



**Concurrent Special Meetings Of  
SONOMA CITY COUNCIL  
&  
COMMUNITY DEVELOPMENT AGENCY**  
*Community Meeting Room, 177 First Street West*

**January 12, 2012  
5:30 p.m.**

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**AGENDA**

City Council  
Joanne Sanders, Mayor  
Ken Brown, Mayor Pro Tem  
Steve Barbose  
Laurie Gallian  
Tom Rouse

Be Courteous - **TURN OFF** your cell phones and pagers while the meeting is in session.

**1. CALL TO ORDER**

The Mayor will open the meeting and take public testimony on closed session items only. The Council will then recess into closed session.

**2. CLOSED SESSION**

**Item 2A:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION, Significant exposure to litigation pursuant to Cal. Gov't Code section 54956.9(b): One potential case

**Item 2B:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION, Initiation of litigation pursuant to Cal. Gov't Code section 54956.9(c): One potential case

**Item 2C:** CONFERENCE WITH REAL PROPERTY NEGOTIATORS, pursuant to Government Code §54956.8. Property: Sebastiani Theater, 476 First Street East, Sonoma. Agency Negotiators: Councilmember Barbose, City Attorney Walter. Redevelopment Agency Counsel Slater & City Manager Kelly. Negotiating Parties: Sebastiani Building Investors, Inc. Under Negotiation: Price and terms of lease, sublease and assignment of sublease.

**3. OPEN SESSION (Estimated start time - 6:30 p.m.)**

**RECONVENE, CALL TO ORDER & PLEDGE OF ALLEGIANCE**

**ROLL CALL** (Rouse, Brown, Gallian, Barbose, Sanders)

**PUBLIC COMMENT NOTICE:** *Because this is a special meeting, no comments by members of the public may be made except for comments on each item on this agenda which may be made before or during consideration of that item, pursuant to Government Code §54954.3(a). When acknowledged by the Mayor, please step up to the podium and speak into the microphone.*

**4. ANNOUNCEMENT REGARDING ACTION TAKEN IN CLOSED SESSION**

**5. COUNCILMEMBERS' COMMENTS AND ANNOUNCEMENTS**

## 6. REGULAR CALENDAR

*(Matters requiring discussion and/or action by the Council)*

- Item 6A:** Discussion, consideration and possible action regarding the impacts of the Supreme Court ruling of December 29, 2011 upholding AB1x26 and holding AB1x27 to be invalid, including discussion, consideration and possible adoption of a Resolution determining that the City of Sonoma elects to, and shall, serve as the Successor Agency to the dissolved Sonoma Community Development Agency pursuant to Health and Safety Code Section 34173 or a Resolution determining that the City of Sonoma declines to, and shall not, serve as the Successor Agency to the dissolved Sonoma Community Development Agency pursuant to Health and Safety Code Section 34173. (City Manager)  
Staff Recommendation: Adopt resolution determining that the City of Sonoma elects to, and shall, serve as the Successor Agency to the dissolved Sonoma Community Development Agency pursuant to Health and Safety Code Section 34173.
- Item 6B:** Discussion, consideration and possible direction to staff regarding City of Sonoma retention of housing functions and assets under AB1x 26. (City Manager)  
Staff Recommendation: Discuss, consider and provide direction to staff.
- Item 6C:** Discussion, consideration and possible adoption of a Resolution of the City making a declaration under Health and Safety Code Section 33354.8 that, during the period from January 1, 2010, to December 31, 2011, the City has not forgiven the repayment, wholly or partially, of any loan, advance, or indebtedness owed to the City by the Sonoma Community Development Agency and a Resolution of the Sonoma Community Development Agency making a declaration under Health and Safety Code Section 33354.8 that, during the period from January 1, 2010, to December 31, 2011, the Agency has not forgiven the repayment, wholly or partially, of any loan, advance, or indebtedness owed to the Agency by a public body. (City Manager)  
Staff Recommendation: Adopt resolutions.
- Item 6D:** Discussion, consideration, and possible action on a letter of support for SB 659, a bill that would temporarily postpone dissolution of redevelopment agencies. (City Manager)  
Staff Recommendation: Authorize the Mayor/Chair of the CDA Board to sign a letter of support for SB 659.

## 7. ADJOURNMENT

The next City Council meeting is scheduled to take place on Wednesday January 18, 2012.

POSTING ACKNOWLEDGEMENT: I do hereby certify that a copy of the foregoing agenda was posted on the City Hall bulletin board on January 9, 2012.

GAY JOHANN, CITY CLERK

***Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available for public inspection the Monday before each regularly scheduled meeting at City Hall, located at No. 1 The Plaza, Sonoma CA. Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the City Council regarding any item on this agenda after the agenda has been distributed will be made available for inspection at the City Clerk's office, No. 1 The Plaza, Sonoma CA during regular business hours.***

***If you challenge the action of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described on the agenda, or in written correspondence delivered to the City Clerk, at or prior to the public hearing.***

***In accordance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk (707) 933-2216. Notification 48-hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.***



City of Sonoma  
**City Council**  
**Agenda Item Summary**

**City Council Agenda Item: 6A**

**Meeting Date: 1/12/12**

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**Department**

Administration

**Staff Contact**

Linda Kelly, City Manager

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**Agenda Item Title**

Discussion, consideration and possible action regarding the impacts of the Supreme Court ruling of December 29, 2011 upholding AB1x26 and holding AB1x27 to be invalid, including discussion, consideration and possible adoption of a Resolution determining that the City of Sonoma elects to, and shall, serve as the Successor Agency to the dissolved Sonoma Community Development Agency pursuant to Health and Safety Code Section 34173 or a Resolution determining that the City of Sonoma declines to, and shall not, serve as the Successor Agency to the dissolved Sonoma Community Development Agency pursuant to Health and Safety Code Section 34173

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**Summary**

On December 29, 2011, the California Supreme Court issued its opinion in *CRA v. Matosantos* and upheld the validity of AB1x26, the bill that dissolves all the redevelopment agencies in the State, and invalidated AB1x27, the bill that would have allowed redevelopment agencies to remain in operation by making a payment to assist the state budget. As a result of the Court's ruling, the dissolution of redevelopment agencies will be effective as of February 1, 2012.

