



AGENDA

FOR THE ADJOURNED REGULAR MEETINGS OF THE:

COMMUNITY DEVELOPMENT COMMISSION
CITY COUNCIL

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

FEBRUARY 10, 2011
4:30 P.M.

Joseph D. Serrano, Sr., Mayor
William K. Rounds, Mayor Pro Tem
Luis M. González, Councilmember
Richard J. Moore, Councilmember
Juanita A. Trujillo, Councilmember

Public Comment: The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. City Council will hear public comment on matters not listed on the agenda during the Oral Communications period.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Please Note: Staff reports are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday. City Hall is closed Friday. Telephone (562) 868-0511.

1. **CALL TO ORDER**

2. **ROLL CALL**

Luis M. González, Commissioner/Councilmember
Richard J. Moore, Commissioner/Councilmember
Juanita A. Trujillo, Commissioner/Councilmember
William K. Rounds, Vice-Chair/Mayor Pro Tem
Joseph D. Serrano, Sr., Chair/Mayor

BUDGET STUDY SESSION

NEW BUSINESS

3. Consideration of Various Actions to Protect Redevelopment Funding for Essential Expenditures

- A. Resolution No. 9298 – A Resolution of the City Council of the City of Santa Fe Springs, Approving a Cooperation Agreement and Making Findings Pursuant to Section 33445 of the California Health and Safety Code

Recommendation: That the City Council adopt Resolution No. 9298, approving a Cooperation Agreement between the City and the Community Development Commission and making findings pursuant to Section 33445 of the California Health and Safety Code.

- B. Resolution No. 258-2011 – A Resolution of the Community Development Commission of the City of Santa Fe Springs, Approving a Cooperation Agreement and Making Findings Pursuant to Section 33445 of the California Health and Safety Code

Recommendation: That the Community Development Commission adopt Resolution No. 258-11, approving a Cooperation Agreement between the City and the Community Development Commission and making findings pursuant to Section 33445 of the California Health and Safety Code.

- C. Consideration of Agreement for Payment of Proportional Share of Unfunded Liabilities

Recommendation: That the City Council and Community Development Commission approve the Cooperation Agreement for Payment of Proportional Share of Unfunded Liabilities

- D. Consideration of Exploring Bond Issue Opportunities

Recommendation: That the City Council and Community Development Commission direct Staff to further explore opportunities to pursue a bond issuance as discussed in the body of this report, and bring back recommendations at a subsequent City Council and CDC meeting.

4. Required Payment to SERAF

A. City Resolution No. 9302 - Payment of Required SERAF to State for Fiscal Year 2010-11

Recommendation: That the City Council: 1) Adopt attached Resolution No. 9302, providing for the payment of the Supplemental Educational Revenue Augmentation Fund (SERAF) for FY 2010-11; and 2) Authorize the Director of Finance and Administrative Services to inform the Los Angeles County Auditor-Controller that the CDC will make its required contribution from the Low and Moderate Set Aside Funds.

B. CDC Resolution No. 259-2011 - Payment of Required SERAF to State for Fiscal Year 2010-11

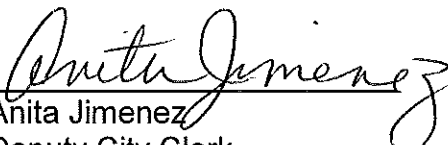
Recommendation: That the Community Development Commission: 1) Adopt attached Resolution No. 259-2011, providing for the payment of the Supplemental Educational Revenue Augmentation Fund (SERAF) for FY 2010-11; and 2) Authorize the Director of Finance and Administrative Services to inform the Los Angeles County Auditor-Controller that the CDC will make its required contribution from the Low and Moderate Set Aside Funds.

5. **ORAL COMMUNICATIONS**

This is the time when comments may be made by interested persons on matters not on the agenda having to do with City business.

6. **ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.


Anita Jimenez
Deputy City Clerk

February 3, 2011
Date



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NEW BUSINESS

Consideration of Various Actions to Protect Redevelopment Funding for Essential Expenditures

RECOMMENDATION

That the Honorable City Council and Community Development Commission take the following actions:

- 1) Receive an update from staff on the Governor's proposal to eliminate redevelopment agencies and the potential impacts on Santa Fe Springs;
- 2) Adopt City Council Resolution No. 9298, approving a Cooperation Agreement between the City and the Community Development Commission and Making Findings Pursuant To Section 33445 of the California Health and Safety Code;
- 3) Adopt CDC Resolution No. 258-2011, approving a Cooperation Agreement between the City and the Community Development Commission and Making Findings Pursuant to Section 33445 of the California Health and Safety Code;
- 4) Approve the Cooperation Agreement for Payment of Proportional Share of Unfunded Liabilities;
- 5) Direct Staff to further explore opportunities to pursue a bond issuance as discussed in the body of this report, and bring back recommendations at a subsequent City Council and CDC meeting.

BACKGROUND

The City Council, Community Development Commission and community at-large know that "Redevelopment" both directly and indirectly promotes quality of life improvements for our community. The City of Santa Fe Springs has benefitted greatly from redevelopment activities. In fact, in many ways, Santa Fe Springs has been a model of how redevelopment funding can be used to spur economic growth to generate revenue which is in turn used to provide support services to the entire community, including local schools.

The benefits of redevelopment have been given short shrift of late. However, it is important to recognize that redevelopment has been a useful tool for blight elimination, job creation, affordable housing development, increasing local revenue streams, strategic economic development, historic preservation, and open space development, as well as providing for the implementation of public improvement projects that otherwise would go unfunded. In addition, redevelopment has been a catalyst for change, as public improvements and investments have been proven to leverage private investment and breathe new economic life into redevelopment project areas.



