1	ORDINANCE NO. O-03-11					
2	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF					
3	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLTON, CALIFORNIA, AUTHORIZING THE CITY OF COLTON					
4	TO PARTICIPATE IN THE ALTERNATIVE VOLUNTARY					
5	REDEVELOPMENT PROGRAM PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 34192, ET SEQ., SUBJECT					
6	TO CERTAIN CONDITIONS AND RESERVATIONS					
7	WHEREAS, the City Council of the City of Colton ("City") currently has five					
' 8	effective redevelopment projects: (1) the Cooley Ranch Redevelopment Project (adopting Ordinance No. 1478, dated July 29, 1975); (2) the Santa Ana River Redevelopment Project					
9	(adopting Ordinance No. 1632, dated December 29, 1982); (3) the West Valle Redevelopment Project (adopting Ordinance No. O-10-86, dated July 15, 1986 and i amendment adopting Ordinance No. 0-9-87, dated June 30, 1987); (4) the Mt. Verno Corridor Redevelopment Project (adopting Ordinance No. O-8-87, dated June 30, 1987); ar (5) the Rancho/Mill Redevelopment Project (adopting Ordinance No. O-13-94, dated July 1994) (collectively and as amended, the "Project Areas"); and					
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13	WHEREAS, the Redevelopment Agency for the City of Colton ("Agency") has be					
14	engaged in activities to redevelop the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Sections 33000, et seq.)					
15	and					
16	WHEREAS, continued redevelopment of the Project Areas to eliminate blight improve public facilities and infrastructure, renovate and construct affordable housing, and					
17	enter into partnerships with private industries to create jobs and expand the local economy vital to the health, safety and welfare of the City; and					
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19	WHEREAS, on June 28, 2011, the State of California enacted California Health and Safety Code Sections 34161, <i>et seq.</i> , immediately prohibiting further redevelopment activity					
20	by redevelopment agencies and dissolving all redevelopment agencies in the State of California on October 1, 2011; and					
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22	WHEREAS, on June 28, 2011, the State of California also enacted California Health and Safety Code Sections 34192, <i>et seq.</i> , providing communities the opportunity to continue					
23	redevelopment activity through their local redevelopment agencies by electing to participate in the "Alternative Voluntary Redevelopment Program"; and					
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25	WHEREAS, on July 18, 2011, a Petition for Writ of Mandate was filed in the Supreme Court of the State of California in the matter of <i>California Redevelopment</i>					
26	Association, et al. v. Ana Matosantos, et al., Case No. 5194861 ("Legal Action"), challenging the constitutionality of California Health and Safety Code Sections 34161, et seq., and					
27	California Health and Safety Code Sections 34192, et seq., on behalf of cities, counties and					
28	redevelopment agencies and requesting a stay of enforcement of California Health and Safet Code Sections 34161, <i>et seq.</i> , and California Health and Safety Code Sections 34192, <i>et seq</i> pending the Supreme Court's determination of the constitutionality of AB 1X 26 and AB 12 27; and					