One of the first actions, to be made by January 13, 2012, is for the City Council to formally determine if it will serve as the "Successor Agency" to the CDA with the responsibility of winding up its affairs, preparing various payment schedules, and taking on the other administrative tasks required. If the City declines, the Successor Agency will be the first other public agency within the boundaries of the redevelopment agency (e.g., school district, county, or special district) that notifies the County Auditor-Controller that it will serve as the Successor Agency.

If the City declines to be the Successor Agency, the City would not be in a position to control the preparation and contents of the Recognized Obligation Payment Schedule (which is the document that lists the CDA's financial obligations—including outstanding bonds—to be paid from the pool of former tax increment) and would also then not be the entity that would interact with the Oversight Board established by AB1x26 to review and approve actions of the Successor Agency in the CDA dissolution process. Any measure of control by the City of the dissolution process would be significantly lessened, if not eliminated, if the City is not the Successor Agency. Moreover, if the City is not the Successor Agency, the City is nonetheless likely to incur administrative costs in dealing with the dissolution of the CDA but then with no means to obtain funds to pay those administrative costs. The public agency, including the City, that acts as the Successor Agency is entitled to receive up to 5% of its former tax increment for Fiscal Year 2011-2012, and up to 3% each year after that, but not less than \$250,000 each year, to meet the administrative expenses of serving as the Successor Agency.

The Successor Agency's liability for serving in this capacity is expressly limited in AB1x26 [Health & Safety Code Section 34173(e)] to the property tax increment the Successor Agency receives to pay enforceable obligations and the value of any CDA assets transferred to it, so the City's General Funds and other funds are not at risk if the City elects to be the Successor Agency to the dissolved CDA.

Staff is therefore recommending the City Council serve as the Successor Agency to the CDA and to adopt the Resolution affirming its decision (the applicable provision of AB1x26 is not clear as to whether such a resolution is needed, so Agency Counsel is recommending its adoption if the Council elects to serve as the Successor Agency). If, however, the City Council decides to not have the City serve as the Successor Agency, the City Council is required to adopt the Resolution declining to serve as the Successor Agency.

A copy of the adopted Resolution would need to be filed with the County Auditor-Controller by close of business on January 13, 2012.

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### **Recommended Council Action**

Adopt resolution determining that the City of Sonoma elects to, and shall, serve as the Successor Agency to the dissolved Sonoma Community Development Agency pursuant to Health and Safety Code Section 34173.

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### **Alternative Actions**

Adopt resolution determining that the City of Sonoma declines to, and shall not, serve as the successor agency to the dissolved Sonoma Community Development Agency pursuant to Health and Safety Code Section 34173.

The decision to serve as the successor agency, or decline to serve, needs to be made by January 13, 2012.

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### **Financial Impact**

Total assets of the CDA would be transferred to the Successor Agency (which would be the City of Sonoma if the City elects to serve in this role, or to another agency if the City declines to serve). The amount of the total assets of the CDA including cash, investments and fixed assets is \$50,529,138 (staff is unclear regarding the definition of a "fixed asset" in this legislation and whether it is consistent with accounting law).

In the first full fiscal year following dissolution (Fiscal Year 2012-13) the new property tax revenue to the City's General Fund is at this time estimated in the range of \$1,310,000 - \$1,378,000 due to the liquidation and disbursement of the CDA's cash, investments and assets. In second and subsequent years, the new property tax revenue to the City's General Fund is estimated at \$330,000 annually. The amount would increase or decrease depending on changes in assessed valuation.

An "administrative payment" to the Successor Agency is provided at a minimum of \$250,000 per year in order to manage the winding down of the former CDA and continue with its obligations including administering debt repayment, staff support to the Oversight Board, filing State Controller's reports and associated mandated activities.

The City will need to seriously consider the General Fund impact on the loss of redevelopment funding to administrative, personnel costs, overhead, and internal services transfers that support the General Fund (which for the current Fiscal Year 2011-2012 is budgeted at \$1,073,096).

The new General Fund property tax revenue (HdL Coren and Cone preliminary estimate of \$330,000 annually starting in FY 2012-13, barring any legal challenges forestalling the process, and pending the County Auditor-Controller's verification of the amounts and the County Auditor-Controller's schedule for the distribution of proceeds), plus the minimum administrative payment of \$250,000, totals \$580,000. The City would need to consider reductions, as well as other sources of funding, to make up the difference between the loss of annual redevelopment tax increment utilized for administrative, personnel costs, overhead, and internal services transfers that support the General Fund. The minimum estimated annual shortfall is \$493,096, comparing the current annual redevelopment tax increment utilized for administrative, personnel costs, overhead, and internal services transfers that support the General Fund with the new estimated projected property tax revenue plus the administrative payment. This is a "soft" number since, if certain CDA and LMI funded contracts were invalidated, and the City Council determined to fund these contracts from the General Fund, the estimated General Fund budget shortfall would increase. In addition, staff will prepare a post AB1x26

budget at a later date and review each line item and analyze which expenditures would need to continue to be funded through another source such as the General Fund.

Decisions regarding General Fund impacts and budget shortfalls do not need to be made immediately, and the Council is not being asked to make these decisions at this special, January 12, 2012, meeting. City staff will undertake further analysis and, at the appropriate time, return to the Council for direction and decision concerning these financial matters.

