necessary or desirable for audits, making of payments required by enforceable obligations, and performance of enforceable obligations by the successor agencies.

(f) Take all reasonable measures to avoid triggering an event of default under any enforceable obligations as defined in subdivision (d) of Section 34167.

(g) (1) Within 60 days of the effective date of this part, adopt an Enforceable Obligation Payment Schedule that lists all of the obligations that are enforceable within the meaning of subdivision (d) of Section 34167 which includes the following information about each obligation:

(A) The project name associated with the obligation.

(B) The payee.

(C) A short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made.

(D) The amount of payments obligated to be made, by month, through December 2011.

(2) Payment schedules for issued bonds may be aggregated, and payment schedules for payments to employees may be aggregated. This schedule shall be adopted at a public meeting and shall be posted on the agency's Internet Web site or, if no Internet Web site exists, on the Internet Web site of the legislative body, if that body has an Internet Web site. The schedule may be amended at any public meeting of the agency. Amendments shall be posted to the Internet Web site for at least three business days before a payment may be made pursuant to an amendment. The Enforceable Obligation Payment Schedule shall be transmitted by mail or electronic means to the county auditor-controller, the Controller, and the Department of Finance. A notification providing the Internet Web site location of the posted schedule and notifications of any amendments shall suffice to meet this requirement.

(h) Prepare a preliminary draft of the initial recognized obligation payment schedule, no later than September 30, 2011, and provide it to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170).

(i) The Department of Finance may review a redevelopment agency action taken pursuant to subdivision (g) or (h). As such, all agency actions shall not be effective for three business days, pending a request for review by the department. Each agency shall designate an official to whom the department may make these requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given agency action, the department shall have 10 days from the date of its request to approve the agency action or return it to the agency for reconsideration and this action shall not be effective until approved by the department. In the event that the department returns the agency action to the agency for reconsideration, the agency must resubmit the modified action for department approval and the modified action shall not become effective until approved by the department. This subdivision shall apply to a successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170), as a successor entity to a dissolved redevelopment agency, with

respect to the preliminary draft of the initial recognized obligation payment schedule.

Chapter 3. Application of Part to Former Participants of the Alternative Voluntary Redevelopment Program

34169.5. (a) It is the intent of the Legislature that a redevelopment agency, that formerly operated pursuant to the Alternative Voluntary Redevelopment Program (Part 1.9 (commencing with Section 34192)), but that becomes subject to this part pursuant to Section 34195, shall be subject to all of the requirements of this part, except that dates and deadlines shall be appropriately modified, as provided in this section, to reflect the date that the agency becomes subject to this part.

(b) For purposes of a redevelopment agency that becomes subject to this part pursuant to Section 34195, the following shall apply:

(1) Any reference to "January 1, 2011," shall be construed to mean January 1 of the year preceding the year that the redevelopment agency became subject to this part, but no earlier than January 1, 2011.

(2) Any reference to a date "60 days from the effective date of this part" shall be construed to mean 60 days from the date that the redevelopment agency becomes subject to this part.

(3) Except as provided in paragraphs (1) and (2), any reference to a date certain shall be construed to be the date, measured from the date that the redevelopment agency became subject to this part, that is equivalent to the duration of time between the effective date of this part and the date certain identified in statute.

SEC. 7. Part 1.85 (commencing with Section 34170) is added to Division 24 of the Health and Safety Code, to read:

PART 1.85. DISSOLUTION OF REDEVELOPMENT AGENCIES AND DESIGNATION OF SUCCESSOR AGENCIES

Chapter 1. Effective Date, Creation of Funds, and Definition of Terms

34170. (a) Unless otherwise specified, all provisions of this part shall become operative on October 1, 2011.

(b) If any provision of this part or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application, and to this end, the provisions of this part are severable.

34170.5. (a) The successor agency shall create within its treasury a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

(b) The county auditor-controller shall create within the county treasury a Redevelopment Property Tax Trust Fund for the property tax revenues related to each former redevelopment agency, for administration by the county auditor-controller.

34171. The following terms shall have the following meanings:

(a) "Administrative budget" means the budget for administrative costs of the successor agencies as provided in Section 34177.

(b) "Administrative cost allowance" means an amount that, subject to the approval of the oversight board, is payable from property tax revenues of up to 5 percent of the property tax allocated to the successor agency for the 2011–12 fiscal year and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency for each fiscal year thereafter; provided, however, that the amount shall not be less than two hundred fifty thousand dollars ($250,000) for any fiscal year or such lesser amount as agreed to by the successor agency. However, the allowance amount shall exclude any administrative costs that can be paid from bond proceeds or from sources other than property tax.

(c) "Designated local authority" shall mean a public entity formed pursuant to subdivision (d) of Section 34173.

(d) (1) "Enforceable obligation" means any of the following:

(A) Bonds, as defined by Section 33602 and bonds issued pursuant to Section 58383 of the Government Code, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency.

(B) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(C) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement.

(D) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.

(E) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy. However, nothing in this act shall prohibit either the successor agency, with the approval or at the direction of the oversight board, or the oversight board itself from terminating any existing agreements or contracts and providing

any necessary and required compensation or remediation for such termination.

