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Agenda Item: ID#15-704

Date: 7/30/15

2015 JUL 29 AM 11 20



Supplemental Information Packet

Agenda Related Items – ID#15-704 (on Special Meeting Agenda)

Contents of Supplement: Proposed Resolution

Item(s)

RESOLUTION - a resolution of the Council of the City of Fresno, California, opposing Assembly Bill 113 pertaining to Redevelopment Dissolution

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

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RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
FRESNO, CALIFORNIA, OPPOSING ASSEMBLY BILL 113
PERTAINING TO REDEVELOPMENT DISSOLUTION

WHEREAS, pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*), the former Fresno Redevelopment Agency (“**Redevelopment Agency**”) had responsibility to implement the Redevelopment Plans adopted for the redevelopment project areas (collectively, the “**Project Areas**”) established in the City of Fresno (the “**City**”);

WHEREAS, pursuant to Health and Safety Code Section 33220, the City was authorized to assist the Redevelopment Agency for the purpose of aiding and cooperating in the planning, undertaking, construction, and operation of redevelopment projects located within the jurisdiction of the City, upon the terms and with or without consideration as the City determined;

WHEREAS, pursuant to Health and Safety Code Section 33445, the Redevelopment Agency was authorized to enter into agreements with the City pursuant to which the Redevelopment Agency would agree to reimburse the City for funds provided by the City for the cost of installation and construction of public improvements, structures and facilities located within or outside the Project Areas;

WHEREAS, pursuant to Health and Safety Code Sections 33132 and 33601, the Redevelopment Agency was authorized to borrow money and accept financial assistance from the City for redevelopment projects located within the Redevelopment Agency’s jurisdiction;

Date Adopted:
Date Approved:
Effective Date:
City Attorney Approval: _____

Resolution No.

WHEREAS, consistent with the foregoing authority, over the course of the Redevelopment Agency's life, the City made 68 loans to the Redevelopment Agency which currently have an aggregate outstanding principal balance equal to approximately \$38 million (the "**Loans**") for the purpose of assisting the Redevelopment Agency to implement the redevelopment plans adopted for the Project Areas;

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b), once a successor agency has received a Finding of Completion pursuant to Health and Safety Code Section 34179.7, loan agreements entered into between the redevelopment agency and the entity that created the redevelopment agency ("**Sponsoring Jurisdiction Loans**") shall be deemed to be enforceable obligations provided that the successor agency's oversight board makes a finding that the Sponsoring Jurisdiction Loans were for legitimate redevelopment purposes;

WHEREAS, the Fresno Successor Agency ("**Successor Agency**") received a Finding of Completion on June 2, 2014;

WHEREAS, on September 11, 2014, the Oversight Board for the Successor Agency adopted findings determining that the Loans were for legitimate redevelopment purposes;

WHEREAS, Health and Safety Code Section 34191.4(b)(2) provides that: (i) the accumulated interest on Sponsoring Jurisdiction Loans shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund ("**LAIF**"), and (ii) Sponsoring Jurisdiction Loans shall be repaid to the sponsoring jurisdiction in accordance with a defined schedule over a reasonable term of

years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF;

WHEREAS, proposed Assembly Bill 113, if enacted, would, among other things: (i) revise the definition of Sponsoring Jurisdiction Loans that would be eligible to be reinstated, (ii) limit the interest rate payable on reinstated loans to a fixed rate equal to three percent (3%), and (iii) reverse certain trial court rulings that are favorable to successor agencies with respect to these issues; and

WHEREAS, if Assembly Bill 113 is enacted, the reduced interest rate and the change in definition of loans eligible for reinstatement would cause a significant reduction in the amount of funds that the City would otherwise be able to recover and dedicate to the provision of essential community services.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. The Council hereby registers its opposition to Assembly Bill 113 in its current form, and authorizes staff to transmit, on behalf of the Council, this resolution and letters to the Governor and to members of the Legislature expressing the City's opposition consistent with this Resolution.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____, 2015.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2015
Mayor Approval/No Return: _____, 2015
Mayor Veto: _____, 2015
Council Override Vote: _____, 2015

YVONNE SPENCE, CMC
City Clerk

By: _____
Deputy

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: _____
[Name] [Date]
Assistant / Deputy

Attachment: Exhibit A (if applicable)