

**AGENDA  
DELANO REDEVELOPMENT AGENCY**

**SPECIAL MEETING  
DELANO CITY HALL**

**August 24, 2011  
12:00 P.M.**

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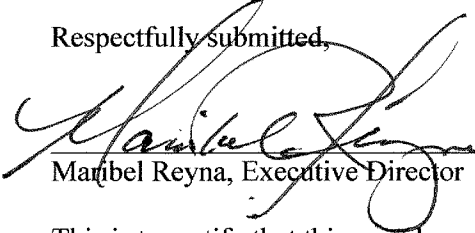
**CALL TO ORDER  
FLAG SALUTE  
ROLL CALL**

**SPECIAL AGENDA ITEM**

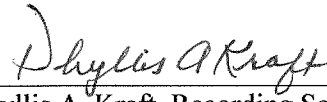
1. Public hearing #2011: Resolution of the Community Redevelopment Agency of the City of Delano Approving and Adopting the Enforceable Obligation Payment Schedule Pursuant to Section 34169 (g) of the California Community Redevelopment Law

**ADJOURNMENT**

Respectfully submitted,

  
\_\_\_\_\_  
Maribel Reyna, Executive Director

This is to certify that this agenda was posted at Delano City Hall on August 23, 2011  
11:50 am

  
\_\_\_\_\_  
Phyllis A. Kraft, Recording Secretary

Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's office at City Hall, 1015 -11<sup>th</sup> Avenue, during normal business hours.

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Type of Call	MCI California Relay Service	Sprint California Relay Service
TTY	1-800-735-2929	1-888-877-5378
Voice	1-800-735-2922	1-888-877-5379
Spanish	1-800-855-3000	1-888-877-5381
Speech to Speech	1-800-854-7784	

## STAFF REPORT

**TO:** Honorable Chairman and Members of the Community Redevelopment Agency of the City of Delano

**FROM:** Maribel Reyna, City Manager/Executive Director

**DATE:** August 22, 2011

**SUBJECT:** Resolution of the Community Redevelopment Agency of the City of Delano approving and adopting the Enforceable Obligation Payment Schedule pursuant to Section 34169 (g) of the California Community Redevelopment Law

### **Recommendation:**

That the Community Redevelopment Agency of the City of Delano:

1. Adopt the Resolution approving and adopting the Enforceable Obligation Payment Schedule pursuant to Section 34169 (g) of the California Community Redevelopment Law; and
2. Authorize and direct the Executive Director, or designee, to: i) notify the County Auditor-Controller, the State Controller and the State Department of Finance concerning the Resolution, in accordance with the applicable provisions of the California Community Redevelopment Law; and ii) take such other actions and execute such other documents as are necessary to effectuate the intent of the Resolution and to implement the Enforceable Obligation Payment Schedule on behalf of the Agency.

### **Background:**

The Community Redevelopment Agency of the City of Delano (the "Agency") is organized and existing pursuant to the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*; hereinafter, the "CCRL") and is responsible for the administration of redevelopment activities within the City of Delano.

The Agency is actively engaged in activities to redevelop Delano Redevelopment Project Area No. 1 (the "Project Area") pursuant to the provisions of the CCRL. Continued redevelopment of the Project Area to eliminate blight, improve public facilities and infrastructure, renovate and construct affordable housing, and enter into partnerships with private industries to create jobs and expand the local economy is vital to the health, safety and welfare of the City.

### **ABX1 26 & ABX1 27:**

On June 28, 2011, the State of California enacted California Health and Safety Code Section 34161, *et seq.* (pursuant to ABX1 26; the "Dissolution Act"), immediately prohibiting further redevelopment activity by redevelopment agencies and dissolving all redevelopment agencies in the State of California on October 1, 2011 (or November 1, 2011, if the legislative body of a redevelopment agency adopts a non-binding resolution declaring its intention to enact an ordinance electing to comply with the provisions of California Health and Safety Code Section 34192, *et seq.*). The

dissolution of the Agency would be detrimental to the health, safety and economic well-being of the residents of the City and cause irreparable harm to the community, because, among other reasons, the redevelopment activities and projects made possible, implemented and funding by the Agency are highly significant and of enduring benefit to the community and the City and are a critical component of the City's future.

On June 28, 2011, the State of California also enacted California Health and Safety Code Section 34192, *et seq.* (pursuant to ABX1 27; the "Continuation Act"), providing communities the opportunity to continue redevelopment activity through their local redevelopment agencies by electing to participate in the "Alternative Voluntary Redevelopment Program". The Alternative Voluntary Redevelopment Program allows a community's redevelopment agency to continue operating, without the constraints of California Health and Safety Code Section 34161, *et seq.*, subject to making certain annual payments.

**Supreme Court Challenge:**

On July 18, 2011, the California Redevelopment Association, League of California Cities, City of Union City, City of San Jose and John F. Shirey filed a petition for Writ of Mandate; Application for Temporary Stay and supporting memorandum and declarations with the Supreme Court of the State of California (the "Petition").