(F) Contracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.

(G) Amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund of a redevelopment agency, which had been deferred as of the effective date of the act adding this part; provided, however, that the repayment schedule is approved by the oversight board.

(2) For purposes of this part, "enforceable obligation" does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency. However, written agreements entered into (A) at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and (B) solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations for purposes of this part. Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations.

(3) Contracts or agreements between the former redevelopment agency and other public agencies, to perform services or provide funding for governmental or private services or capital projects outside of redevelopment project areas that do not provide benefit to the redevelopment project and thus were not properly authorized under Part 1 (commencing with Section 33000) shall be deemed void on the effective date of this part; provided, however, that such contracts or agreements for the provision of housing properly authorized under Part 1 (commencing with Section 33000) shall not be deemed void.

(e) "Indebtedness obligations" means bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the redevelopment agency, or by a joint exercise of powers authority created by the redevelopment agency, to third-party investors or bondholders to finance or refinance redevelopment projects undertaken by the redevelopment agency in compliance with the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(f) "Oversight board" shall mean each entity established pursuant to Section 34179.

(g) "Recognized obligation" means an obligation listed in the Recognized Obligation Payment Schedule.

(h) "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177.

(i) "School entity" means any entity defined as such in subdivision (f) of Section 95 of the Revenue and Taxation Code.

(j) "Successor agency" means the county, city, or city and county that authorized the creation of each redevelopment agency or another entity as provided in Section 34173.

(k) "Taxing entities" means cities, counties, a city and county, special districts, and school entities, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, that receive passthrough payments and distributions of property taxes pursuant to the provisions of this part.

Chapter 2. Effect of Redevelopment Agency Dissolution

34172. (a) (1) All redevelopment agencies and redevelopment agency components of community development agencies created under Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100) that were in existence on the effective date of this part are hereby dissolved and shall no longer exist as a public body, corporate or politic. Nothing in this part dissolves or otherwise affects the authority of a community redevelopment commission, other than in its authority to act as a redevelopment agency, in its capacity as a housing authority or for any other community development purpose of the jurisdiction in which it operates. For those other nonredevelopment purposes, the community development commission derives its authority solely from federal or local laws, or from state laws other than the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(2) A community in which an agency has been dissolved under this section may not create a new agency pursuant to Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100). However, a community in which the agency has been dissolved and the successor entity has paid off all of the former agency's enforceable obligations may create a new agency pursuant to Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100), subject to the tax increment provisions contained in Chapter 3.5 (commencing with Section 34194.5) of Part 1.9 (commencing with Section 34192).

(b) All authority to transact business or exercise powers previously granted under the Community Redevelopment Law (Part 1 (commencing with Section 33000) is hereby withdrawn from the former redevelopment agencies.

(c) Solely for purposes of Section 16 of Article XVI of the California Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the dissolved redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness,

whether funded, refunded, assumed, or otherwise incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment projects of each redevelopment agency dissolved pursuant to this part.

(d) Revenues equivalent to those that would have been allocated pursuant to subdivision (b) of Section 16 of Article XVI of the California Constitution shall be allocated to the Redevelopment Property Tax Trust Fund of each successor agency for making payments on the principal of and interest on loans, and moneys advanced to or indebtedness incurred by the dissolved redevelopment agencies. Amounts in excess of those necessary to pay obligations of the former redevelopment agency shall be deemed to be property tax revenues within the meaning of subdivision (a) of Section 1 of Article XIII A of the California Constitution.

34173. (a) Successor agencies, as defined in this part, are hereby designated as successor entities to the former redevelopment agencies.

(b) Except for those provisions of the Community Redevelopment Law that are repealed, restricted, or revised pursuant to the act adding this part, all authority, rights, powers, duties, and obligations previously vested with the former redevelopment agencies, under the Community Redevelopment Law, are hereby vested in the successor agencies.

(c) (1) Where the redevelopment agency was in the form of a joint powers authority, and where the joint powers agreement governing the formation of the joint powers authority addresses the allocation of assets and liabilities upon dissolution of the joint powers authority, then each of the entities that created the former redevelopment agency may be a successor agency within the meaning of this part and each shall have a share of assets and liabilities based on the provisions of the joint powers agreement.

(2) Where the redevelopment agency was in the form of a joint powers authority, and where the joint powers agreement governing the formation of the joint powers authority does not address the allocation of assets and liabilities upon dissolution of the joint powers authority, then each of the entities that created the former redevelopment agency may be a successor agency within the meaning of this part, a proportionate share of the assets and liabilities shall be based on the assessed value in the project areas within each entity's jurisdiction, as determined by the county assessor, in its jurisdiction as compared to the assessed value of land within the boundaries of the project areas of the former redevelopment agency.

(d) (1) A city, county, city and county, or the entities forming the joint powers authority that authorized the creation of each redevelopment agency may elect not to serve as a successor agency under this part. A city, county, city and county, or any member of a joint powers authority that elects not to serve as a successor agency under this part must file a copy of a duly authorized resolution of its governing board to that effect with the county auditor-controller no later than one month prior to the effective date of this part.