1 WHEREAS, on August 11, 2011, the Supreme Court issued an order in the Legal 2 Action granting a partial stay of California Health and Safety Code Sections 34161, et seq., exclusive of California Health and Safety Code Sections 34161 through 34167 (which 3 suspend all new redevelopment activity), and a complete stay of California Health and Safety 4 Code Sections 34192, et seq., such that the City and the Agency cannot currently pursue new redevelopment activity under the Alternative Voluntary Redevelopment Program 5 (collectively, "Stay"); and 6 WHEREAS, if upheld by the Supreme Court, the Alternative Voluntary 7 Redevelopment Program would allow the Agency to continue pursuing redevelopment within the City, rather than being dissolved pursuant to California Health and Safety Code Sections 8 34161, et seq.; and 9 WHEREAS, in order to participate in the Alternative Voluntary Redevelopment 10 Program, if and when the program goes back into effect, the City must adopt an ordinance stating the City's participation in the program and notify the County of San Bernardino 11 Auditor-Controller, the State Controller and the State Department of Finance of such 12 participation; and 13 WHEREAS, California Health and Safety Code Sections 34192, et seq., provides that the City must adopt such an ordinance before November 1, 2011, and there is no assurance 14 that the Supreme Court will provide additional time to adopt such an ordinance, if California 15 Health and Safety Code Sections 34192, et seq., are eventually upheld by the Supreme Court; and 16 WHEREAS, participation in the Alternative Voluntary Redevelopment Program 17 requires the City to pay certain dollar amounts annually, based on formulas set forth in 18 California Health and Safety Code Section 34194 ("Community Remittance"), to the County of San Bernardino Auditor-Controller; and 19 WHEREAS, for Fiscal Year 2011-2012 the State of California Director of Finance 20 was required to notify the City by August 1, 2011, of the dollar amount of the Community 21 Remittance payable by the City to participate in the Alternative Voluntary Redevelopment Program for such fiscal year; and 22 WHEREAS, the State of California Director of Finance notified the City, as of 23 August 1, 2011, that the dollar amount of the Community Remittance payable by the City to 24 participate in the Alternative Voluntary Redevelopment Program for Fiscal Year 2011-2012 is Three Million Two Hundred Forty Thousand Nine Dollars (\$3,240,009); and 25 WHEREAS, the City has timely filed an appeal of the Community Remittance 26 payment amount for Fiscal Year 2011-2012 with the State of California Director of Finance; 27 and 28 WHEREAS, the County of San Bernardino Auditor-Controller may charge the City a fee that does not exceed the reasonable costs to the County of San Bernardino Auditor-Controller for implementing the Alternative Voluntary Redevelopment Program; and

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WHEREAS, if the City participates in the Alternative Voluntary Redevelopment
Program, but later fails to make the required Community Remittance payments to the County of San Bernardino Auditor-Controller, the City will have assigned its rights to receive payments under agreements with the Agency and the Agency will be subject to dissolution, pursuant to California Health and Safety Code Sections 34161, *et seq.*; and

WHEREAS, the City intends to participate in the Alternative Voluntary Redevelopment Program under the provisions of California Health and Safety Code Sections 34161, *et seq.*, and California Health and Safety Code Sections 34192, *et seq.*, as they existed prior to imposition of the Stay, because such laws suspended all redevelopment activity within the City, would dissolve the Agency and threaten the future health, safety and welfare of the City; and

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WHEREAS, the City does not intend to participate in the Alternative Voluntary Redevelopment Program, if all or any portion of California Health and Safety Code Sections 34161, *et seq.*, or California Health and Safety Code Sections 34192, *et seq.*, are determined by a court of competent jurisdiction to be unconstitutional, illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner that allows the Agency to continue its operations and redevelopment activities in a manner acceptable to the City Council, without the City's participation in the Alternative Voluntary Redevelopment Program, and all appeals of such court determination are exhausted or unsuccessful, or the time for filing an appeal of such court determination has lapsed; and

WHEREAS, by adoption of this Ordinance, the City does not intend to waive any
right or make any acknowledgment or admission regarding and fully reserves all rights to
challenge the constitutionality, legality, validity, enforceability or applicability of California
Health and Safety Code Sections 34161, *et seq.*, California Health and Safety Code Sections
34192, *et seq.*, and related statutes, repeal this Ordinance or recover any or all amounts paid
pursuant to California Health and Safety Code Sections 34192, *et seq.*;

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NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

21 <u>Section 1.</u> <u>Recitals</u>. The Recitals preceding this Ordinance are true and correct
 22 and are incorporated into this Ordinance by this reference.

CEQA. Adoption of this Ordinance is exempt from the requirements Section 2. 23 of the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines (Title 14 California Code of Regulations Sections 15000, et seq.) Section 15061(b)(3), 24 because it can be seen with certainty that payment of Community Remittance amounts to the 25 County of San Bernardino will not have a significant effect on the environment and pursuant to State CEQA Guidelines 15378(b)(4) because payment of Community Remittance amounts 26 to the County of San Bernardino is the creation of government funding mechanisms or other 27 government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The City 28 Clerk is authorized and directed to file a Notice of Exemption with the appropriate official of the County of San Bernardino, California, within five (5) days following the date of adoption of this Ordinance.

