

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**

August 31, 2011

**SUBJECT:** Enforceable Obligation Payment Schedule for the Redevelopment Agency for the County of Riverside

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt the Enforceable Obligation Payment Schedule (EOPS) for the Redevelopment Agency for the County of Riverside pursuant to ABx1 26; and,
2. Authorize transmittal of the EOPS and this minute order to the State of California Department of Finance, the Riverside County Auditor-Controller's Office, and the State Controller's Office.

**BACKGROUND:** (Commence on page 2)

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** Yes

**SOURCE OF FUNDS:** N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

**C.E.O. RECOMMENDATION:** APPROVE

BY:

County Executive Office Signature *Jennifer L. Sargent*

Dep't Recomm.: ☐ Consent ☒ Policy ☒  
Per Exec. Ofc.: ☐ Consent ☒ Policy ☒

FORM APPROVED COUNTY COUNSEL

BY: *Anita C. Willis* 8-31-11

DATE: 8-31-11  
CONCURRENCE

Prev. Agn. Ref.: 3.37 of 7/26/11; 3.56 of 7/12/11

District: ALL

Agenda Number:

3.44

## **BACKGROUND:**

On June 29, 2011, Governor Brown signed Assembly Bills x1-26 and x1-27 (ABx1 26 and ABx1 27), which pertain to redevelopment agencies throughout the state. ABx1 26 eliminates redevelopment agencies and ABx1 27 creates an alternative voluntary redevelopment program. Under the approved legislation, the Redevelopment Agency for the County of Riverside (Agency) will have to pay approximately \$31.7 million in FY 11/12 and \$7.5 million in FY 12/13 to the State of California to be allowed to continue to function as a redevelopment agency.

On July 12, 2011, the Board of Supervisors adopted Resolution No. 2011-211, a Nonbinding Resolution of the County of Riverside Indicating the Intent to Enact an Ordinance for Participation in the Alternative Voluntary Redevelopment Program. In addition, the Board of Supervisors directed the Economic Development Agency (EDA) to prepare and process an ordinance that would accept the requirements of the Alternative Voluntary Redevelopment Program as detailed in ABx1 27, and commit to annual payments to the ACO for fiscal years 2011/12 and 2012/13 and annually thereafter.

Ordinance 912 was prepared in order to authorize the participation of the County of Riverside in the Alternative Voluntary Redevelopment Program, pursuant to ABx1 27, and was adopted by the Board of Supervisors on July 26, 2011 as an urgency measure. Ordinance No. 912 was deemed effective immediately upon adoption.

With the Board of Supervisors adoption of Ordinance No. 912, the freeze on new Agency transactions imposed by ABx1-26 was lifted and the Agency was authorized to recommence Agency business. In the meantime, on July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities (League) filed a petition which requested that the California Supreme Court (Court) overturn ABx1 26 and ABx1 27 on the grounds that they violate the California Constitution (*California Redevelopment Association v. Matosantos [Case]*). The central claim for the challenge is that the bills violate Proposition 22, the constitutional amendment passed in November 2011 which explicitly prohibits the "seizing, diverting, shifting, borrowing, transferring, suspending, or otherwise taking or interfering with" revenue dedicated to local government, including local redevelopment funds. At the same time the petition was filed, the CRA and the League requested that the Court issue a stay to prevent the legislation from going into effect until the lawsuit is decided.

On August 11, 2011, the Court agreed to hear the Case, and also issued an order granting a stay of the provisions of ABx1 26 and ABx1 27, except for most of the provisions of Part 1.8 of Division 24 of the Health and Safety Code that were enacted in ABx1 26. Subsequently, on August 17, 2011, the Court issued a revised order that did not stay any of the provisions of Part 1.8 and further removed the stay of paragraph (2) of subdivision (b) Section 34194 of the Health and Safety Code as enacted in ABx1 27. One of the requirements of the August 17, 2011 revised order is that all redevelopment agencies must adopt an Enforceable Obligation Payment Schedule (EOPS) by August 29, 2011, regardless of any action taken to participate in the Alternative Voluntary Redevelopment Program.

(Continued on page 3)

**BACKGROUND:** (Continued)

On August 23, 2011, the CRA and the League provided guidance (CRA Guidance) to members regarding compliance with the guidelines of ABx1 26 pursuant to the August 17, 2011 revised order issued by the Court. The CRA Guidance stated that if a majority of the members of the Redevelopment Agency Board of Directors were not available for a special meeting to adopt the EOPS prior to August 27, 2011, the Executive Director of the Agency should "adopt" the EOPS for the purposes of complying with the deadline until a majority of the Redevelopment Agency Board are available for a meeting.

On August 25, 2011, the Deputy Executive Director of the Agency acted as the designee for the Executive Director of the Agency, and adopted the EOPS per the CRA Guidance. The EOPS was subsequently e-mailed to the State of California Department of Finance, hand-carried to the Riverside County Auditor-Controller's Office, and sent via overnight carrier to the State Controller's Office, thus meeting the August 29, 2011 deadline set forth by the Court.

Staff recommends that the Board of Supervisors adopt the attached Enforceable Obligation Payment Schedule, and authorize transmittal of the EOPS and this minute order to the State of California Department of Finance, the Riverside County Auditor-Controller's Office, and the State Controller's Office pursuant to ABx1 26 and the August 17, 2011 revised order enacted by the California Supreme Court.