(2) The determination of the first local agency that elects to become the successor agency shall be made by the county auditor-controller based on

the earliest receipt by the county auditor-controller of a copy of a duly adopted resolution of the local agency's governing board authorizing such an election. As used in this section, "local agency" means any city, county, city and county, or special district in the county of the former redevelopment agency.

(3) If no local agency elects to serve as a successor agency for a dissolved redevelopment agency, a public body, referred to herein as a "designated local authority" shall be immediately formed, pursuant to this part, in the county and shall be vested with all the powers and duties of a successor agency as described in this part. The Governor shall appoint three residents of the county to serve as the governing board of the authority. The designated local authority shall serve as successor agency until a local agency elects to become the successor agency in accordance with this section.

(e) The liability of any successor agency, acting pursuant to the powers granted under the act adding this part, shall be limited to the extent of the total sum of property tax revenues it receives pursuant to this part and the value of assets transferred to it as a successor agency for a dissolved redevelopment agency.

34174. (a) Solely for the purposes of Section 16 of Article XVI of the California Constitution, commencing on the effective date of this part, all agency loans, advances, or indebtedness, and interest thereon, shall be deemed extinguished and paid; provided, however, that nothing herein is intended to absolve the successor agency of payment or other obligations due or imposed pursuant to the enforceable obligations; and provided further, that nothing in the act adding this part is intended to be construed as an action or circumstance that may give rise to an event of default under any of the documents governing the enforceable obligations.

(b) Nothing in this part, including, but not limited to, the dissolution of the redevelopment agencies, the designation of successor agencies, and the transfer of redevelopment agency assets and properties, shall be construed as a voluntary or involuntary insolvency of any redevelopment agency for purposes of the indenture, trust indenture, or similar document governing its outstanding bonds.

34175. (a) It is the intent of this part that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.

(b) All assets, properties, contracts, leases, books and records, buildings, and equipment of the former redevelopment agency are transferred on October 1, 2011, to the control of the successor agency, for administration pursuant to the provisions of this part. This includes all cash or cash equivalents and amounts owed to the redevelopment agency as of October 1, 2011.

34176. (a) The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency. If a city,

county, or city and county elects to retain the responsibility for performing housing functions previously performed by a redevelopment agency, all rights, powers, duties, and obligations, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, shall be transferred to the city, county, or city and county.

(b) If a city, county, or city and county does not elect to retain the responsibility for performing housing functions previously performed by a redevelopment agency, all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency, excluding any amounts in the Low and Moderate Income Housing Fund, shall be transferred as follows:

(1) Where there is no local housing authority in the territorial jurisdiction of the former redevelopment agency, to the Department of Housing and Community Development.

(2) Where there is one local housing authority in the territorial jurisdiction of the former redevelopment agency, to that local housing authority.

(3) Where there is more than one local housing authority in the territorial jurisdiction of the former redevelopment agency, to the local housing authority selected by the city, county, or city and county that authorized the creation of the redevelopment agency.

(c) Commencing on the operative date of this part, the entity assuming the housing functions formerly performed by the redevelopment agency may enforce affordability covenants and perform related activities pursuant to applicable provisions of the Community Redevelopment Law (Part 1 (commencing with Section 33000), including, but not limited to, Section 33418.

Chapter 3. Successor Agencies

34177. Successor agencies are required to do all of the following:

(a) Continue to make payments due for enforceable obligations.

(1) On and after October 1, 2011, and until a Recognized Obligation Payment Schedule becomes operative, only payments required pursuant to an enforceable obligations payment schedule shall be made. The initial enforceable obligation payment schedule shall be the last schedule adopted by the redevelopment agency under Section 34169. However, payments associated with obligations excluded from the definition of enforceable obligations by paragraph (2) of subdivision (e) of Section 34171 shall be excluded from the enforceable obligations payment schedule and be removed from the last schedule adopted by the redevelopment agency under Section 34169 prior to the successor agency adopting it as its enforceable obligations payment schedule pursuant to this subdivision. The enforceable obligation payment schedule may be amended by the successor agency at any public meeting and shall be subject to the approval of the oversight board as soon as the board has sufficient members to form a quorum.

(2) The Department of Finance and the Controller shall each have the authority to require any documents associated with the enforceable obligations to be provided to them in a manner of their choosing. Any taxing entity, the department, and the Controller shall each have standing to file a judicial action to prevent a violation under this part and to obtain injunctive or other appropriate relief.

(3) Commencing on January 1, 2012, only those payments listed in the Recognized Obligation Payment Schedule may be made by the successor agency from the funds specified in the Recognized Obligation Payment Schedule. In addition, commencing January 1, 2012, the Recognized Obligation Payment Schedule shall supersede the Statement of Indebtedness, which shall no longer be prepared nor have any effect under the Community Redevelopment Law.

(4) Nothing in the act adding this part is to be construed as preventing a successor agency, with the prior approval of the oversight board, as described in Section 34179, from making payments for enforceable obligations from sources other than those listed in the Recognized Obligation Payment Schedule.