1 Section 3. Participation in the Alternative Voluntary Redevelopment **Program.** If and when all or any portion of California Health and Safety Code Sections 2 34161, et seq., is determined by a court of competent jurisdiction to be constitutional in a manner that suspends the Agency's redevelopment activities or dissolves or will dissolve the 3 Agency and the Alternative Voluntary Redevelopment Program, pursuant to California Health 4 and Safety Code Sections 34192, et seq., goes back into effect, the City Council hereby determines that the City will participate in the Alternative Voluntary Redevelopment Program 5 for Fiscal Year 2011-2012 and subsequent fiscal years and pay the Community Remittance amounts payable pursuant to California Health and Safety Code Section 34194, subject to 6 annual City budget appropriations and the City Council's reserved legislative discretion and 7 other rights. The City's participation in the Alternative Voluntary Redevelopment Program, including all Community Remittance payments made related to such program, shall be under 8 protest, subject to the City's reserved rights and without prejudice to the City's reserved 9 legislative discretion to repeal this Ordinance and not participate in the Alternative Voluntary Redevelopment Program and/or right to recover any or all amounts of Community Remittance 10 payments and interest on the amounts of such payments in the future, if all or any portion of California Health and Safety Code Sections 34161, et seq., or California Health and Safety 11 Code Sections 34192, et seq., are determined by a court of competent jurisdiction to be 12 unconstitutional, illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner. 13

Statement of Additional Intent. The intent of the City Council is that, Section 4. 14 if and when all or any portion of California Health and Safety Code Sections 34161, et seq., is determined by a court of competent jurisdiction to be constitutional in a manner that suspends 15 the Agency's redevelopment activities or dissolves or will dissolve the Agency, the 16 Alternative Voluntary Redevelopment Program, pursuant to California Health and Safety Code Sections 34192, et seq., goes back into effect and the Agency is again authorized to 17 enter into agreements under the California Community Redevelopment Law, the City will enter into an agreement with the Agency, as authorized pursuant to California Health and 18 Safety Code Section 34194.2, whereby the Agency will transfer a portion of the Agency's 19 annual tax increment revenue for each fiscal year to the City in amounts not to exceed the annual Community Remittance payments payable by the City for such fiscal year to enable 20 the City, directly or indirectly, to make the annual Community Remittance payments for such 21 fiscal year. The City Council does not intend, by enactment of this Ordinance, to pledge any of the City's general fund revenues or assets to make any Community Remittance payments. 22

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<u>Section 5.</u> <u>Effect of Stav: Reservation of Rights on Invalidity of Law</u>. The City's participation in the Alternative Voluntary Redevelopment Program pursuant to this Ordinance is subject to the Stay and the future determination by a court of competent jurisdiction that all or any portion of California Health and Safety Code Sections 34161, *et seq.*, is constitutional in a manner that suspends the Agency's redevelopment activities or dissolves or will dissolve the Agency, and reinstatement of the Alternative Voluntary Redevelopment Program, pursuant to California Health and Safety Code Sections 34192, *et seq.* The City shall not make any Community Remittance payments, unless and until all such conditions are satisfied. Further, if all or any portion of California Health and Safety Code Sections 34192, *et seq.*, are determined by a court of competent jurisdiction to be unconstitutional, illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner that allows the Agency to continue its operations and redevelopment activities in a manner acceptable to the

City Council, without the City's participation in the Alternative Voluntary Redevelopment
Program, and all appeals of such court determination are exhausted or unsuccessful, or the time for filing an appeal of such court determination has lapsed, the City Council reserves its right and legislative discretion to repeal this Ordinance and not participate in the Alternative Voluntary Redevelopment Program.

4 Section 6. Reservation of Rights to Challenge Law. Notwithstanding the other 5 provisions of this Ordinance or any Community Remittance payments made by the City pursuant to the Alternative Voluntary Redevelopment Program, the City reserves all right and 6 legislative discretion to repeal this Ordinance and not participate in the Alternative Voluntary Redevelopment Program and/or challenge the constitutionality, legality, validity, 7 enforceability or applicability of all or any portion of California Health and Safety Code 8 Sections 34161, et seq., California Health and Safety Code Sections 34192, et seq., and/or related statutes. The City contends that all or a portion of California Health and Safety Code 9 Sections 34161, et seq., California Health and Safety Code Sections 34192, et seq., and/or related statutes are unconstitutional, illegal, invalid, unenforceable or inapplicable regarding 10 the City and/or the Agency. Neither the adoption of this Ordinance, nor references to 11 California Health and Safety Code Sections 34161, et seq., California Health and Safety Code Sections 34192, et seq., and/or related statutes in this Ordinance, nor the payment of any 12 Community Remittance payments pursuant to California Health and Safety Code Sections 13 34192, et seq., are intended to be an acknowledgment, admission or waiver of rights by the City regarding the constitutionality, legality, validity, enforceability or applicability of all or 14 any portion of California Health and Safety Code Sections 34161, et seq., California Health and Safety Code Sections 34192, et seq., and/or any related statutes. 15