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Redevelopment is not only an economic development tool but also an agent for environmental protection and sustainability. Redevelopment encourages infill and brownfield development rather than development of greenfield sites, spurring local construction and permanent jobs. Nowhere in California is this more evident and prevalent than in Santa Fe Springs where redevelopment has allowed two refineries and hundreds of acres of contaminated oil field land to be environmentally remediated and developed with new industrial and residential projects. With the private sector avoiding the financial cost and liability associated with contaminated sites, it is left to redevelopment assistance to provide the necessary seed funding to remediate brownfield sites. Without this redevelopment assistance, these sites would still remain a threat to the public and environment. Instead, redevelopment funded remediation and facilitated project development thereby adding both to the tax base and job growth.

Per California Redevelopment Law, 20% of property tax increment generated from redevelopment activities must be spent on affordable housing. For this reason, redevelopment is the second largest funding source for affordable housing in California after the Federal Government. Over 98,000 units of affordable housing have been constructed or rehabilitated since 1993 throughout the State. Since 2000 in Santa Fe Springs alone, over 320 affordable units have been built or preserved as affordable, with another 54 affordable single family homes currently being negotiated. Without redevelopment assistance, new affordable housing construction would practically evaporate.

In summary, redevelopment contributes \$40 billion annually to California's economy and generates more than \$2 billion in State and Local taxes. The Governor's budget proposal to eliminate redevelopment agencies will hurt California in general and be devastating to the Santa Fe Springs economy in particular. The proposal seems to run contrary to the Governor's and Legislature's goals of realigning State services to provide more responsibility and funding locally. Redevelopment funds are already locally-generated property tax dollars (agencies do not receive State funding) directed toward community projects and programs and prioritized by locally-elected officials and the communities they represent. The proposal eliminates the only tool local governments have to drive economic growth, build up tax revenues, and grow sustainably.

Within the enclosed resolutions there are specific agreements that serve as a tool to memorialize existing City and CDC financial commitments between the two entities.



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COOPERATION AGREEMENTS

The City and CDC are two separate legal and financial entities with mutually-benefitting goals and objectives. In an effort to mitigate the severe hardship that the proposed elimination of redevelopment agencies would present, it is in the best interest of the Santa Fe Springs community to memorialize existing commitments between the City and CDC so that appropriate funding may be available in the future. It is important to note that these agreements do not present new obligations to either entity, but rather maintain and formalize the financial arrangements between the respective bodies. Specifically, there are two written instruments in the form of cooperation agreements presented, one relates to Capital Improvement Projects (CIPs) and the other to unfunded labor liabilities.

Capital Improvement Projects (CIPs) Agreement

There are 62 CIPs totaling approximately \$33.6 million in identified and necessary public infrastructure improvements (see Exhibit A). As the City and the CDC have historically cooperated in providing public improvements, the entities plan to continue these efforts to address existing infrastructure needs.

The above-mentioned CIPs have been previously reviewed, authorized, and scheduled for future construction. Financing for such improvements is not available through any other funding entity, as there is no alternative funding source nor is one believed to emerge in the future. The only viable source is the CDC through the use of tax increment revenues. This is consistent with past practice, where the CDC has funded the overwhelming majority of CIPs in the City. The CIPs will benefit the project areas and the City as a whole by assisting in the elimination of blight conditions.

The purpose of this agreement is to formalize this mutual commitment in writing, and facilitate the completion of the projects with net available tax increment revenue in future fiscal years. Essentially, the agreement calls for the \$33.6 million in CIPs, plus a 3% annual inflationary rate, to be paid to the City over a seven (7) year period in increments of \$5.5 million per year (see Exhibit B). By approving and entering into this Agreement, the CDC would pledge future net available tax increment from the CDC's Project Areas. This agreement will maximize the likelihood that tax increment will be available to provide funding for the identified public infrastructure improvements.

Unfunded Labor Liabilities Agreement

Historically, many of the City's staff members have spent a portion of their time performing work for the CDC. Accordingly, the CDC has paid its proportional share of the compensation and benefits to such City staff members. There are, however, unfunded liabilities accruing from the prior work provided by City employees. They



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consist of costs for retirees' medical care and for payments to be charged in future years by CalPERS due to their undercharging for City and/or employee pension contributions in prior years. A precise amount is not available and would be difficult to derive without an actuarial study. Collectively, these costs have become more prominent as health care costs have risen significantly and CalPERS suffered considerable investment losses in recent years. Therefore, it is equitable and prudent to have the CDC pay for its proportionate share of these future costs based on prior year CDC staff funding levels.

The cooperation agreement formally documents the funding of future costs associated with existing prior year liabilities. Similar to the CIP Agreement above, by approving and entering into this Agreement the CDC would pledge net available tax increment from the CDC's Project Areas. This agreement will maximize the likelihood that tax increment will be available to provide funding for the identified liabilities.

BOND ISSUANCE OPPORTUNITIES

The City's Bond Counsel and Underwriter have concurred that it is feasible to issue bonds to fund the above-mentioned CIPs and the CDC's proportional share of the unfunded liabilities. Obviously, bonds will no longer be an option if redevelopment agencies are eliminated.

Bonds should be considered as they are a viable tool if economic development needs are identified. If there is interest in providing financial assistance, it must be recognized promptly. There are other financial, timing, and political considerations which must be taken into account with any bond issuance.

SUMMARY

In order to protect the previously established goals of the Community Development Commission, and to further the CDC's ability to effectuate the timely implementation and completion of its projects, Staff is recommending the following actions:

1. Approval of a Cooperation Agreement between the City and the CDC, relating to Capital Improvement Projects (CIP) funding. The CIP Cooperation Agreement identifies various approved CIP Projects and their respective funding amounts. By approving the CIP Cooperation Agreement, the Council and CDC will be making a commitment to pursue the vitally needed public infrastructure improvements. The Cooperation Agreement contains a more detailed description of the Improvements proposed to be funded. The Cooperation Agreement is proposed at this time because funding large capital projects in the near future will exacerbate the financial strain on the City. Further, there are actions being contemplated by the State of California that



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will, in some cases, make it more difficult for Redevelopment Agencies to fund public improvements and planning studies.