**Environmental Review**

**Status**

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

- Approved/Certified
- No Action Required
- Action Requested

**Attachments:**

- Supplemental Report
- Duties of Successor Agency – from HdL Coren and Cone manual
- Duties of Oversight Board - from HdL Coren and Cone manual
- Pros and Cons table
- CDA 2011-12 Budget detail
- Resolutions (2)

**cc:**

## SUPPLEMENTAL REPORT

Resolution electing to serve as Successor Agency  
to the Sonoma Community Development Agency

*For the City Council meeting of January 12, 2012*

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### **Background on Successor Agency Role:**

Successor Agency: The Successor Agency would be governed by an Oversight Board to continue to satisfy the enforceable obligations of the former Sonoma Community Development Agency (CDA). The Successor Agency would be the City unless the City chooses not to serve in that capacity by adopting a resolution declining to serve by January 13, 2012. In that case, the Successor Agency would be the first taxing entity submitting to the County Auditor-Controller a duly adopted resolution electing to become the Successor Agency. It is unclear which taxing entities with jurisdiction in City limits would qualify (the County Auditor-Controller would need to be consulted). The actions of the Successor Agency will be monitored, and in some cases approved, by the Oversight Board. The Successor Agency's annual administrative costs will be an amount up to five percent of the property tax allocated to the Successor Agency for FY11-12, and up to three percent of the property tax allocated to the Successor Agency each succeeding fiscal year; provided, however, that the annual amount shall not be less than \$250,000 for any fiscal year. The Successor Agency would be charged with repaying the existing CDA indebtedness and completing performance of existing contractual obligations. Successor Agencies are required to dispose of the former CDA's assets or properties in an expeditious manner and in a fashion aimed at maximizing value, and to wind up the affairs of the former CDA. Certain current redevelopment and economic development activities, programs and projects of the City would cease unless another funding source is found.

Oversight Board: The Oversight Board would be made up of seven members appointed by/representing (per Health and Safety Code Section 34179):

- (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..."

The Oversight Board would supervise the activities of the Successor Agency. In a practical sense, this means that the Oversight Board would be supervising City staff, if the City elected to become the Successor Agency. The Board would have a fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from distribution of property taxes under this law. As the Board would be constituted of a majority of individuals not representing the City or the interests of the City, the governance under this model represents a loss of local control in representing the City's interests. This governance structure could present legal challenges and unknown disposition of current contracts and obligations of the CDA, depending on the interpretations of the Oversight Board and how its authority is defined as experience is gained with the concept of Successor Agencies and Oversight Boards.

Assets: All assets, contracts, properties, records, and related holdings of the former Sonoma CDA would be transferred to the control of the Successor Agency. The State Controller is to determine whether an "asset transfer" occurred after January 1, 2011 and if so, whether such transfer is to be reversed. Successor Agencies ensure the repayment of the amount previously borrowed from the low and moderate housing fund to make the Supplemental Educational Revenue Augmentation Fund payments of previous years. The Successor Agency's role is to liquidate assets of the former CDA; in doing so, the Successor Agency can dispose of assets regardless of the best land use.

Role of State and County: The actions of the Oversight Board would be overseen by the Director of the Department of Finance. The County Auditor-Controller is to audit the former agency by March 1, 2012 [date needs to be confirmed] and set up a trust fund for the benefit of holders of former agency debt.

## **Duties of Successor Agency – from HdL Coren and Cone Manual**

- If not performed by the redevelopment agency, each Successor Agency shall designate an official from whom the Department of Finance may make requests for information regarding Enforceable Obligation Schedules and Recognized Obligation Payment Schedules 34169(i)
- Create a Redevelopment Obligation Retirement Fund within its treasury to be administered by the Successor Agency 34170.5(a)
- Successor Agencies are vested with all authority, rights, powers, duties, and obligations previously vested with the former redevelopment agencies except provisions of the Community Law that are repealed, restricted or revised
- All assets, properties, contracts, leases, books and records, buildings, and equipment of former redevelopment agencies are transferred on February 1, 2012, to the control of the successor agency for administration.
- Continue to make payments due for Enforceable Obligations
- May amend Enforceable Obligation Payment Schedule at any public meeting subject to the approval of the Oversight Board
- Commencing May 1, 2012, pay only those payments listed on the Recognized Obligation Payment Schedule (34177(a)(3)). Not prevented, with the prior approval of the Oversight Board from making payments for Enforceable Obligations from sources other than those listed in the Recognized Obligation Payment Schedule 34177(a)(4)
- Maintain reserves in the amount required by indentures of trust, indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds 34177(b)
- Perform obligations required pursuant to any Enforceable Obligation 34177(c)
- Remit unencumbered balances of redevelopment agency funds to the county auditor's controller for distribution to the taxing entities 34177(d)
- Dispose of assets and properties of the former redevelopment agency as directed by the Oversight Board. The disposal is to be done expeditiously and in a manner aimed at maximizing value. 34177(e)
- 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
- Effectuate the transfer of housing functions and assets to appropriated entity 34177(g)
- Expeditiously wind down the affairs of the redevelopment agency in accordance with the direction of the Oversight Board (34177(h)).

- 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 can 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. 34177(i)
- Prepare the proposed administrative budget and submit it to the Oversight Board for approval 34177(j)
- Provide the county auditor-controller the administrative cost estimates for each six month period, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund 34177(k)
- Before each six-month fiscal period, prepare a Recognized Obligation Payment Schedule 34177(l)
- 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 34179(c)
- Differences between actual payments of Recognized Obligations and past estimates on the Recognized Obligation Payment Schedule must be reported in subsequent Recognized Obligation Schedules and accounts adjusted 34186
- A Successor Agency shall constitute a public agency within the meaning of 3501(c)
- 34190(c)
- A Successor Agency shall become the employer of all employees of the redevelopment agency as of the date of the redevelopment agency's dissolution. The Successor Agency shall be deemed a successor employer and shall be obligated to recognize and to meet and confer with employee organizations, shall bargain over matters within the scope of representation 34190(e)
- Former redevelopment agency employees subsequently employed by Successor Agencies shall, for a minimum of two years, transfer their status and classification to the successor agency and shall not be required to requalify. Any such individuals shall have the right to compete for employment under the civil service system of the Successor Agency 34190(h)