- Implementation. The City Council hereby authorizes and directs the Section 7. 16 City Manager, on behalf of the City, to take any and all action and make or enter into any and 17 all documents or agreements necessary to implement this Ordinance, including notifying the County of San Bernardino Auditor-Controller, the Controller of the State of California, and 18 the State of California Department of Finance of the adoption of this Ordinance and the City's participation in the Alternative Voluntary Redevelopment Program, and if and when all or any 19 portion of California Health and Safety Code Sections 34161, et seq., is determined by a court 20 of competent jurisdiction to be constitutional in a manner that suspends the Agency's redevelopment activities or dissolves or will dissolve the Agency and the Alternative 21 Voluntary Redevelopment Program, pursuant to California Health and Safety Code Sections 34192, et seq., goes back into effect, making Community Remittance payments pursuant to 22 California Health and Safety Code Sections 34192, et seq., appealing the determination of the 23 amounts of such payments and entering into an agreement with the Agency to advance or reimburse the City the amount of any and all such Community Remittance payments paid by 24 the City, all subject to the conditions and reservations in this Ordinance.
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26 Section 8. Custodian of Records. The documents and materials constituting the record of proceedings on which the findings contained in this Ordinance are based are located at the City Clerk's office located at 650 North La Cadena Drive, Colton, California. The custodian for these records is the City Clerk of the City of Colton.

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2	Section 9. Severability. If any provision of this Ordinance or the application of					
3	any provision of this Ordinance to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect					
4	without the invalid provision or application and, to this end, the provisions of this Ordinance are severable. The City Council hereby declares that the City Council would have adopted					
5	this Ordinance irrespective of the invalidity of any particular provision of this Ordinance.					
6	Section 10. Certification; Publication. The City Clerk shall certify to the adoption of this Ordinance and cause this Ordinance or a summary of this Ordinance to be published once, within 15 days following the date of adoption of this Ordinance by the City Council, in a newspaper of general circulation printed and published within the City of Colton and shall post a certified copy of this Ordinance, including the vote for and against this Ordinance by					
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9	the members of the City Council, in the Office of the City Clerk, all in accordance with California Government Code Section 36933.					
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11	Section 11. Effective Date. This Ordinance shall become effective thirty (30) days following the date of adoption of this Ordinance by the City Council.					
12	INTO	ODUCED AND ED				
13	INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Colton on the 16th day of August, 2011, and PASSED AND ADOPTED at a regular					
14	meeting of the City Council of the City of Colton on the 6th day of September, 2011, by the					
15	following vote:					
16	AYES:	Council Members:	Toro, Gonzales Mayor Zamora	s, Yzaguirre, Oliva, Bennett, Perez and		
17	NAYS:	Council Members:	None			
18	ABSENT: ABSTAIN:	Council Members: Council Members:	None None			
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22				SARAH S. ZAMORA Mayor		
23	ATTEST:		(City of Colton		
24	ATTEST.					
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26		GOMEZ, CMC				
27	City Clerk City of Colton					
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1	SUMMARY
2	On September 6, 2011, the City Council of the City of Colton will consider adopting
3	an ordinance to participate in the Alternative Voluntary Redevelopment Program pursuant to California Health and Safety Code Sections 34192, <i>et seq.</i> , subject to certain conditions and
4	reservations. A certified copy of the full text of this proposed ordinance is located in the City
5	Clerk's office.
6	The City Council meets at 6:00 p.m. in the Council Chambers in the Colton City Hall, located at 650 North La Cadena Drive. The City Clerk's office is located in City Hall near the
7	Council Chambers.
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