2. Approval of a Cooperation Agreement for payment by the CDC of its proportional share of unfunded liabilities. This Agreement identifies certain unfunded liabilities of the City resulting from City staff who have spent a portion of their time doing work for the CDC. The agreement formalizes the historical practice of having the CDC pay its proportional share of the unfunded liability. Again, due to the extraordinary actions proposed by the State, it is in the City's interest to secure non-General Fund sources of funding for these unfunded liabilities that will remain whether or not Redevelopment is eliminated.
3. Consider options to issue a bond to fund long-term unfunded liabilities. Staff has consulted with its Bond Counsel and Underwriter to explore the possibilities of putting together a bond issuance to fund the "unfunded" portions of the CIP Agreement and the entirety of the Cooperation Agreement relating to the repayment of proportional share of unfunded liabilities. Our respective Counsel have opined that such a bond issuance is technically feasible from a legal perspective, but might face challenges from a timing perspective, as well as face market demand challenges.

It should be noted that the proposed actions of the State are evolving on a daily basis. It is probably not possible to completely inoculate the CDC from the threat of the State usurping future tax increment and the CDC's existing assets. In recommending the above strategies, it is not the City's intent to act hastily and without the interests of the public at heart. To the contrary, the above strategies provide the City with its best hope of preserving the source of locally-generated revenue that has benefited this community for many years.

Thaddeus McCormack
City Manager

Attachments

Resolution No. 9298

Resolution No. 258-2011

Exhibit 1 – Cooperation Agreement for Payment of Costs Associated with Capital Improvement Projects

Exhibit A – Six-Year Capital Improvement Program

Exhibit B – Payment Schedule – Costs Associated with Capital Improvement Projects

RESOLUTION NO. 9298

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SANTA FE SPRINGS, APPROVING A COOPERATION
AGREEMENT AND MAKING FINDINGS PURSUANT TO
SECTION 33445 OF THE CALIFORNIA HEALTH AND SAFETY CODE.**

WHEREAS, located within the City are redevelopment Project Areas (the "Project Areas"). The Project Areas have lawfully adopted Redevelopment Plans (the "Plans"). As a result of the creation of the Project Areas, the Community Development Commission of the City of Santa Fe Springs (the "CDC") receives an allocation of property taxes; and,

WHEREAS, the intent of the Plans, in part, is to provide for, and to expend tax increment on, the construction and installation of necessary public infrastructure and facilities and to assist in the repair, restoration, and replacement of existing public facilities, in order to promote the redevelopment and economic revitalization of the Project Areas; and,

WHEREAS, Section 33220 of the California Health and Safety Code authorizes the City and the CDC to cooperate with each other in the providing of public improvements in connection with redevelopment. The parties have cooperated in such regard previously and intend to do so regarding additional public infrastructure activities; and,

WHEREAS, the CDC, with the consent of the City Council, may pay all or part of the costs of developing, remodeling or rehabilitating any building, facility, structure, or other improvement which is publicly owned, whether inside or outside a Project Area, if the City Council makes certain determinations, and may also reimburse the City for all or part of such costs in the event that such costs have been, or will be, initially paid by the City; and,

WHEREAS, the CDC and the City have prepared an agreement (the "Cooperation Agreement") to provide for the development and construction of the public projects described therein (the "Projects"), and to obligate the CDC to pay for all or part of the costs of the Projects (the "CDC Costs"); and,

WHEREAS, pursuant to Section 33445 of the California Health and Safety Code, the CDC and City Council considered the Cooperation Agreement at a lawfully held public meeting, and reviewed and considered the staff report and any other written or oral evidence presented at such meeting; and,

WHEREAS, the CDC and City Council have concluded that the payment by CDC of the CDC Costs pursuant to the Cooperation Agreement is in the best interests of the City and the health, safety, and welfare of its residents, and is in accord with the public purposes and provisions of applicable laws, regulations and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS
HEREBY RESOLVES AS FOLLOWS:

SECTION 1: The City Council hereby affirms and adopts each of the findings set forth above.

SECTION 2: Based upon all evidence presented at the public meeting, and on all prior actions taken by the City or the CDC to approve and implement the Plans, the Project Areas, and the Projects, the City Council does further find and determine:

(a) The payment of the CDC costs is and will be of benefit to the Project Areas and the immediate neighborhoods in which the Project Areas are located;

(b) There is no other reasonable means of financing the Projects, absent the payment of the CDC Costs;

(c) The payment of the CDC Costs will assist in the elimination of one or more blighting conditions in the Project Areas; and

(d) The payment of the CDC Costs is consistent with all applicable laws and with the Plans and all prior actions taken by the CDC and the City to approve and implement the Plans, the Project Areas, and the Projects, including but not limited to the Implementation Plans adopted pursuant to Section 33490 of the California Health and Safety Code.

SECTION 3: The City Council hereby consents to the payment by the CDC of the CDC Costs.

SECTION 4: The Cooperation Agreement attached hereto as Exhibit "1" is hereby approved in substantially the form presented to the City Council. The City Manager is hereby authorized to make non-substantive changes to the form of the Cooperation Agreement with the approval of the City Attorney. The Mayor is authorized and directed to execute the final version of the Cooperation Agreement to bind the City thereto.

SECTION 5: If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases may be declared invalid or unconstitutional.

PASSED, APPROVED, AND ADOPTED this 10th day of February, 2011.

(seal)

Mayor

ATTEST:

Deputy City Clerk

City Attorney

Exhibit 1

COOPERATION AGREEMENT FOR PAYMENT OF COSTS ASSOCIATED WITH CAPITAL IMPROVEMENT PROJECTS

This Agreement is made and entered into as of February 10, 2011, by and between the CITY OF SANTA FE SPRINGS (the "City") and the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS (the "CDC").

Recitals

A. Located within the City are redevelopment Project Areas (the "Project Areas"). The Project Areas have lawfully adopted Redevelopment Plans (the "Plans"). As a result of the creation of the Project Areas, the CDC receives an allocation of property taxes.