(5) From October 1, 2011, to July 1, 2012, a successor agency shall have no authority and is hereby prohibited from accelerating payment or making any lump-sum payments that are intended to prepay loans unless such accelerated repayments were required prior to the effective date of this part.

(b) Maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(c) Perform obligations required pursuant to any enforceable obligation.

(d) Remit unencumbered balances of redevelopment agency funds to the county auditor-controller for distribution to the taxing entities, including, but not limited to, the unencumbered balance of the Low and Moderate Income Housing Fund of a former redevelopment agency. In making the distribution, the county auditor-controller shall utilize the same methodology for allocation and distribution of property tax revenues provided in Section 34188.

(e) Dispose of assets and properties of the former redevelopment agency as directed by the oversight board; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181. The disposal is to be done expeditiously and in a manner aimed at maximizing value. Proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the oversight board, shall be transferred to the county auditor-controller for distribution as property tax proceeds under Section 34188.

(f) Enforce all former redevelopment agency rights for the benefit of the taxing entities, including, but not limited to, continuing to collect loans, rents, and other revenues that were due to the redevelopment agency.

(g) Effectuate transfer of housing functions and assets to the appropriate entity designated pursuant to Section 34176.

(h) Expeditiously wind down the affairs of the redevelopment agency pursuant to the provisions of this part and in accordance with the direction of the oversight board.

(i) Continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former redevelopment agency can be transferred to other parties. Bond proceeds shall be used for the purposes for which bonds were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds.

(j) Prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget shall include all of the following:

(1) Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.

(2) Proposed sources of payment for the costs identified in paragraph (1).

(3) Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

(k) Provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the county auditor-controller for each six-month fiscal period.

(*l*) (1) Before each six-month fiscal period, prepare a Recognized Obligation Payment Schedule in accordance with the requirements of this paragraph. For each recognized obligation, the Recognized Obligation Payment Schedule shall identify one or more of the following sources of payment:

(A) Low and Moderate Income Housing Fund.

(B) Bond proceeds.

(C) Reserve balances.

(D) Administrative cost allowance.

(E) The Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of this part.

(F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board in accordance with this part.

(2) A Recognized Obligation Payment Schedule shall not be deemed valid unless all of the following conditions have been met:

(A) A draft Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former redevelopment agency by November 1, 2011. From October 1, 2011, to July 1, 2012, the initial draft of that schedule shall project the dates and amounts of scheduled

payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had such a redevelopment agency not been dissolved, and shall be reviewed and certified, as to its accuracy, by an external auditor designated pursuant to Section 34182.

(B) The certified Recognized Obligation Payment Schedule is submitted to and duly approved by the oversight board.

(C) A copy of the approved Recognized Obligation Payment Schedule is submitted to the county auditor-controller and both the Controller's office and the Department of Finance and be posted on the successor agency's Internet Web site.

(3) The Recognized Obligation Payment Schedule shall be forward looking to the next six months. The first Recognized Obligation Payment Schedule shall be submitted to the Controller's office and the Department of Finance by December 15, 2011, for the period of January 1, 2012, to June 30, 2012, inclusive. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency.

34178. (a) Commencing on the operative date of this part, agreements, contracts, or arrangements between the city or county, or city and county that created the redevelopment agency and the redevelopment agency are invalid and shall not be binding on the successor agency; provided, however, that a successor entity wishing to enter or reenter into agreements with the city, county, or city and county that formed the redevelopment agency that it is succeeding may do so upon obtaining the approval of its oversight board.

(b) Notwithstanding subdivision (a), any of the following agreements are not invalid and may bind the successor agency:

(1) A duly authorized written agreement entered into at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and solely for the purpose of securing or repaying those indebtedness obligations.

(2) A written agreement between a redevelopment agency and the city, county, or city and county that created it that provided loans or other startup funds for the redevelopment agency that were entered into within two years of the formation of the redevelopment agency.

(3) A joint exercise of powers agreement in which the redevelopment agency is a member of the joint powers authority. However, upon assignment to the successor agency by operation of the act adding this part, the successor agency's rights, duties, and performance obligations under that joint exercise of powers agreement shall be limited by the constraints imposed on successor agencies by the act adding this part.

34178.7. For purposes of this chapter with regard to a redevelopment agency that becomes subject to this part pursuant to Section 34195, only references to "October 1, 2011," and to the "operative date of this part"

shall be modified in the manner described in Section 34191. All other dates shall be modified only as necessary to reflect the appropriate fiscal year or portion of a fiscal year.

Chapter 4. Oversight Boards

34179. (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before January 1, 2012. Members shall be selected as follows:

(1) One member appointed by the county board of supervisors.

(2) One member appointed by the mayor for the city that formed the redevelopment agency.

(3) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.

(4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public appointed by the county board of supervisors.

(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

(8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.

(9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.

(10) Where a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, where such appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by

property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city where such an appointment is subject to confirmation by the county board of supervisors, to represent the largest number of former redevelopment agency employees employed by the successor agency at that time.