### **Duties of Oversight Board – from HdL Coren and Cone Manual**

- Approves amendments to the Enforceable Obligation Payment Schedule adopted by Successor Agency 34177(a)(1)
- Not prevented, with the prior approval of the Oversight Board from making payments for Enforceable Obligations from sources other than those listed in the Recognized Obligation Payment Schedule 34177(a)(4)
- Direct the Successor Agency in the expeditiously winding down of the affairs of the redevelopment agency
- Approve the administrative budget of the Successor Agency 34177(j)
- The members of the Oversight Board shall elect one of their members as chairperson 34179(a)
- The Oversight Board may direct the staff of the Successor Agency to perform work in furtherance of the Oversight Board's duties and responsibilities. 34179(c)
- Oversight Board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as Oversight Board members
- 34179(d)
- A majority of the total membership of the Oversight Board shall constitute a quorum. A majority vote of the total membership of the Oversight Board is required for the Oversight Board to take action (34179€)
- The Oversight Board is deemed a local agency for purposed of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974
- All notice required by law for proposed Oversight Board actions shall also be posted on the Successor Agency's web site or the Oversight Board's internet web site
- 34179(f)
- Each member of an Oversight Board shall serve at the pleasure of the entity that appointed the member 34179(g)
- Oversight Board actions are subject to review by the Department of Finance. As such, the Oversight Board actions shall not be effective for three days pending a request for review by the Department. Each Oversight Board shall designate an official to whom the Department of Finance may make requests for information and provide the Department with the telephone number and email contact information.
- Oversight Boards shall have fiduciary responsibilities to holders of Enforceable Obligations and taxing entities that benefit from the distributions of property tax and other revenues. 34179(i)
- The provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to Oversight Boards. An individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, special district, school district or community college district 34179(i)

- Commencing July 1, 2016, in each county where there is more than one Oversight Board, there shall be only one Oversight Board 34179(j)
- 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.
- All of the following Successor Agency actions shall first be approved by the Oversight Board 34180:
  - The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of enactment
  - Refunding of outstanding bonds or other debt in order to provide for savings or debt spikes provided that no additional debt is created and debt service is not accelerated
  - Setting aside amounts of reserves required by indentures, trust indentures or similar documents
  - Merging of project areas
  - Continuing the acceptance of federal or state grants or financial assistance from public or private sources where the assistance is conditioned upon matching funds
  - If the Community wants to retain any properties or other assets for future redevelopment activities funded by their own resources, it must reach a compensation agreement with the other taxing entities to provide payments in proportion with their shares of base property taxes
  - Establishment of the Recognized Obligation Payment Schedule
  - A request by a Successor Agency to enter into an agreement with the Community
  - A request by a Successor Agency or taxing entity to pledge property tax revenues pursuant to valid agreements with the Community pursuant to Section 34178
- The Oversight Board shall direct the Successor Agency to do all of the following (34181)
  - Dispose of all assets and properties that were funded by tax increment, or to transfer assets that were constructed and used for a governmental purpose to the appropriate public jurisdiction
  - Cease performance and terminate all existing agreements that do not qualify as Enforceable Obligations

**City Becoming the Successor Agency (SA) to the Sonoma Community Development Agency (CDA) – Pros and Cons**

<p>Options →</p> <p>↓ Issues</p>		<i>City Becomes Successor Agency</i>		<i>City Declines – Another Public Agency becomes Successor Agency</i>	
		PRO	CON	PRO	CON
a	Fiscal Impact	City would be allocated minimum of \$250,000 annually to perform Successor Agency role. [Annual budget to be approved by Oversight Board (OB)]	Difficult in the first year to estimate approximate number of staff hours required to fulfill role; budget of \$250,000 may or may not cover actual expenditures.	Lessen City staff time commitment; staff time available for other programs. However, it is imagined that City staff will need to interact heavily with SA staff and OB in any case since SA staff would not be familiar with former CDA programs, projects, records and finances.	City would not receive administrative allocation of \$250,000 but will likely be incurring costs related to the OB and the transition.
b	Governance/Local control	In any instance (whether the City is SA or not), the SA would be governed by the Oversight Board.	Majority of Oversight Board members are not City-appointed representatives. OB would supervise City staff.	In any instance (whether the City is SA or not), the SA would be governed by the Oversight Board.	It is unclear which taxing entities covering City limits would qualify to become SA; County Auditor-Controller would make determination.
c	Staff/Administration	City staff is well-qualified to manage former CDA programs and projects on behalf of Oversight Board. Staff is familiar with all records and proceedings of former CDA.	Direction to staff would be provided by Oversight Board; could be conflicting direction versus Council/City Manager direction to staff.	Lessen City staff time commitment	It is unclear how existing contractual obligations of the former CDA would be carried out by the SA if not City. For instance, if bond projects are underway, can the SA oversee the City's management of the projects, can they alter projects?  The SA staff would not be familiar with the City's CDA programs and projects.

Administration and Capital Budget 2011-12  
 Sonoma Community Development Agency

Detail

Revenues		
	Tax Increment	4,468,000
	Interest & Rental Income	93,000
	Reimbursement agreements	78,500
	Proceeds of 2011 CDA Bond	10,200,000
	TOTAL REVENUE	\$14,839,500
Expenditures		
	Salaries and wages	301,018
	Employee benefits	117,842
	Professional services – Legal, audit, engineering	74,000
	Operations – Offset of special event venues, memberships, training, advertising	43,150
	Supplies – Graffiti abatement	60,000
	CDA 2011 TAB Bond Projects	10,200,000
	Internal services transfers – Long term building maintenance, MIS, insurance	74,341
	CREBs Bond payment	100,000
	Transfer out – Debt service	1,627,857
	Transfer out – to fund Economic Development Program ED Program Manager \$65,000 Sebastiani Theater lease \$36,000 Casa Grande parking lot lease \$36,000 Visitors Bureau contract \$218,000 Patten Street tank clean up \$46,500 Small business consulting \$5,000 Patten Street tank monitoring \$5,000 Business loans, permits, grants and fees \$207,265 General supplies \$12,735	631,500
	Transfer out – General Fund overhead	181,015
	TOTAL EXPENSE	\$13,410,723

**CITY OF SONOMA**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA, CALIFORNIA DETERMINING THAT THE CITY OF SONOMA ELECTS TO, AND SHALL, SERVE AS THE SUCCESSOR AGENCY TO THE DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34173**

