

Council Meeting of
January 10, 2012

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Community Development – RESOLUTION establishing the City of Torrance as the successor agency to the Redevelopment Agency of the City of Torrance

RECOMMENDATION

Recommendation of the Community Development Director that City Council adopt a **RESOLUTION** establishing the City of Torrance as the successor agency to the Redevelopment Agency of the City of Torrance.

BACKGROUND AND ANALYSIS

On June 29, 2011, Governor Jerry Brown signed the redevelopment dissolution bill ABX1-26 which essentially terminated redevelopment and a companion bill, ABX1-27, that provided a “voluntary” payment option for agencies who wished to remain in existence. Following the passage of these bills, a lawsuit was filed against the State of California on July 18, 2011 by the California Redevelopment Association (CRA) and the League of California Cities (League). The lawsuit challenged ABX1-26 & ABX1-27 on the basis that they violated the constitutional protections for redevelopment funds. A partial stay on these bills was issued on August 11, 2011, when the Supreme Court announced it would hear the lawsuit and render a decision no later than January 15, 2012.

Since then, the Agency has taken several precautionary measures in preparation for the Supreme Court verdict. On December 29th, the Supreme Court issued a judgment to uphold ABX1-26 and strike down ABX1-27. Without the option provided for within ABX1-27 for agencies to remain in existence, this decision dissolves Redevelopment Agencies in the State of California. As a result of this court decision, a city may establish a successor agency to carry out the existing responsibilities of its Redevelopment Agency. This action must occur no later than January 13, 2012. The attached Resolution establishes the City as the successor agency to the Redevelopment Agency of the City of Torrance. Following its adoption, a copy of the Resolution shall be filed with the LA County Auditor-Controller.

Community Development staff recommends that City Council adopt the attached RESOLUTION establishing the City of Torrance as the successor agency to the Redevelopment Agency of the City of Torrance.

Staff will continue to update Your Honorable Body as more information becomes available as to the status of properties purchased through Redevelopment funds as well as any other information that becomes available.

Respectfully submitted,

JEFFERY W. GIBSON
Community Development Director

CONCUR:

By 
Gregg Lodan, AICP
Planning Manager


Jeffery W. Gibson
Community Development Director


LeRoy J. Jackson
City Manager

Attachment: A) Resolution No. 2012-_____

RESOLUTION NO. 2012-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE CALIFORNIA ELECTING TO HAVE THE CITY OF TORRANCE SERVE AS THE SUCCESSOR AGENCY TO AND TO RETAIN THE HOUSING ASSETS AND FUNCTIONS PREVIOUSLY PERFORMED BY THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE PURSUANT TO CALIFORNIA HEALTH & SAFETY CODE SECTIONS 34173 AND 34176

WHEREAS, the Redevelopment Agency of the City of Torrance ("Agency") is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code § 33000 *et seq.* ("CRL")); and

WHEREAS, the City of Torrance is a municipal corporation and charter city under the Constitution of the State of California ("City"); and

WHEREAS, on December 29, 2011, in *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld AB 26x1, which dissolves all of the redevelopment agencies in California, and struck down AB 27x1, which allowed redevelopment agencies to remain in existence if they opted in to the "Voluntary Alternative Redevelopment Program" ("VARP").; and

WHEREAS, the City had opted into the VARP by adopting Ordinance No. 3748; and

WHEREAS, because the Agency was going to remain in existence, the City was not required to decide whether it wished to be the Successor Agency to the Agency; and

WHEREAS, now that the VARP program has been stricken by the Court, the City has the option of deciding whether or not it wishes to serve as the Successor Agency to the Agency; and

WHEREAS, in footnote 25 of the Supreme Court's decision, the Court extended the deadline for making the election only to January 13, 2012; and

WHEREAS, the City Council has determined that it is in the best interest of the City for the City to serve as the Successor Agency; and

WHEREAS, pursuant to Health & Safety Code Section 34173(d)(1), the City would automatically become the Successor Agency unless it affirmatively elected not to serve as the Successor Agency by Resolution, but the City wishes to express its intention to serve as the Successor Agency to the Agency.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Torrance,

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California, as follows:

SECTION 1. The above recitals are true and correct and are adopted as the findings of the City Council.

SECTION 2. The City Council hereby affirmatively elects pursuant to Health & Safety Code Section 34173(d)(1) to serve as the Successor Agency to the Redevelopment Agency of the City of Torrance.

SECTION 3. The City Council hereby affirmatively elects pursuant to Health and Safety Code Section 34176(a) to retain the housing assets and functions previously performed by the Redevelopment Agency of the City of Torrance.

SECTION 4. The City Manager is hereby authorized and directed to take such other and further actions, and sign such other and further documents, as is necessary and proper in order to implement this Resolution on behalf of the City.

PASSED, APPROVED and ADOPTED at a regular meeting of the Torrance City Council held on this 10th day of January 2012, by the following vote:

CITY OF TORRANCE,
A Municipal Corporation

Frank Scotto
Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By:_____