(b) The Governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by January 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as oversight board members.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) The Department of Finance may review an oversight board action taken pursuant to the act adding this part. As such, all oversight board actions shall not be effective for three business days, pending a request for review by the department. Each oversight board shall designate an official to whom the department may make such requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given oversight board action, it shall have 10 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and such oversight board action shall not be effective until approved by the department. In the event that the department returns the

oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Commencing on and after July 1, 2016, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board appointed as follows:

(1) One member may be appointed by the county board of supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2016, or any member position that remains vacant for more than 60 days.

(*l*) Commencing on and after July 1, 2016, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (b).

(m) Any oversight board for a given successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

34180. All of the following successor agency actions shall first be approved by the oversight board:

(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part.

(b) Refunding of outstanding bonds or other debt of the former redevelopment agency by successor agencies in order to provide for savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated.

(c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Merging of project areas.

(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by the county assessor.

(g) Establishment of the Recognized Obligation Payment Schedule.

(h) A request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding.

(i) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

34181. The oversight board shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value.

(b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

(c) Transfer housing responsibilities and all rights, powers, duties, and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Section 34176.

(d) Terminate any agreement, between the dissolved redevelopment agency and any public entity located in the same county, obligating the redevelopment agency to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity, in any instance where the oversight board has found that early termination would be in the best interests of the taxing entities.

(e) Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of such agreements where it finds that amendments or early termination would be in the best interests of the taxing entities.

Chapter 5. Duties of the Auditor-Controller

34182. (a) (1) The county auditor-controller shall conduct or cause to be conducted an agreed-upon procedures audit of each redevelopment agency in the county that is subject to this part, to be completed by March 1, 2012.

(2) The purpose of the audits shall be to establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's passthrough payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation Payment Schedule.

(3) The county auditor-controller may charge the Redevelopment Property Tax Trust Fund for any costs incurred by the county auditor-controller pursuant to this part.

(b) By March 15, 2012, the county auditor-controller shall provide the Controller's office a copy of all audits performed pursuant to this section. The county auditor-controller shall maintain a copy of all documentation and working papers for use by the Controller.

(c) (1) The county auditor-controller shall determine the amount of property taxes that would have been allocated to each redevelopment agency in the county had the redevelopment agency not been dissolved pursuant to the operation of the act adding this part. These amounts are deemed property tax revenues within the meaning of subdivision (a) of Section 1 of Article XIII A of the California Constitution and are available for allocation and distribution in accordance with the provisions of the act adding this part.

The county auditor-controller shall calculate the property tax revenues using current assessed values on the last equalized roll on August 20, pursuant to Section 2052 of the Revenue and Taxation Code, and pursuant to statutory formulas or contractual agreements with other taxing agencies, as of the effective date of this section, and shall deposit that amount in the Redevelopment Property Tax Trust Fund.

(2) Each county auditor-controller shall administer the Redevelopment Property Tax Trust Fund for the benefit of the holders of former redevelopment agency enforceable obligations and the taxing entities that receive passthrough payments and distributions of property taxes pursuant to this part.

(3) In connection with the allocation and distribution by the county auditor-controller of property tax revenues deposited in the Redevelopment Property Tax Trust Fund, in compliance with this part, the county auditor-controller shall prepare estimates of amounts to be allocated and distributed, and provide those estimates to both the entities receiving the distributions and the Department of Finance, no later than November 1 and May 1 of each year.

(4) Each county auditor-controller shall disburse proceeds of asset sales or reserve balances, which have been received from the successor entities pursuant to Sections 34177 and 34187, to the taxing entities. In making such a distribution, the county auditor-controller shall utilize the same methodology for allocation and distribution of property tax revenues provided in Section 34188.

(d) By October 1, 2012, the county auditor-controller shall report the following information to the Controller's office and the Director of Finance:

(1) The sums of property tax revenues remitted to the Redevelopment Property Tax Trust Fund related to each former redevelopment agency.

(2) The sums of property tax revenues remitted to each agency under paragraph (1) of subdivision (a) of Section 34183.

(3) The sums of property tax revenues remitted to each successor agency pursuant to paragraph (2) of subdivision (a) of Section 34183.

(4) The sums of property tax revenues paid to each successor agency pursuant to paragraph (3) of subdivision (a) of Section 34183.

(5) The sums paid to each city, county, and special district, and the total amount allocated for schools pursuant to paragraph (4) of subdivision (a) of Section 34183.

(6) Any amounts deducted from other distributions pursuant to subdivision (b) of Section 34183.

(e) A county auditor-controller may charge the Redevelopment Property Tax Trust Fund for the costs of administering the provisions of this part.

(f) The Controller may audit and review any county auditor-controller action taken pursuant to the act adding this part. As such, all county auditor-controller actions shall not be effective for three business days, pending a request for review by the Controller. In the event that the Controller requests a review of a given county auditor-controller action, he or she shall have 10 days from the date of his or her request to approve the

county auditor-controller's action or return it to the county auditor-controller for reconsideration and such county auditor-controller action shall not be effective until approved by the Controller. In the event that the Controller returns the county auditor-controller's action to the county auditor-controller for reconsideration, the county auditor-controller must resubmit the modified action for Controller approval and such modified county auditor-controller action shall not become effective until approved by the Controller.