WHEREAS, the Sonoma Community Development Agency (“Redevelopment Agency”) is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*); and

WHEREAS, the City of Sonoma is a municipal corporation and a general law city of the State of California (“City”); and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill 1x26 (“AB1x26”) and invalidated Assembly Bill 1x27; and

WHEREAS, the Court’s decision results in the implementation of AB1x26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, pursuant to a provision of AB1x26, codified as Health and Safety Code Section 34173(d)(1), the city, in the case of a redevelopment agency of a city, automatically becomes the “Successor Agency” to its dissolved redevelopment agency and is charged with the responsibility of winding up the affairs of the dissolved redevelopment agency pursuant to AB1x26, *unless* the city council adopts a resolution electing to *not* serve as the Successor Agency and thereafter files a copy of such resolution with the county auditor-controller; and

WHEREAS, the California Supreme Court, in Footnote 25 of its opinion, extended to January 13, 2012 the deadline for a city to make its decision on whether to decline to be the Successor Agency to its dissolved redevelopment agency; and

WHEREAS, the City Council, having considered the matter, has determined, in its legislative discretion, that it is in the best interests of the City for the City to serve as the Successor Agency to the dissolved Redevelopment Agency; and

WHEREAS, although pursuant to Health & Safety Code Section 34173(d)(1), the City would automatically become the Successor Agency unless it affirmatively elects to not serve as the Successor Agency by Resolution, the City nonetheless wishes to express its intention and decision to serve as the Successor Agency to the dissolved Redevelopment Agency.

NOW, THEREFORE, the City Council of the City of Sonoma resolves as follows:

Section 1. The foregoing Recitals are true and correct and are incorporated herein.

Section 2. The City Council of the City of Sonoma hereby affirmatively determines that the City of Sonoma elects to, and shall, serve as the Successor Agency to the dissolved Sonoma Community Development Agency.

Section 3. The City Manager and her authorized designees are hereby authorized and directed to take such other and further actions and sign such other and further documents as is necessary and proper to implement this Resolution on behalf of the City.

Section 4. The City Manager or City Clerk shall file a copy of this Resolution with the Sonoma County Auditor-Controller not later than 5:00 p.m. on January 13, 2012.

PASSED, APPROVED, AND ADOPTED this \_\_\_\_ day of January, 2012.

\_\_\_\_\_  
Joanne Sanders, Mayor

CITY OF SONOMA            )  
  )  
STATE OF CALIFORNIA    )        .ss

I, Gay Johann, City Clerk of the City of Sonoma, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Sonoma at a special meeting thereof held on January \_\_\_\_ 2012, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Gay Johann, City Clerk

[SEAL]

**CITY OF SONOMA**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA, CALIFORNIA DETERMINING THAT THE CITY OF SONOMA DECLINES TO, AND SHALL NOT, SERVE AS THE SUCCESSOR AGENCY TO THE DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34173**

WHEREAS, the Sonoma Community Development Agency (“Redevelopment Agency”) is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*); and

WHEREAS, the City of Sonoma is a municipal corporation and a general law city of the State of California (“City”); and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill 1x26 (“AB1x26”) and invalidated Assembly Bill 1x27; and

WHEREAS, the Court’s decision results in the implementation of AB1x26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, pursuant to a provision of AB1x26, codified as Health and Safety Code Section 34173(d)(1), the city, in the case of a redevelopment agency of a city, automatically becomes the “Successor Agency” to its dissolved redevelopment agency and is charged with the responsibility of winding up the affairs of the dissolved redevelopment agency pursuant to AB1x26, *unless* the city council adopts a resolution electing to *not* serve as the Successor Agency and thereafter files a copy of such resolution with the county auditor-controller; and

WHEREAS, the California Supreme Court, in Footnote 25 of its opinion, extended to January 13, 2012 the deadline for a city to make its decision on whether to decline to be the Successor Agency to its dissolved redevelopment agency; and

WHEREAS, the City Council, having considered the matter, has determined, in its legislative discretion, that it is in the best interests of the City for the City to NOT serve as the Successor Agency to the dissolved Redevelopment Agency;

NOW, THEREFORE, the City Council of the City of Sonoma resolves as follows:

Section 1. The foregoing Recitals are true and correct and are incorporated herein.

Section 2. The City Council of the City of Sonoma hereby determines that the City of Sonoma declines to, and shall not, serve as the Successor Agency to the dissolved Sonoma Community Development Agency.

Section 3. The City Manager and her authorized designees are hereby authorized and directed to take such other and further actions and sign such other and further documents as is necessary and proper to implement this Resolution on behalf of the City.

Section 4. The City Manager or City Clerk shall file a copy of this Resolution with the Sonoma County Auditor-Controller not later than 5:00 p.m. on January 13, 2012.

PASSED, APPROVED, AND ADOPTED this \_\_\_\_ day of January, 2012.

\_\_\_\_\_  
Joanne Sanders, Mayor

CITY OF SONOMA            )  
  )        .ss  
STATE OF CALIFORNIA    )

I, Gay Johann, City Clerk of the City of Sonoma, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Sonoma at a special meeting thereof held on January \_\_\_\_ 2012, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Gay Johann, City Clerk

[SEAL]



City of Sonoma  
**City Council**  
**Agenda Item Summary**

**City Council Agenda Item: 6B**

**Meeting Date: 1/12/12**

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**Department**

Administration

**Staff Contact**

Linda Kelly, City Manager

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**Agenda Item Title**

Discussion, consideration and possible direction to staff regarding City of Sonoma retention of housing functions and assets under AB1x 26

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**Summary**

With the pending dissolution of the CDA on February 1, 2012 as a result of the California Supreme Court decision in *CRA v. Matosantos* (which upheld AB1x26 and invalidated AB1x27), the City Council must decide whether the City or the County housing authority will be the successor to the "housing assets and functions" of the dissolved CDA. This decision must be made through City Council adoption of a resolution no later than January 31, 2012.

Although AB1x26 does not precisely define the term "housing assets and functions," the law does expressly state that the housing assets do not include the funds currently in the CDA's Low and Moderate Income Housing Fund.