B. The intent of the Plans, in part, is to provide for, and to expend tax increment on, the construction and installation of necessary public infrastructure and facilities and to assist in the repair, restoration, and replacement of existing public facilities, in order to promote the redevelopment and economic revitalization of the Project Areas.

C. Section 33220 of the California Health and Safety Code provides that certain public entities, including cities, may aid in the planning, undertaking, construction, or operation of redevelopment projects. The City and the CDC desire and intend to cooperate in order to complete the specific projects listed in Exhibit "A", attached hereto, the contents of which are incorporated by reference as though fully set forth herein (the "Projects"). The purpose of this Agreement is to facilitate the completion of the Projects with net available tax increment in this current fiscal year, and in future fiscal years.

D. The City Council and the CDC have each adopted a resolution pursuant to Section 33445 of the California Health and Safety Code, making the findings necessary for each party to perform its obligations pursuant to this Agreement.

E. By approving and entering into this Agreement, the CDC has approved a pledge of net available tax increment from the CDC's Project Areas. Such indebtedness shall be subordinate to any existing CDC bonds, notes, or other instruments of indebtedness.

F. This Agreement is separate and apart from, and does not supersede any other agreements between the City and the CDC which involve a pledge of tax increment.

Based on the Recitals set forth above, each of which is an integral part of this Agreement, and in consideration of the mutual promises set forth below, the parties hereby agree as follows:

Exhibit 1

1. The CDC hereby agrees to pay to the City an amount equal to the cost to the City to carry out the Projects, including without limitation all costs incurred by the City for the planning, financing, design, site testing, bidding, construction, and construction management thereof. All of the CDC's obligations under this Agreement, including without limitation its obligation to make payments to the City, constitute an indebtedness of the CDC for the purpose of carrying out the redevelopment of the Project Areas, and are authorized by Section 33445 and other applicable statutes. Such obligations are contractual obligations that, if breached, will subject the CDC to liability for damages, and to other legal remedies.

2. The obligations of the CDC under this Agreement shall be payable out of net available tax increment, in the minimum amounts set forth in the Payment Schedule attached hereto as Exhibit "B", the contents of which are incorporated by reference as though fully set forth herein.

3. The City shall accept any funds offered by the CDC pursuant to this Agreement. The City hereby agrees that it shall use any and all funds received from the CDC pursuant to this Agreement exclusively for the purpose of paying for the costs of the Projects. The City shall perform its obligations pursuant to this Agreement in accordance with all applicable provisions of federal, state, and local laws and regulations, including but not limited to the applicable provisions of the California Environmental Quality Act and the California Public Contract Code.

4. This Agreement constitutes the entire agreement between the parties regarding the obligation of the CDC to pay for the Projects, and supersedes all prior negotiations or agreements between the parties with respect thereto.

5. If any term, provision, clause, sentence, paragraph, or section of this Agreement is determined by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or determination of unenforceability.

6. If either party fails to perform, or to adequately perform an obligation within 30 days of receiving written notice from the other party, the party failing to perform shall be in default. In the event of default, the non-defaulting party shall have all rights and remedies, in law and in equity, to enforce the provisions of this Agreement, including without limitation the right to sue for damages for breach of contract. Such rights and remedies shall be cumulative.

7. This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or by operation of law.

Exhibit 1

Intending to be legally bound, the parties have executed this Agreement, below, as of the date first set forth above.

CITY OF SANTA FE SPRINGS

Mayor

Attest:

City Clerk

Approved as to form.

City Attorney

COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF SANTA FE SPRINGS

Executive Director

Attest:

Commission Secretary

Approved as to form.

CDC Attorney

**City of Santa Fe Springs
Six-Year Capital Improvement Program
FY 2006-07 through FY 2011-12**

	Project Title	Account Number	Report to the City Council and CDC 2/10/11
		Current	
		6/30/2010	Total Obligation of CDC Funds
	Community Services Facilities (Parks, Recreation, Senior & Library)		
1	Neighborhood Center - Temporary Facilities	484-R544	\$38,299
2	Neighborhood Center - Construction (Phase 1)	484-R545	\$4,817,045
5	Lake Center Snack Bar Expansion	484-R500	\$167,840
6	Lakeview Park Shade Structure	484-R502	\$44,000
7	TCH - Renovate Large Restrooms (TCH)	484-R532	\$200,000
8	Nieto Branch Library at the Neighborhood Center	488-0804	\$100,000
9	Security Gates at the Neighborhood Center	484-R505	\$44,345
10	Los Nietos Water Park	453-B013	\$100,000
11	SFS Park Master Plan (River Park Project)	450-0997	\$0
12	Activity Ctr - Develop Master Plan (Phase 1 & 2)	484-R554	\$468,000
13	Little Lake Park - Phase 1	484-R541	\$548,115
14	Lakeview Park Multi-Purpose Building	450-0936	\$0
15	Little Lake Park - Phase 1 (North Parking Lot)	484-R541	\$600,000
16	Little Lake Park - Phase 1 (South Parking Lot)	484-R541	\$600,000
17	Clarke Estate Improvements	488-R557	\$900,000
18	Miscellaneous Park Improvements	484-R558	\$500,000
	Community Services Facilities (Parks, Recreation, Senior & Library)		\$9,127,645
	Public Safety Improvements (Police, Fire & Security)		
1	Fire HQ - Office Expansion	453-B011	\$4,123,939
2	Fire HQ - Add Garage in SE Corner	484-R509	\$25,000
3	Fire HQ - Enclose Existing Carport	484-R510	\$10,000
4	Fire Station No. 2 - Replace Generator	480-0806	\$185,089
5	Fire Sta. # 2 - Expand Workout & Equipment Room	480-0989	\$462,372
6	Above Ground Fuel Storage Tanks (Sta. 3) HQ?	484-R508	\$15,818
7	Police Staging Facility Fire System	484-R506	\$27,000
8	Keyless Entry Sys. (Ph 3) - MSY, PSA & Foster Well	453-B006	\$85,000
9	Fire Station Roof Improvements	484-R560	\$100,000
10	Fire Department Improvements	485-1020	\$219,682
	Public Safety Improvements (Police, Fire & Security)		\$5,253,900