34183. (a) Notwithstanding any other law, from October 1, 2011, to July 1, 2012, and for each fiscal year thereafter, the county auditor-controller shall, after deducting administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, allocate moneys in each Redevelopment Property Tax Trust Fund as follows:

(1) Subject to any prior deductions required by subdivision (b), first, the county auditor-controller shall remit from the Redevelopment Property Tax Trust Fund to each local agency and school entity an amount of property tax revenues in an amount equal to that which would have been received under Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections read on January 1, 2011, or pursuant to any passthrough agreement between a redevelopment agency and a taxing jurisdiction that was entered into prior to January 1, 1994, that would be in force during that fiscal year, had the redevelopment agency existed at that time. The amount of the payments made pursuant to this paragraph shall be calculated solely on the basis of passthrough payment obligations, existing prior to the effective date of this part and continuing as obligations of successor entities, shall occur no later than January 16, 2012, and no later than June 1, 2012, and each January 16 and June 1 thereafter. Notwithstanding subdivision (e) of Section 33670, that portion of the taxes in excess of the amount identified in subdivision (a) of Section 33670, which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency.

(2) Second, on January 16, 2012, and June 1, 2012, and each January 16 and June 1 thereafter, to each successor agency for payments listed in its Recognized Obligation Payment Schedule for the six-month fiscal period beginning January 1, 2012, or July 1, 2012, and each January 16 and June 1 thereafter, in the following order of priority:

(A) Debt service payments scheduled to be made for tax allocation bonds.

(B) Payments scheduled to be made on revenue bonds, but only to the extent the revenues pledged for them are insufficient to make the payments and only where the agency's tax increment revenues were also pledged for the repayment of the bonds.

(C) Payments scheduled for other debts and obligations listed in the Recognized Obligation Payment Schedule that are required to be paid from former tax increment revenue.

(3) Third, on January 16, 2012, and June 1, 2012, and each January 16 and June 1 thereafter, to each successor agency for the administrative cost allowance, as defined in Section 34171, for administrative costs set forth in an approved administrative budget for those payments required to be paid from former tax increment revenues.

(4) Fourth, on January 16, 2012, and June 1, 2012, and each January 16 and June 1 thereafter, any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by paragraphs (1) to (3), inclusive, shall be distributed to local agencies and school entities in accordance with Section 34188.

(b) If the successor agency reports, no later than December 1, 2011, and May 1, 2012, and each December 1 and May 1 thereafter, to the county auditor-controller that the total amount available to the successor agency from the Redevelopment Property Tax Trust Fund allocation to that successor agency's Redevelopment Obligation Retirement Fund, from other funds transferred from each redevelopment agency, and from funds that have or will become available through asset sales and all redevelopment operations, are insufficient to fund the payments required by paragraphs (1) to (3), inclusive, of subdivision (a) in the next six-month fiscal period, the county auditor-controller shall notify the Controller and the Department of Finance no later than 10 days from the date of that notification. The county auditor-controller shall verify whether the successor agency will have sufficient funds from which to service debts according to the Recognized Obligation Payment Schedule and shall report the findings to the Controller. If the Controller concurs that there are insufficient funds to pay required debt service, the amount of the deficiency shall be deducted first from the amount remaining to be distributed to taxing entities pursuant to paragraph (4), and if that amount is exhausted, from amounts available for distribution for administrative costs in paragraph (3). If an agency, pursuant to the provisions of Section 33492.15, 33492.72, 33607.5, 33671.5, 33681.15, or 33688, made passthrough payment obligations subordinate to debt service payments required for enforceable obligations, funds for servicing bond debt may be deducted from the amounts for passthrough payments under paragraph (1), as provided in those sections, but only to the extent that the amounts remaining to be distributed to taxing entities pursuant to paragraph (4) and the amounts available for distribution for administrative costs in paragraph (3) have all been exhausted.

(c) The county treasurer may loan any funds from the county treasury that are necessary to ensure prompt payments of redevelopment agency debts.

(d) The Controller may recover the costs of audit and oversight required under this part from the Redevelopment Property Tax Trust Fund by presenting an invoice therefor to the county auditor-controller who shall set aside sufficient funds for and disburse the claimed amounts prior to making the next distributions to the taxing jurisdictions pursuant to Section 34188. Subject to the approval of the Director of Finance, the budget of the

Controller may be augmented to reflect the reimbursement, pursuant to Section 28.00 of the Budget Act.

34185. Commencing on January 16, 2012, and on each January 16 and June 1 thereafter, the county auditor-controller shall transfer, from the Redevelopment Property Tax Trust Fund of each successor agency into the Redevelopment Obligation Retirement Fund of that agency, an amount of property tax revenues equal to that specified in the Recognized Obligation Payment Schedule for that successor agency as payable from the Redevelopment Property Tax Trust Fund subject to the limitations of Sections 34173 and 34183.

