

**MINUTES
CITY COUNCIL AND REDEVELOPMENT AGENCY
SPECIAL MEETING
AUGUST 23, 2011 - 3:30 p.m.**

CALL TO ORDER

The special meeting of the City Council and Redevelopment Agency was called to order at 3:31 p.m. by Mayor McCallon at the Donahue Council Chambers, 27215 Base Line, Highland, California.

ROLL CALL

Present: Lilburn, McCallon, Racadio
Absent: Scott, Timmer

COMMUNITY INPUT

None

CITY COUNCIL/REDEVELOPMENT AGENCY LEGISLATIVE

1. Resolution No. RDA2011-003 Adopting an Enforceable Obligation Payment Schedule for the Redevelopment Agency as required by AB 1X 26 – Section 34167 and 34169

City Manager Hughes stated as the Council is aware the State passed AB 1X26 and AB 1X27. AB 1X26 effectively eliminated Redevelopment Agencies and AB 1X27 allowed them to be re-established if the cities paid an extortion payment to the State. Also, the Council is aware the CRA and the League of California Cities filed a lawsuit regarding these two pieces of Legislation. The Judge in the case issued a stay and because of the issuance of the stay, all actions of the Redevelopment Agencies whether you chose to use AB 1X27 to re-establish your Redevelopment Agency or not, the actions state any new contracts up until the time the matter is heard which can be until January 2012. In addition, part of the stay has triggered the cities even if you opted into the program to have to adopt an enforceable obligation payment schedule. The payment schedule lists all the projects and contracts currently on-going and the purpose of this was under AB 1X26 which was to allow the phasing out of Redevelopment Agencies.

City Attorney Steele stated we are reacting on the fly to what the Supreme Court does and in fact, today, the CRA and the League of California Cities filed another request for clarification. Their intent is to try and get the Supreme Court to further explain what is intended. This action would not be required normally under the provisions of these two Bills because the decision was made early on to opt in. The language of the State which was issued by the Supreme Court and also with lawyers reviewing it, interpreted it to mean the only bills that can be paid by any Redevelopment Agency in State, whether they opted in or opted out, during the

pendency of the Litigation, are bills that appear on this enforceable obligation payment schedule. This must be adopted within 60 days from the day the Governor signed these bills which was June 28, 2011. Confusion is coming from that we ought to continue with the activities because you have committed to paying the extortion fees. The way the Supreme Court crafted the stay they issued, it basically states do not do anything, just pay your bills until the case is decided. We are still in a holding pattern but in order to keep meeting the Agency's obligations under contracts such as your bond payments which are really important, this schedule needs to be adopted.

City Manager Hughes stated it should also be noted, we will not be able to start any new projects. Everything that is listed in the schedule, we can continue with the on-going projects. For instance, the demolition of the buildings next door, the bid had not been awarded yet, therefore, we cannot go forward with this project.

A MOTION was made by Agency Member Racadio, seconded by Vice Chairwoman Lilburn, to adopt Resolution No. RDA2011-003 adopting an Enforceable Operations Payment Schedule. Motion carried, 3-0, with Agency Member Scott and Agency Member Timmer being absent.

RESOLUTION NO. RDA2011-003
A RESOLUTION OF THE HIGHLAND REDEVELOPMENT AGENCY
ADOPTING AN ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
PURSUANT TO PART 1.8 OF DIVISION 24 OF THE CALIFORNIA HEALTH
AND SAFETY CODE AND TAKING CERTAIN ACTIONS IN CONNECTION
THEREWITH

ADJOURN

There being no further business, Mayor McCallon adjourned the meeting at 3:40 p.m.

Submitted By:

Approved By:

Betty Hughes, MMC
City Clerk

Larry McCallon
Mayor