The Successor Housing Agency, however, is given the right to enforce affordability covenants and take other actions consistent with the former CDA's authority with respect to affordable housing.

If the City declines to become the Successor Housing Agency, the responsibility would default to the County housing authority.

This agenda item is requesting Council discussion, consideration and possible direction to staff regarding retention of housing functions under AB1x 26. If direction is provided, staff would agendize a resolution for the January 18, 2012 regular City Council meeting.

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**Recommended Council Action**

Discuss, consider and provide direction to staff.

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**Alternative Actions**

Postpone discussion to January 18, 2012 regular Council meeting.

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**Financial Impact**

AB1X 26 as written does not provide the 20% housing set-aside funding that was provided to the CDA prior to AB1X26. As such, if the City of Sonoma retained its housing assets and functions, no ongoing funding would be provided for Affordable Housing Program Management, Administration and Projects. AB1X 26 does appear to allow the Successor Housing Agency to retain current property assets (not cash or reserves on hand). The current fund balance in the City's Low to Moderate income (LMI) fund is approximately \$580,000. Under AB1X26, these funds would be transferred to the Successor Agency of the CDA as of February 1, 2012. The Successor Agency is then required to remit the balance to the County Auditor-Controller for distribution to the taxing entities in the former redevelopment project area.

The housing properties currently owned by the CDA are the 20269 Broadway affordable housing site, Village Green II 34 unit apartment complex at 650 Fourth Street West, and a vacant parcel at 650 West Spain Street. The Sonoma Highway affordable housing site has been transferred to Affordable Housing Associates under an agreement which was signed February 8, 2011.

The CDA currently owes the Low to Moderate income (LMI) fund \$1,125,836 due to the 2010 loan from the LMI fund for the Supplemental Educational Revenue Augmentation Fund (SERAF) payment to the State. This liability is listed on the City's adopted Enforceable Obligation Payment Schedule. Under AB1X 26, the payback of this loan must be fulfilled. It is speculated that the Successor Housing Agency may receive the proceeds of this repayment. If this can be verified, this funding along with the affordable housing allocation in 2011 Tax Allocation Bond would allow the

City, as the Successor Housing Agency, to implement an affordable housing development on the Broadway property.

Emergency Legislation is being sought at the State legislative level to reinstate some form of funding for Successor Housing Agencies. As this is a rapidly-developing area of legislative activity, staff will provide any updates in this regard at the January 12 City Council special meeting.

Please see attached Housing Budget detail.

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**Environmental Review**

**Status**

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

- Approved/Certified
- No Action Required
- Action Requested

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**Attachments:**

2011-12 Housing Budget detail

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**cc:**

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Housing Budget 2011-12  
 Sonoma Community Development Agency

Detail

Revenues		
	Tax Increment	\$1,102,000
	Interest Income	\$45,000
	Transfers \$50,000 for Sonoma Creek Senior Housing loan repayment \$2,800,000 from LMI reserve \$1,450,000 from CDA 2011 TAB proceeds	\$4,300,000
	<b>TOTAL REVENUE</b>	<b>\$5,447,000</b>
Expenditures		
	Salaries and wages	\$85,958
	Employee benefits	\$33,601
	Professional services – legal, affordable housing permit fee writedowns, inclusionary program technical assistance	\$60,000
	Property services – Emergency Shelter contract with SOS and Utility costs for shelter	\$36,400
	Office supplies, postage	\$250
	Construction, materials, supplies – Sonoma Highway affordable project	\$4,250,000
	Long term building maintenance Overnight Shelter; MIS replacement transfer; Insurance transfer	\$25,278
	Transfers out – Administrative Overhead \$60,043 Debt service – 2003 TAB \$238,932 Debt service – 2010 TAB \$178,758 Debt service – 2011 TAB \$144,830	\$622,563
	<b>TOTAL EXPENSE</b>	<b>\$5,114,050</b>



City of Sonoma  
**City Council**  
**Agenda Item Summary**

**City Council Agenda Item: 6C**

**Meeting Date: 1/12/12**

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**Department**

Administration

**Staff Contact**

Linda Kelly, City Manager

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**Agenda Item Title**

Discussion, consideration and possible adoption of a Resolution of the City making a declaration under Health and Safety Code Section 33354.8 that, during the period from January 1, 2010, to December 31, 2011, the City has not forgiven the repayment, wholly or partially, of any loan, advance, or indebtedness owed to the City by the Sonoma Community Development Agency and a Resolution of the Sonoma Community Development Agency making a declaration under Health and Safety Code Section 33354.8 that, during the period from January 1, 2010, to December 31, 2011, the Agency has not forgiven the repayment, wholly or partially, of any loan, advance, or indebtedness owed to the Agency by a public body

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**Summary**

Assembly Bill 936, adopted in the last session of the Legislature, became effective January 1, 2012. AB 936 arose out of a controversial decision by the City Council in San Diego to waive repayment of a certain loan it had given to its redevelopment agency. The effect of AB 936 was described by the California State Senate as follows: "This bill would require that any time a city, county or RDA forgives a debt of the other; it must adopt a resolution making specified findings. In addition, cities, counties and RDAs are required to adopt a resolution by February 1, 2012, stating whether or not they forgave any loans, advances, or indebtedness between the January 1, 2010, to December 31, 2011, owed by an RDA or a public body. The resolution must be sent to the State Controller."

Therefore, AB 936 requires two resolutions to be adopted by February 1, 2012. The first resolution is by the CDA declaring whether the CDA has waived or forgiven any loan it gave to a "public body" (not defined in the law) between January 1, 2010 and December 31, 2011, and if it has to describe the loan recipient, loan terms, and amount forgiven. The second resolution is by the City Council declaring whether it waived or forgave any loans to the CDA during the same time period.

Staff has determined that the CDA did not waive or forgive any loan given to a "public body" during that time period (in fact there were no such loans given by the CDA) and has also determined the City did not waive or forgive any loans to the CDA in that time period.