**City of Santa Fe Springs
Six-Year Capital Improvement Program
FY 2006-07 through FY 2011-12**

	Project Title	Account Number	Report to the City Council and CDC 2/10/11
		Current	
		6/30/2010	Total Obligation of CDC Funds
	Streets and Storm Drains		
1	Replace Directional Specialty Signs	484-R516	\$11,192
2	Rivera Road Resurfacing/Reconstruction	484-R521	\$705,371
3	Commercial / Industrial Street Rehab (Phase 2)	484-R549	\$6,178,891
4	Quiet Zone Mitigations (Phase 1)	484-R525	\$456,408
5	Traffic Signal Modification - Tel/605 at Cedardale	488-1052	\$0
6	Traffic Signal Upgrades (3 groups) FY 07-08	484-R514	\$78,830
7	Street Light Conversion - Residential	484-R523	\$450,000
8	Repaint UPRR Bridge Facade (Tel e/o Pioneer)	485-1006	\$42,988
9	Traffic Signal Install - Corral/Bloomfield	485-1059	\$156,513
10	Traffic Signal Upgrades (3 groups) FY 08-09	484-R515	\$120,000
11	Alondra/Valley View Intersection Project	484-R522	\$245,541
12	Bridge Barrier - Imperial Highway / Coyote Creek	480-1065	\$16,000
13	Pavement Management System	484-R526	\$74,000
14	Sorenson Storm Drain - Design	484-R527	\$199,193
15	Alondra Blvd. Median Improvements	484-R530	\$37,996
16	Bridge Barrier - Ptr/Sor, Rosecrans/CCC No Fork	485-1008	\$47,326
17	Street Sweeping Disposal Facility	485-1014	\$74,166
18	Florence Ave Signal Synchronization (LAC Funded)	480-0802	\$42,000
19	I-5 Corridor Special Land Reuse Study	480-1030	\$34,215
20	Enhanced Parkways - Telegraph at Orr & Day	488-1050	\$0
21	Enhanced Pkws - SG River to I-605 & I-605 Bridge	488-1073	\$0
22	Florence / Roseton Traffic Signal	450-C319	\$200,000
23	Street Light Conversion - Ind Area (Phase 2)	485-1007	\$250,000
24	Valley View Grade Separation	452-XXXX	\$2,000,000
	Streets and Storm Drains		\$11,420,630
	Telegraph Corridor Improvements		
1	Urban Forest - Pedestrian Bollards (Southside)	484-R531	\$240,593
	Telegraph Corridor Improvements		\$240,593

**City of Santa Fe Springs
Six-Year Capital Improvement Program
FY 2006-07 through FY 2011-12**

	Project Title	Account Number	Report to the City Council and CDC 2/10/11
		Current	
		6/30/2010	Total Obligation of CDC Funds
	Town Center Improvements		
1	Town Center Landscaping	488-1047	\$410,957
2	Town Center - West Side Parking Lot	450-0987	\$454,133
3	Town Center Master Plan (Phase 2)	488-0807	\$73,459
4	Town Ctr Phase 2 - Kiosks, Signage & Furniture	488-1072	\$134,433
	Town Center Improvements		\$1,072,982
	Water System Improvements		
1	Portable Generators for Well Nos. 1 and 2	484-R535	\$200,000
2	New Zone 2 Reservoir Expansion	484-R536	\$1,000,000
3	Arsenic Treatment Facilities New Well - Zone 2	453-B008	\$600,000
4	16-inch Transmission Main - Phase 1 Inv & Repair	453-B009	\$450,000
5	16-inch Transmission Main - Phase 2 Inv & Repair	484-R538	\$200,000
6	New Water Well - Zone 1 (Phase 1)	484-R534	\$1,000,000
7	Reservoir No. 2 - New Chloramination Bldg	484-R537	\$300,000
8	Water System Changes - Carmenita/I-5 (Design)	484-R539	\$118,298
9	New Water Well - Zone 2 (Location A)	453-B007	\$2,396,276
	Water System Improvements		\$6,264,574
	Miscellaneous Projects		
1	Miscellaneous Water Feature Repairs		\$250,000
	Miscellaneous Projects		\$250,000
	Grand Total		\$33,630,324

Exhibit B -

Payment Schedule - Costs Associated with Capital Improvement Projects

Amount \$ 33,630,324 *
Interest Rate 3.00% **
Payment Term 7 Years

Fiscal Year	Beginning Balance	Principal	Interest	Annual Payment	Ending Balance
2011-12	\$ 33,630,324.00	\$ 4,491,090.28	\$ 1,008,909.72	\$ 5,500,000.00	\$ 29,139,233.72
2012-13	29,139,233.72	4,625,822.99	874,177.01	5,500,000.00	24,513,410.73
2013-14	24,513,410.73	4,764,597.68	735,402.32	5,500,000.00	19,748,813.05
2014-15	19,748,813.05	4,907,535.61	592,464.39	5,500,000.00	14,841,277.44
2015-16	14,841,277.44	5,054,761.68	445,238.32	5,500,000.00	9,786,515.76
2016-17	9,786,515.76	5,206,404.53	293,595.47	5,500,000.00	4,580,111.23
2017-18	4,580,111.23	4,580,111.23	137,403.34	4,717,514.57	-
Total		\$ 33,630,324.00	\$ 4,087,190.57	\$ 37,717,514.57	

* Amount is present day value of all capital improvement projects to be funded.