On August 11, 2011 the California Supreme Court agreed to review the Petition challenging the constitutionality of Dissolution Act and Continuation Act (collectively, the "Redevelopment Restructuring Acts") and ordered a stay (the "Supreme Court Stay") relative to specified portions of the Redevelopment Restructuring Acts. The Supreme Court Stay postponed certain provisions of the Redevelopment Restructuring Acts indefinitely, but left in place provisions prohibiting redevelopment agencies from making any payments after the date that is sixty (60) days from the effective date of the Dissolution Act, other than debt service payments and payments listed on an adopted Enforceable Obligation Payment Schedule (the "EOPS").

In addition, the Supreme Court Order declared that its briefing schedule is designed to facilitate oral arguments as early as possible in 2011, and a decision before January 15, 2012. Therefore, it appears that the Supreme Court Stay could be in effect for approximately five (5) months.

**Fiscal Impact:**

Adoption of the attached Resolution does not by itself cause a fiscal impact. However and notwithstanding any actions planned or already taken with respect to compliance with the Continuation Act, it is necessary that all redevelopment agencies adopt an EOPS in order to ensure that the Agency continues to have authority to fulfill its applicable financial obligations during the effectiveness of the Supreme Court Stay. The Agency's EOPS, which is consistent with the requirements of § 34169 (g) of the CCRL, is attached to this Resolution as Exhibit "A".

**Attachment:** Resolution.

RESOLUTION NO. 2011-\_\_

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF DELANO APPROVING AND ADOPTING THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO SECTION 34169 (g) OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW**

**WHEREAS**, the Community Redevelopment Agency of the City of Delano (the "Agency") is organized and existing pursuant to the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*; hereinafter, the "CCRL") and is responsible for the administration of redevelopment activities within the City of Delano; and

**WHEREAS**, on July 1, 1991, the City Council (the "City Council") of the City of Delano (the "City") adopted Ordinance No. 919, which approved the Redevelopment Plan (the "Plan") for the Delano Redevelopment Project (the "Project Area") and has amended the Plan for the Project Area on several occasions; and

**WHEREAS**, the Agency is actively engaged in activities to redevelop the Project Area pursuant to the provisions of the CCRL; and

**WHEREAS**, continued redevelopment of the Project Area to eliminate blight, improve public facilities and infrastructure, renovate and construct affordable housing, and enter into partnerships with private industries to create jobs and expand the local economy is vital to the health, safety and welfare of the City; and

**WHEREAS**, on June 28, 2011, the State of California enacted California Health and Safety Code Section 34161, *et seq.* (pursuant to ABX1 26; the "Dissolution Act"), immediately prohibiting further redevelopment activity by redevelopment agencies and dissolving all redevelopment agencies in the State of California on October 1, 2011 or November 1, 2011, if the legislative body of a redevelopment agency adopts a non-binding resolution declaring its intention to enact an ordinance electing to comply with the provisions of California Health and Safety Code Section 34192, *et seq.*; and

**WHEREAS**, the dissolution of the Agency would be detrimental to the health, safety and economic well-being of the residents of the City and cause irreparable harm to the community, because, among other reasons, the redevelopment activities and projects made possible, implemented and funding by the Agency are highly significant and of enduring benefit to the community and the City and are a critical component of the City's future; and

**WHEREAS**, on June 28, 2011, the State of California also enacted California Health and Safety Code Section 34192, *et seq.* (pursuant to ABX1 27; the "Continuation Act"), providing communities the opportunity to continue redevelopment activity through their local redevelopment agencies by electing to participate in the "Alternative Voluntary Redevelopment Program"; and

**WHEREAS**, the Alternative Voluntary Redevelopment Program allows a community's redevelopment agency to continue operating, without the constraints of California Health and Safety Code Section 34161, *et seq.*; and

**WHEREAS**, on July 18, 2011, the California Redevelopment Association, League of California Cities, City of Union City, City of San Jose and John F. Shirey filed a petition for Writ of Mandate; Application for Temporary Stay and supporting memorandum and declarations with the Supreme Court of the State of California (the "Petition"); and

**WHEREAS**, on August 11, 2011 the California Supreme Court agreed to review the Petition challenging the constitutionality of Dissolution Act and Continuation Act (collectively, the "Redevelopment Restructuring Acts") and ordered a stay (the "Supreme Court Stay") relative to specified portions of the Redevelopment Restructuring Acts; and

**WHEREAS**, the Supreme Court Stay postponed certain provisions of the Redevelopment Restructuring Acts indefinitely, but left in place provisions prohibiting redevelopment agencies from making any payments after the date that is sixty (60) days from the effective date of the Dissolution Act, other than debt service payments and payments listed on an adopted Enforceable Obligation Payment Schedule (the "EOPS");

**WHEREAS**, therefore and notwithstanding any actions planned or already taken with respect to compliance with the Continuation Act, it is necessary that all redevelopment agencies adopt an EOPS in order to ensure that the Agency continues to have authority to fulfill its applicable financial obligations during the effectiveness of the Supreme Court Stay; and

**WHEREAS**, the Agency's EOPS, which is consistent with the requirements of § 34169 (g) of the CCRL, is attached to this Resolution as Exhibit "A"; and

**WHEREAS**, All of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Community Redevelopment Agency of the City of Delano, as follows:

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Agency's Enforceable Obligation Payment Schedule, which is attached hereto as Exhibit "A", is approved and adopted.
- Section 3.** The Executive Director, or designee, is hereby authorized and directed to: i) notify the County Auditor-Controller, the State Controller and the State Department of Finance concerning this Resolution, in accordance with the applicable provisions of the California Community Redevelopment Law; and ii) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution and to implement the Enforceable Obligation

Payment Schedule on behalf of the Agency.