Even though the CDA will be dissolved as of February 1, 2012 due to the California Supreme Court's ruling in *CRA v. Matosantos* (which upheld AB1x26 and invalidated AB1x27), the CDA will be operating in the month of January 2012, i.e., during the time period in which the resolutions are required to be adopted. Staff is recommending the CDA and City Council each adopt the AB 936 resolutions. Copies of the adopted resolutions are required to be filed with the State Controller within 10 days after their adoption.

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**Recommended Council Action**

Adopt resolutions.

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**Alternative Actions**

Defer action to regular meeting of January 18, 2012. The resolutions must be adopted by February 1, 2012.

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**Financial Impact**

As no loans qualify under AB 936, there is no fiscal impact as a result of adoption of the resolutions.

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**Environmental Review**

**Status**

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

- Approved/Certified
- No Action Required
- Action Requested

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**Attachments:**

Resolutions (2)

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**cc:**

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**CITY OF SONOMA**

**RESOLUTION NO. xx - 2012**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA MAKING A DECLARATION UNDER HEALTH AND SAFETY CODE SECTION 33354.8 THAT, DURING THE PERIOD FROM JANUARY 1, 2010, TO DECEMBER 31, 2011, THE CITY HAS NOT FORGIVEN THE REPAYMENT, WHOLLY OR PARTIALLY, OF ANY LOAN, ADVANCE, OR INDEBTEDNESS OWED TO THE CITY BY THE SONOMA COMMUNITY DEVELOPMENT AGENCY**

WHEREAS, the City of Sonoma ("City") is a municipal corporation and a general law city of the State of California; and

WHEREAS, the Sonoma Community Development Agency, a public body, corporate and politic ("Agency"), is the redevelopment agency performing redevelopment functions within the territorial limits of the City pursuant to the California Community Redevelopment Law (Health & Safety Code § 33000, *et seq.*); and

WHEREAS, the California Community Redevelopment Law, pursuant to Section 33354.8 of the California Health and Safety Code, requires that the City (a public body) adopt a resolution after January 1, 2012 and prior to February 1, 2012, declaring whether or not it has forgiven, during the period of time commencing January 1, 2010, and ending December 31, 2011, the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed to the City by the Agency; and

WHEREAS, Section 33354.8 of the California Health and Safety Code also requires that within ten (10) days after the adoption of the resolution, the City transmit a copy of the resolution to the California State Controller.

NOW, THEREFORE, the City Council of the City of Sonoma resolves as follows:

Section 1. Based upon the best knowledge of City staff and the City Council, during the period between January 1, 2010, and December 31, 2011, the City has not forgiven the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed to the City by the Agency.

Section 2. Not later than ten (10) days after the adoption of this Resolution, the City Clerk shall transmit a copy of this Resolution to the California State Controller.

APPROVED and ADOPTED this \_\_\_\_ day of January, 2012.

\_\_\_\_\_  
Joanne Sanders, Mayor

ATTEST:

\_\_\_\_\_  
Gay Johann, City Clerk

# **SONOMA COMMUNITY DEVELOPMENT AGENCY**

## **RESOLUTION NO. xx - 2012**

### **A RESOLUTION OF THE SONOMA COMMUNITY DEVELOPMENT AGENCY MAKING A DECLARATION UNDER HEALTH AND SAFETY CODE SECTION 33354.8 THAT, DURING THE PERIOD FROM JANUARY 1, 2010, TO DECEMBER 31, 2011, THE AGENCY HAS NOT FORGIVEN THE REPAYMENT, WHOLLY OR PARTIALLY, OF ANY LOAN, ADVANCE, OR INDEBTEDNESS OWED TO THE AGENCY BY A PUBLIC BODY**

WHEREAS, the Sonoma Community Development Agency, a public body, corporate and politic ("Agency"), is the redevelopment agency performing redevelopment functions within the territorial limits of the City of Sonoma pursuant to the California Community Redevelopment Law (Health & Safety Code § 33000, *et seq.*); and

WHEREAS, the City of Sonoma ("City") is a municipal corporation and a general law city of the State of California; and

WHEREAS, the California Community Redevelopment Law, pursuant to Section 33354.8 of the California Health and Safety Code, requires that the Agency adopt a resolution after January 1, 2012 and prior to February 1, 2012, declaring whether or not it has forgiven, during the period of time commencing January 1, 2010, and ending December 31, 2011, the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed to the Agency by a public body; and

WHEREAS, Section 33354.8 of the California Health and Safety Code also requires that within ten (10) days after the adoption of the resolution, the Agency transmit a copy of the resolution to the legislative body and the California State Controller.

NOW, THEREFORE, the Sonoma Community Development Agency resolves as follows:

Section 1. Based upon the best knowledge of Agency staff and the Agency Board of Directors, during the period between January 1, 2010, and December 31, 2011, the Agency has not forgiven the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed to the Agency by a public body.

Section 2. Not later than ten (10) days after the adoption of this Resolution, the Agency Secretary shall transmit a copy of this Resolution to the City Council of the City of Sonoma and to the California State Controller.

APPROVED and ADOPTED this \_\_\_\_ day of January, 2012.

\_\_\_\_\_  
Joanne Sanders, Chair

ATTEST:

\_\_\_\_\_  
Gay Johann, Secretary



*City of Sonoma*  
**City Council/CDA**  
**Agenda Item Summary**

**City Council/ Agenda Item: 6D**

**Meeting Date: 1/12/12**

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**Department**

Administration

**Staff Contact**

Linda Kelly, City Manager

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**Agenda Item Title**

Discussion, consideration, and possible action on a letter of support for SB 659, a bill that would temporarily postpone dissolution of redevelopment agencies.