34186. Differences between actual payments and past estimated obligations on recognized obligation payment schedules must be reported in subsequent recognized obligation payment schedules and shall adjust the amount to be transferred to the Redevelopment Obligation Retirement Fund pursuant to this part. These estimates and accounts shall be subject to audit by county auditor-controllers and the Controller.

34187. Commencing January 1, 2012, whenever a recognized obligation that had been identified in the Recognized Payment Obligation Schedule is paid off or retired, either through early payment or payment at maturity, the county auditor-controller shall distribute to the taxing entities, in accordance with the provisions of the Revenue and Taxation Code, all property tax revenues that were associated with the payment of the recognized obligation.

34188. For all distributions of property tax revenues and other moneys pursuant to this part, the distribution to each taxing entity shall be in an amount proportionate to its share of property tax revenues in the tax rate area in that fiscal year, as follows:

(a) (1) For distributions from the Redevelopment Property Tax Trust Fund, the share of each taxing entity shall be applied to the amount of property tax available in the Redevelopment Property Tax Trust Fund after deducting the amount of any distributions under paragraphs (2) and (3) of subdivision (a) of Section 34183.

(2) For each taxing entity that receives passthrough payments, that agency shall receive the amount of any passthrough payments identified under paragraph (1) of subdivision (a) of Section 34183, in an amount not to exceed the amount that it would receive pursuant to this section in the absence of the passthrough agreement. However, to the extent that the passthrough payments received by the taxing entity are less than the amount that the taxing entity would receive pursuant to this section in the absence of a passthrough agreement, the taxing entity shall receive an additional payment that is equivalent to the difference between those amounts.

(b) Property tax shares of local agencies shall be determined based on property tax allocation laws in effect on the date of distribution, without the revenue exchange amounts allocated pursuant to Section 97.68 of the Revenue and Taxation Code, and without the property taxes allocated pursuant to Section 97.70 of the Revenue and Taxation Code.

(c) The total school share, including passthroughs, shall be the share of the property taxes that would have been received by school entities, as

defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, in the jurisdictional territory of the former redevelopment agency, including, but not limited to, the amounts specified in Sections 97.68 and 97.70 of the Revenue and Taxation Code.

34188.8. For purposes of a redevelopment agency that becomes subject to this part pursuant to Section 34195, a date certain identified in this chapter shall not be subject to Section 34191, except for dates certain in Section 34182 and references to "October 1, 2011," or to the "operative date of this part,". However, for purposes of those redevelopment agencies, a date certain identified in this chapter shall be appropriately modified, as necessary to reflect the appropriate fiscal year or portion of a fiscal year.

Chapter 6. Effect of the Act Adding this Part on the Community Redevelopment Law

34189. (a) Commencing on the effective date of this part, all provisions of the Community Redevelopment Law that depend on the allocation of tax increment to redevelopment agencies, including, but not limited to, Sections 33445, 33640, 33641, 33645, and subdivision (b) of Section 33670, shall be inoperative, except as those sections apply to a redevelopment agency operating pursuant to Part 1.9 (commencing with Section 34192).

(b) The California Law Revision Commission shall draft a Community Redevelopment Law cleanup bill for consideration by the Legislature no later than January 1, 2013.

(c) To the extent that a provision of Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100) conflicts with this part, the provisions of this part shall control. Further, if a provision of Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100) provides an authority that the act adding this part is restricting or eliminating, the restriction and elimination provisions of the act adding this part shall control.

(d) It is intended that the provisions of this part shall be read in a manner as to avoid duplication of payments.

Chapter 7. Stabilization of Labor and Employment Relations

34190. (a) It is the intent of the Legislature to stabilize the labor and employment relations of redevelopment agencies and successor agencies in furtherance of and connection with their responsibilities under the act adding this part.

(b) Nothing in the act adding this part is intended to relieve any redevelopment agency of its obligations under Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code. Subject to the limitations set forth in Section 34165, prior to its dissolution, a

redevelopment agency shall retain the authority to meet and confer over matters within the scope of representation.

(c) A successor agency, as defined in Sections 34171 and 34173, shall constitute a public agency within the meaning of subdivision (c) of Section 3501 of the Government Code.

(d) Subject to the limitations set forth in Section 34165, redevelopment agencies, prior to and during their winding down and dissolution, shall retain the authority to bargain over matters within the scope of representation.

(e) In recognition that a collective bargaining agreement represents an enforceable obligation, a successor agency shall become the employer of all employees of the redevelopment agency as of the date of the redevelopment agency's dissolution. If, pursuant to this provision, the successor agency becomes the employer of one or more employees who, as employees of the redevelopment agency, were represented by a recognized employee organization, the successor agency shall be deemed a successor employer and shall be obligated to recognize and to meet and confer with such employee organization. In addition, the successor agency shall retain the authority to bargain over matters within the scope of representation and shall be deemed to have assumed the obligations under any memorandum of understanding in effect between the redevelopment agency and recognized employee organization as of the date of the redevelopment agency's dissolution.