**Section 4.** This Resolution shall take effect upon the date of its adoption.

**PASSED, APPROVED AND ADOPTED** this \_\_ day of \_\_\_\_\_ 2011.

\_\_\_\_\_  
\_\_\_\_\_, Chair  
Community Redevelopment Agency of the  
City of Delano

APPROVED AS TO FORM

ATTEST

\_\_\_\_\_  
Agency Counsel

\_\_\_\_\_  
Agency Secretary

**CERTIFICATION:**

I, \_\_\_\_\_ Agency Secretary of the Community Redevelopment Agency of the City of Delano, California, do hereby certify that the foregoing Resolution No. 2011-\_\_ was duly adopted by the Community Redevelopment Agency of the City of Delano, California, at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_ 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Agency Secretary

**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**

Per AB 26 - Section 34167 and 34169 (\*)

**Exhibit "A"**

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by Month					Total	
					Aug**	Sept	Oct	Nov	Dec		
1) 2003 Series A Tax Allocation Bonds	U.S. Bank	Debt Service Payments	25,157,450.00	634,575.00							\$ 317,287.50
2) 2003 Series B Tax Allocation Bonds	U.S. Bank	Debt Service Payments	3,047,040.00	382,041.00							\$ 316,020.50
3) Trustee Fees	U.S. Bank	Trustee Fees on 2003 Bonds	3,850.00	3,850.00							\$ 3,850.00
4) Bond Continuing Disclosure	Willdan Financial Services	Continuing Disclosure on 2003 Bonds	5,735.00	5,735.00							\$ -
5) City Attorney Fees	Alan J. Peake, Esquire	Agency's share of City Attorney Fees		18,708.00	1,559.00	1,559.00	1,559.00	1,559.00	1,559.00	1,559.00	\$ 7,795.00
6) Fiscal Consultant	Urban Futures	Fiscal Consultant	563,795.00	7,000.00	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	\$ 5,833.35
7) City of Delano	City of Delano	Purchase of Real Estate	91,393.00	93,966.00	4,352.00	4,352.00	4,352.00	4,352.00	4,352.00	4,352.00	\$ -
8) City of Delano	City of Delano	Alleviate fiscal detriment of local agencies	59,235.00	52,224.00							\$ -
9) City of Delano	City of Delano	Purchase of Land	190,917.00	29,618.00	5,303.28	5,303.28	5,303.28	5,303.28	5,303.28	5,303.28	\$ 26,516.40
10) City of Delano	City of Delano	Finance facade improvement program	35,526.00	13,323.00	1,110.21	1,110.21	1,110.21	1,110.21	1,110.21	1,110.21	\$ 5,551.05
11) City of Delano	City of Delano	Loan from Sewer Fund		525,861.47	43,821.79	43,821.79	43,821.79	43,821.79	43,821.79	43,821.79	\$ 219,108.95
12) Payroll Costs	Employees of Agency	Salaries & Benefits		9,780.00							\$ -
13) Agency Insurance Costs	City/Agency	Administrative Expenses		95,954.20							\$ -
14) Operations Expenses	Mayer Hoffman McCann	Financial Statement Preparation (Annual)		16,890.00							\$ -
15) Auditing Services				629.27							\$ -
16) Legal Services, SEMS				1,338.45							\$ -
17) Housing Grant		Building Permit Fees		357,701.00	29,808.42	29,808.42	29,808.42	29,808.42	29,808.42	29,808.42	\$ 149,042.10
18) Advances from City General Fund	City of Delano	Repayment of City advances									\$ -
19)											\$ -
20)											\$ -
21)											\$ -
22)											\$ -
23)											\$ -
24)											\$ -
25)											\$ -
26)											\$ -
27)											\$ -
28)											\$ -
29)											\$ -
30)											\$ -
Totals - This Page			\$ 29,145,355.00	\$ 2,312,833.39	\$ 87,121.37	\$ 724,279.37	\$ 87,121.37	\$ 87,121.37	\$ 87,121.37	\$ 87,121.37	\$ 1,072,764.85
Totals - Page 2			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 3			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 4			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Other Obligations			\$ 427,813.00	\$ 1,829,021.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 914,510.50
Totals - All Pages			\$ 29,573,168.00	\$ 4,141,854.39	\$ 87,121.37	\$ 724,279.37	\$ 87,121.37	\$ 87,121.37	\$ 87,121.37	\$ 1,001,631.87	\$ 1,987,275.35

\* 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.