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**Summary**

The recent Supreme Court decision to uphold legislation dissolving redevelopment agencies throughout the State, while striking the companion legislation that would have allowed the agencies to continue, has imposed unrealistically tight deadlines for affected cities and agencies to comply with the requirements of the dissolution law and make critical decisions on such issues as to whether to serve as a successor agency with respect to redevelopment assets and housing programs. These deadlines also leave little time to address complex and difficult fiscal problems associated with the dissolution of the agencies. In addition, the court rulings have produced an entirely different outcome than what had been anticipated by the Legislature when it adopted the two bills. To allow more time to address these issues, a Senate Bill (SB 659) has been introduced that would postpone the dissolution of California's redevelopment agencies by two months. A coalition of business, labor and local government organizations including the League of California Cities and the California Redevelopment Association are seeking support for this legislation by affected cities and redevelopment agencies. A sample letter is attached.

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**Recommended Council/CDA Action**

Authorize the Mayor/Chair of the CDA Board to sign a letter of support for SB 659.

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**Alternative Actions**

Council discretion.

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**Financial Impact**

If passed and signed into law, SB 659 would, at a minimum, allow the City and the Agency additional time to analyze and address the significant fiscal implications resulting from the dissolution of the Agency.

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**Environmental Review**

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

**Status**

- Approved/Certified
- No Action Required
- Action Requested

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**Attachments:**

1. Sample Letter
2. Fact Sheet
3. Coalition Sign-up Form

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cc:

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January XX, 2012

Governor Jerry Brown  
Members of the State Senate  
Members of the State Assembly  
State Capitol  
Sacramento, CA 95814

**Re: SUPPORT SB 659 (Padilla) – temporarily postpone dissolution of redevelopment agencies**

Dear Governor Brown and Members of the State Legislature:

Our coalition of labor, business, local government, public safety, and affordable housing advocates urges you to quickly pass and sign SB 659 (Padilla), a bill that would temporarily postpone the scheduled February 1, 2012 date to dissolve California's 425 redevelopment agencies.

Temporarily postponing this February deadline will allow time for the Legislature and Governor to develop a new job creation and neighborhood renewal program, and to develop a solution that ensures that schools and the State budget receive the funding intended by the Legislature when they passed the redevelopment budget legislation last year.

Without the extension, successor agencies are responsible for winding down all assets, properties, contracts, leases, records, buildings, and equipment of the former redevelopment agencies, and laying off workers - actions that are incredibly difficult to undo.

Once the dissolution process starts, it will lead to lawsuits, endless delays, and ongoing conflict, making it more difficult to develop a new job creation and community revitalization program in California. Additionally, the dissolution process could take years. Thousands of jobs and vital economic development and affordable housing projects will be lost in the meantime.

Ultimately, we are committed to working with lawmakers to create a new program that is appropriately focused on job-creation, environmentally sustainable growth, affordable housing, and the elimination of true blight and economic disparity. Any solution would also have to provide the State and local entities with additional budgetary relief that is now put in question because of the California Supreme Court ruling.

In the meantime, we ask for your support for SB 659 to temporarily postpone the dissolution of redevelopment agencies as we work toward a new job creation and neighborhood renewal program.

Sincerely,

# LEGISLATURE MUST PASS SB 659 QUICKLY TO POSTPONE SCHEDULED DISSOLUTION OF REDEVELOPMENT AGENCIES ON FEBRUARY 1, 2012

*Temporarily Postponing February 1 Deadline for Dissolution of Agencies Will Ensure the State and Education Receive the Funding Intended by the Legislature, and allow Time to Develop a New Job Creation and Neighborhood Renewal Program*

**Background:** On December 29, 2011, the California Supreme Court ruled in the redevelopment litigation -- *CRA v. Matosantos* -- upholding ABX1 26 which abolished redevelopment agencies, but striking down companion legislation that would have allowed agencies to survive if they contribute money to the State. As part of the Supreme Court's ruling, agencies are to be dissolved on February 1, 2012. A coalition of labor, business, local government, public safety and affordable housing advocates is working with members of the Legislature to pass SB 659 and temporarily postpone the February 1, 2012 dissolution deadline in order to preserve the ability to develop a new job creation and neighborhood renewal program. Here's why:

- **SB 659 will temporarily postpone the February 1 dissolution deadline allowing critical time to develop a new job creation and neighborhood renewal program.**
  - If agencies are dissolved on February 1, 2012, successor agencies are responsible for winding down all assets, properties, contracts, leases, records, buildings, and equipment of the former redevelopment agencies, and laying off workers -- actions that are incredibly difficult to undo.
- **Passing SB 659 is the first step toward creating a new program that helps the State budget, local communities and education.**
  - We are committed to working with lawmakers to create a new program that is appropriately focused on job creation, environmentally sustainable growth, affordable housing, and the elimination of blight and economic disparity.
  - Any new program will provide the State and local entities with additional budgetary relief that is now put in question because of the California Supreme Court ruling. We all are acutely aware that any job creation and neighborhood renewal program must give the state and education increased revenues for this fiscal year and beyond.
- **Allowing the dissolution process to proceed on February 1 will lead to mass litigation and chaos, shut down projects and lead to loss of jobs.**
  - Once the dissolution process starts, it will lead to lawsuits, endless delays, and ongoing conflict, making it more difficult to develop a new job creation and community revitalization program in California.
  - The dissolution process could take years. Thousands of jobs and vital economic development and affordable housing projects will be lost in the meantime.

# YES, I SUPPORT SB 659

**Temporarily Postponing February 1 Deadline for Dissolution of Redevelopment Agencies Will Ensure the State and Education Receive the Funding Intended by the Legislature, and Allow Time to Develop a New Job Creation and Neighborhood Renewal Program**

## Coalition Sign-Up Form

**YES!** You may list me/my organization in support of SB 659, legislation to postpone the scheduled dissolution of redevelopment agencies set for February 1, 2012. Temporarily postponing the February 1 deadline for dissolution of agencies will allow time to develop a new job creation and neighborhood renewal program.

**Please select a category:**

Organization

Company

Individual

**Please complete the following information:**

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Company or Organization Name/Employer

---

Name

Title/Occupation

---

Street address

---

City

State

Zip

County

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Phone number

Fax number

---

E-mail Address

---

Signature (Required)

Date

**Please email me updates.**

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Email or fax this form to: [thalsted@bcfpublicaffairs.com](mailto:thalsted@bcfpublicaffairs.com) or 916-442-3510 (fax)