(f) The Legislature finds and declares that the duties and responsibilities of local agency employer representatives under this chapter are substantially similar to the duties and responsibilities required under existing collective bargaining enforcement procedures and therefore the costs incurred by the local agency employer representatives in performing those duties and responsibilities under the act adding this part are not reimbursable as state-mandated costs. Furthermore, the Legislature also finds and declares that to the extent the act adding this part provides the funding with which to accomplish the obligations provided herein, the costs incurred by the local agency employer representatives in performing those duties and responsibilities under the act adding this part are not reimbursable as state-mandated costs.

(g) The transferred memorandum of understanding and the right of any employee organization representing such employees to provide representation shall continue as long as the memorandum of understanding would have been in force, pursuant to its own terms. One or more separate bargaining units shall be created in the successor agency consistent with the bargaining units that had been established in the redevelopment agency. After the expiration of the transferred memorandum of understanding, the successor agency shall continue to be subject to the provisions of the Meyers-Milias-Brown Act.

(h) Individuals formerly employed by redevelopment agencies that are subsequently employed by successor agencies shall, for a minimum of two years, transfer their status and classification in the civil service system of the redevelopment agency to the successor agency and shall not be required

to requalify to perform the duties that they previously performed or duties substantially similar in nature and in required qualification to those that they previously performed. Any such individuals shall have the right to compete for employment under the civil service system of the successor agency.

Chapter 8. Application of Part to Former Participants of the Alternative Voluntary Redevelopment Program

34191. (a) It is the intent of the Legislature that a redevelopment agency that formerly operated pursuant to the Alternative Voluntary Redevelopment Program (Part 1.9 (commencing with Section 34192)), that becomes subject to this part pursuant to Section 34195, shall be subject to all of the requirements of this part, except that dates and deadlines shall be appropriately modified, as provided in this section, to reflect the date that the agency becomes subject to this part.

(b) Except as otherwise provided by law, for purposes of a redevelopment agency that becomes subject to this part pursuant to Section 34195, the following shall apply:

(1) Any reference to "January 1, 2011," shall be construed to mean January 1 of the year preceding the year that the redevelopment agency became subject to this part, but no earlier than January 1, 2011.

(2) Any reference to "October 1, 2011," or to the "operative date of this part," shall mean the date that is the equivalent to the "October 1, 2011," identified in Section 34167.5 for that redevelopment agency as determined pursuant to Section 34169.5.

(3) Except as provided in paragraphs (1) and (2), any reference to a date certain shall be construed to be the date, measured from the date that the redevelopment agency became subject to this part, that is equivalent to the duration of time between the operative date of this part and the date certain identified in statute.

SEC. 8. Section 97.401 is added to the Revenue and Taxation Code, to read:

97.401. Commencing October 1, 2011, the county auditor shall make the calculations required by Section 97.4 based on the amount deposited on behalf of each former redevelopment agency into the Redevelopment Property Tax Trust Fund pursuant to paragraph (1) of subdivision (c) of Section 34182 of the Health and Safety Code. The calculations required by Section 97.4 shall result in cities, counties, and special districts annually remitting to the Educational Revenue Augmentation Fund the same amounts they would have remitted but for the operation of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code.

SEC. 9. Section 98.2 is added to the Revenue and Taxation Code, to read:

98.2. For the 2011–12 fiscal year, and each fiscal year thereafter, the computations provided for in Sections 98 and 98.1 shall be performed in a manner which recognizes that passthrough payments formerly required under the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code) are continuing to be made under the authority of Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code and those payments shall be recognized in the TEA calculations as though they were made under the Community Redevelopment Law. Additionally, the computations provided for in Sections 98 and 98.1 shall be performed in a manner that recognizes payments to a Redevelopment Property Tax Trust Fund, established pursuant to Section 34170.5 of the Health and Safety Code as if they were payments to a redevelopment agency as provided in subdivision (b) of Section 33670 of the Health and Safety Code.

SEC. 10. If a legal challenge to invalidate any provision of this act is successful, a redevelopment agency shall be prohibited from issuing new bonds, notes, interim certificates, debentures, or other obligations, whether funded, refunded, assumed, or otherwise, pursuant to Article 5 (commencing with Section 33640) of Chapter 6 of Part 1 of Division 24 of the Health and Safety Code.

SEC. 11. The sum of five hundred thousand dollars ($500,000) is hereby appropriated to the Department of Finance from the General Fund for allocation to the Treasurer, Controller, and Department of Finance for administrative costs associated with this act. The department shall notify the Joint Legislative Budget Committee and the fiscal committees in each house of any allocations under this section no later than 10 days following that allocation.

SEC. 12. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable. The Legislature expressly intends that the provisions of Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code are severable from the provisions of Part 1.8 (commencing with Section 34161) of Division 24 of the Health and Safety Code, and if Part 1.85 is held invalid, then Part 1.8 shall continue in effect.

SEC. 13. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SEC. 14. This act shall take effect contingent on the enactment of Assembly Bill 27 of the 2011–12 First Extraordinary Session or Senate Bill 15 of in the 2011–12 First Extraordinary Session and only if the enacted bill adds Part 1.9 (commencing with Section 34192) to Division 24 of the Health and Safety Code.

SEC. 15. This act addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation on January 20, 2011, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

SEC. 16. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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