** This represents the anticipated inflationary factor that will add to the project costs.

RESOLUTION NO. 258-2011

**A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF SANTA FE SPRINGS, APPROVING A COOPERATION
AGREEMENT AND MAKING FINDINGS PURSUANT TO
SECTION 33445 OF THE CALIFORNIA HEALTH AND SAFETY CODE.**

WHEREAS, located within the City of Santa Fe Springs are redevelopment Project Areas (the "Project Areas"). The Project Areas have lawfully adopted Redevelopment Plans (the "Plans"). As a result of the creation of the Project Areas, the Community Development Commission of the City of Santa Fe Springs (the "CDC") receives an allocation of property taxes; and

WHEREAS, the intent of the Plans, in part, is to provide for, and to expend tax increment on, the construction and installation of necessary public infrastructure and facilities and to assist in the repair, restoration and replacement of existing public facilities, in order to promote the redevelopment and economic revitalization of the Project Areas; and

WHEREAS, Section 33220 of the California Health and Safety Code authorizes the City and the CDC to cooperate with each other in the providing of public improvements in connection with redevelopment. The parties have cooperated in such regard previously and intend to do so regarding additional public infrastructure activities; and

WHEREAS, the CDC, with the consent of the City Council, may pay all or part of the costs of developing, remodeling or rehabilitating any building, facility, structure or other improvement which is publicly owned, whether inside or outside a Project Area, if the City Council makes certain determinations, and may also reimburse the City for all or part of such costs in the event that such costs have been, or will be, initially paid by the City; and

WHEREAS, the CDC and the City have prepared an agreement (the "Cooperation Agreement") to provide for the development and construction of the public projects described therein (the "Projects"), and to obligate the CDC to pay for all or part of the costs of the Projects (the "CDC Costs"); and

WHEREAS, pursuant to Section 33445 of the California Health and Safety Code, the CDC and City Council considered the Cooperation Agreement at a lawfully held public meeting, and reviewed and considered the staff report and any other written or oral evidence presented at such meeting; and

WHEREAS, the CDC and City Council have concluded that the payment by CDC of the CDC Costs pursuant to the Cooperation Agreement is in the best interests of the City and the health, safety and welfare of its residents, and is in accord with the public purposes and provisions of applicable laws, regulations and requirements.

NOW, THEREFORE, THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS HEREBY RESOLVES AS FOLLOWS:

SECTION 1: The CDC hereby affirms and adopts each of the findings set forth above.

SECTION 2: Based upon all evidence presented at the public meeting, and on all prior actions taken by the City or the CDC to approve and implement the Plans, the Project Areas and the Projects, the CDC does further find and determine:

(a) The payment of the CDC costs is and will be of benefit to the Project Areas and the immediate neighborhoods in which the Project Areas are located;

(b) There is no other reasonable means of financing the Projects, absent the payment of the CDC Costs;

(c) The payment of the CDC Costs will assist in the elimination of one or more blighting conditions in the Project Areas; and

(d) The payment of the CDC Costs is consistent with all applicable laws and with the Plans and all prior actions taken by the CDC and the City to approve and implement the Plans, the Project Areas and the Projects, including but not limited to the Implementation Plans adopted pursuant to Section 33490 of the California Health and Safety Code.

SECTION 3: The CDC hereby agrees to the payment by the CDC of the CDC Costs.

SECTION 4: The Cooperation Agreement attached hereto as Exhibit "1" is hereby approved in substantially the form presented to the CDC. The Executive Director is hereby authorized to make non-substantive changes to the form of the Cooperation Agreement with the approval of the CDC Attorney. The Executive Director is authorized and directed to execute the final version of the Cooperation Agreement, to bind the CDC thereto.

SECTION 5: If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The CDC hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

PASSED, APPROVED, AND ADOPTED this 10th day of February, 2011.

(seal)

Mayor

ATTEST:

Deputy City Clerk

City Attorney

Exhibit 1

COOPERATION AGREEMENT FOR PAYMENT OF COSTS ASSOCIATED WITH CAPITAL IMPROVEMENT PROJECTS

This Agreement is made and entered into as of February 10, 2011, by and between the CITY OF SANTA FE SPRINGS (the "City") and the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS (the "CDC").

Recitals

A. Located within the City are redevelopment Project Areas (the "Project Areas"). The Project Areas have lawfully adopted Redevelopment Plans (the "Plans"). As a result of the creation of the Project Areas, the CDC receives an allocation of property taxes.

B. The intent of the Plans, in part, is to provide for, and to expend tax increment on, the construction and installation of necessary public infrastructure and facilities and to assist in the repair, restoration, and replacement of existing public facilities, in order to promote the redevelopment and economic revitalization of the Project Areas.

C. Section 33220 of the California Health and Safety Code provides that certain public entities, including cities, may aid in the planning, undertaking, construction, or operation of redevelopment projects. The City and the CDC desire and intend to cooperate in order to complete the specific projects listed in Exhibit "A", attached hereto, the contents of which are incorporated by reference as though fully set forth herein (the "Projects"). The purpose of this Agreement is to facilitate the completion of the Projects with net available tax increment in this current fiscal year, and in future fiscal years.

D. The City Council and the CDC have each adopted a resolution pursuant to Section 33445 of the California Health and Safety Code, making the findings necessary for each party to perform its obligations pursuant to this Agreement.

E. By approving and entering into this Agreement, the CDC has approved a pledge of net available tax increment from the CDC's Project Areas. Such indebtedness shall be subordinate to any existing CDC bonds, notes, or other instruments of indebtedness.

F. This Agreement is separate and apart from, and does not supersede any other agreements between the City and the CDC which involve a pledge of tax increment.

Based on the Recitals set forth above, each of which is an integral part of this Agreement, and in consideration of the mutual promises set forth below, the parties hereby agree as follows:

Exhibit 1

1. The CDC hereby agrees to pay to the City an amount equal to the cost to the City to carry out the Projects, including without limitation all costs incurred by the City for the planning, financing, design, site testing, bidding, construction, and construction management thereof. All of the CDC's obligations under this Agreement, including without limitation its obligation to make payments to the City, constitute an indebtedness of the CDC for the purpose of carrying out the redevelopment of the Project Areas, and are authorized by Section 33445 and other applicable statutes. Such obligations are contractual obligations that, if breached, will subject the CDC to liability for damages, and to other legal remedies.

2. The obligations of the CDC under this Agreement shall be payable out of net available tax increment, in the minimum amounts set forth in the Payment Schedule attached hereto as Exhibit "B", the contents of which are incorporated by reference as though fully set forth herein.

3. The City shall accept any funds offered by the CDC pursuant to this Agreement. The City hereby agrees that it shall use any and all funds received from the CDC pursuant to this Agreement exclusively for the purpose of paying for the costs of the Projects. The City shall perform its obligations pursuant to this Agreement in accordance with all applicable provisions of federal, state, and local laws and regulations, including but not limited to the applicable provisions of the California Environmental Quality Act and the California Public Contract Code.

4. This Agreement constitutes the entire agreement between the parties regarding the obligation of the CDC to pay for the Projects, and supersedes all prior negotiations or agreements between the parties with respect thereto.

5. If any term, provision, clause, sentence, paragraph, or section of this Agreement is determined by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or determination of unenforceability.

6. If either party fails to perform, or to adequately perform an obligation within 30 days of receiving written notice from the other party, the party failing to perform shall be in default. In the event of default, the non-defaulting party shall have all rights and remedies, in law and in equity, to enforce the provisions of this Agreement, including without limitation the right to sue for damages for breach of contract. Such rights and remedies shall be cumulative.

7. This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or by operation of law.

Exhibit 1

Intending to be legally bound, the parties have executed this Agreement, below, as of the date first set forth above.

CITY OF SANTA FE SPRINGS

Mayor

Attest:

City Clerk

Approved as to form.

City Attorney

COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF SANTA FE SPRINGS

Executive Director

Attest:

Commission Secretary

Approved as to form.

CDC Attorney

**City of Santa Fe Springs
Six-Year Capital Improvement Program
FY 2006-07 through FY 2011-12**

	Project Title	Account Number	Report to the City Council and CDC 2/10/11
		Current	
		6/30/2010	Total Obligation of CDC Funds
	Community Services Facilities (Parks, Recreation, Senior & Library)		
1	Neighborhood Center - Temporary Facilities	484-R544	\$38,299
2	Neighborhood Center - Construction (Phase 1)	484-R545	\$4,817,045
5	Lake Center Snack Bar Expansion	484-R500	\$167,840
6	Lakeview Park Shade Structure	484-R502	\$44,000
7	TCH - Renovate Large Restrooms (TCH)	484-R532	\$200,000
8	Nieto Branch Library at the Neighborhood Center	488-0804	\$100,000
9	Security Gates at the Neighborhood Center	484-R505	\$44,345
10	Los Nietos Water Park	453-B013	\$100,000
11	SFS Park Master Plan (River Park Project)	450-0997	\$0
12	Activity Ctr - Develop Master Plan (Phase 1 & 2)	484-R554	\$468,000
13	Little Lake Park - Phase 1	484-R541	\$548,115
14	Lakeview Park Multi-Purpose Building	450-0936	\$0
15	Little Lake Park - Phase 1 (North Parking Lot)	484-R541	\$600,000
16	Little Lake Park - Phase 1 (South Parking Lot)	484-R541	\$600,000
17	Clarke Estate Improvements	488-R557	\$900,000
18	Miscellaneous Park Improvements	484-R558	\$500,000
	Community Services Facilities (Parks, Recreation, Senior & Library)		\$9,127,645
	Public Safety improvements (Police, Fire & Security)		
1	Fire HQ - Office Expansion	453-B011	\$4,123,939
2	Fire HQ - Add Garage in SE Corner	484-R509	\$25,000
3	Fire HQ - Enclose Existing Carport	484-R510	\$10,000
4	Fire Station No. 2 - Replace Generator	480-0806	\$185,089
5	Fire Sta. # 2 - Expand Workout & Equipment Room	480-0989	\$462,372
6	Above Ground Fuel Storage Tanks (Sta. 3) HQ?	484-R508	\$15,818
7	Police Staging Facility Fire System	484-R506	\$27,000
8	Keyless Entry Sys. (Ph 3) - MSY, PSA & Foster Well	453-B006	\$85,000
9	Fire Station Roof Improvements	484-R560	\$100,000
10	Fire Department Improvements	485-1020	\$219,682
	Public Safety improvements (Police, Fire & Security)		\$5,253,900

**City of Santa Fe Springs
Six-Year Capital Improvement Program
FY 2006-07 through FY 2011-12**

	Project Title	Account Number	Report to the City Council and CDC 2/10/11
		Current	
		6/30/2010	Total Obligation of CDC Funds
	Streets and Storm Drains		
1	Replace Directional Specialty Signs	484-R516	\$11,192
2	Rivera Road Resurfacing/Reconstruction	484-R521	\$705,371
3	Commercial / Industrial Street Rehab (Phase 2)	484-R549	\$6,178,891
4	Quiet Zone Mitigations (Phase 1)	484-R525	\$456,408
5	Traffic Signal Modification - Tel/605 at Cedardale	488-1052	\$0
6	Traffic Signal Upgrades (3 groups) FY 07-08	484-R514	\$78,830
7	Street Light Conversion - Residential	484-R523	\$450,000
8	Repaint UPRR Bridge Facade (Tel e/o Pioneer)	485-1006	\$42,988
9	Traffic Signal Install - Corral/Bloomfield	485-1059	\$156,513
10	Traffic Signal Upgrades (3 groups) FY 08-09	484-R515	\$120,000
11	Alondra/Valley View Intersection Project	484-R522	\$245,541
12	Bridge Barrier - Imperial Highway / Coyote Creek	480-1065	\$16,000
13	Pavement Management System	484-R526	\$74,000
14	Sorenson Storm Drain - Design	484-R527	\$199,193
15	Alondra Blvd. Median Improvements	484-R530	\$37,996
16	Bridge Barrier - Ptr/Sor, Rosecrans/CCC No Fork	485-1008	\$47,326
17	Street Sweeping Disposal Facility	485-1014	\$74,166
18	Florence Ave Signal Synchronization (LAC Funded)	480-0802	\$42,000
19	I-5 Corridor Special Land Reuse Study	480-1030	\$34,215
20	Enhanced Parkways - Telegraph at Orr & Day	488-1050	\$0
21	Enhanced Pkws - SG River to I-605 & I-605 Bridge	488-1073	\$0
22	Florence / Roseton Traffic Signal	450-C319	\$200,000
23	Street Light Conversion - Ind Area (Phase 2)	485-1007	\$250,000
24	Valley View Grade Separation	452-XXXX	\$2,000,000
	Streets and Storm Drains		\$11,420,630
	Telegraph Corridor Improvements		
1	Urban Forest - Pedestrian Bollards (Southside)	484-R531	\$240,593
	Telegraph Corridor Improvements		\$240,593

**City of Santa Fe Springs
Six-Year Capital Improvement Program
FY 2006-07 through FY 2011-12**

	Project Title	Account Number	Report to the City Council and CDC 2/10/11
		Current	
		6/30/2010	Total Obligation of CDC Funds
	Town Center Improvements		
1	Town Center Landscaping	488-1047	\$410,957
2	Town Center - West Side Parking Lot	450-0987	\$454,133
3	Town Center Master Plan (Phase 2)	488-0807	\$73,459
4	Town Ctr Phase 2 - Kiosks, Signage & Furniture	488-1072	\$134,433
	Town Center Improvements		\$1,072,982
	Water System Improvements		
1	Portable Generators for Well Nos. 1 and 2	484-R535	\$200,000
2	New Zone 2 Reservoir Expansion	484-R536	\$1,000,000
3	Arsenic Treatment Facilities New Well - Zone 2	453-B008	\$600,000
4	16-inch Transmission Main - Phase 1 Inv & Repair	453-B009	\$450,000
5	16-inch Transmission Main - Phase 2 Inv & Repair	484-R538	\$200,000
6	New Water Well - Zone 1 (Phase 1)	484-R534	\$1,000,000
7	Reservoir No. 2 - New Chloramination Bldg	484-R537	\$300,000
8	Water System Changes - Carmenita/I-5 (Design)	484-R539	\$118,298
9	New Water Well - Zone 2 (Location A)	453-B007	\$2,396,276
	Water System Improvements		\$6,264,574
	Miscellaneous Projects		
1	Miscellaneous Water Feature Repairs		\$250,000
	Miscellaneous Projects		\$250,000
	Grand Total		\$33,630,324

Exhibit B -

Payment Schedule - Costs Associated with Capital Improvement Projects

Amount	\$	33,630,324 *
Interest Rate		3.00% **
Payment Term		7 Years

Fiscal Year	Beginning Balance	Principal	Interest	Annual Payment	Ending Balance
2011-12	\$ 33,630,324.00	\$ 4,491,090.28	\$ 1,008,909.72	\$ 5,500,000.00	\$ 29,139,233.72
2012-13	29,139,233.72	4,625,822.99	874,177.01	5,500,000.00	24,513,410.73
2013-14	24,513,410.73	4,764,597.68	735,402.32	5,500,000.00	19,748,813.05
2014-15	19,748,813.05	4,907,535.61	592,464.39	5,500,000.00	14,841,277.44
2015-16	14,841,277.44	5,054,761.68	445,238.32	5,500,000.00	9,786,515.76
2016-17	9,786,515.76	5,206,404.53	293,595.47	5,500,000.00	4,580,111.23
2017-18	4,580,111.23	4,580,111.23	137,403.34	4,717,514.57	-
Total		\$ 33,630,324.00	\$ 4,087,190.57	\$ 37,717,514.57	

* Amount is present day value of all capital improvement projects to be funded.

** This represents the anticipated inflationary factor that will add to the project costs.

AGREEMENT FOR PAYMENT OF
PROPORTIONAL SHARE OF UNFUNDED LIABILITIES

This Agreement is made and entered into as of February 10, 2011, by and between the CITY OF SANTA FE SPRINGS (the "City") and the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS (the "CDC").

Recitals

A. The CDC does not have its own staff. Historically, many of the City's staff members have spent a portion of their time doing work for the CDC. Accordingly, the CDC has paid its proportional share of the compensation and benefits paid to such City staff members.

B. There are unfunded liabilities accruing from the prior work done by such City employees, consisting of liabilities for retirees' medical care, and for payments to be charged in future years by CalPERS necessitated by undercharging by CalPERS for City and/or employee contributions in prior years (together, the "Unfunded Liabilities").

C. It is both appropriate and necessary that the CDC pay its proportional share of the Unfunded Liabilities, based on the proportional share of compensation and benefits paid historically to each City employee who was compensated in part with CDC funds (the "CDC Proportional Share").

D. There is no other reasonable means of paying the Unfunded Liabilities. Should the CDC fail to pay the CDC Proportional Share, the City's ability to provide basic, essential services to its constituents will be severely compromised.

E. By approving and entering into this Agreement, the CDC has approved a pledge of net available tax increment from the CDC's Project Areas. Such indebtedness shall be subordinate to any existing CDC bonds, notes, or other instruments of indebtedness.

F. This Agreement is separate and apart from, and does not supersede any other agreements between the City and the CDC which involve a pledge of tax increment.

Based on the Recitals set forth above, each of which is an integral part of this Agreement, and inconsideration of the mutual promises set forth below, the parties hereby agree as follows:

1. The CDC hereby agrees to pay to the City the CDC Proportional Share of the Unfunded Liabilities, in such reasonable and appropriate amount as is determined by a qualified actuarial or accounting analysis.

2. In the event that bonds are issued to fund the CDC's obligation to pay the CDC Proportional Share to the City, the CDC shall pay such funds to the City, for the exclusive purpose of paying a portion of the Unfunded Liabilities.

3. The City hereby agrees that it shall use any and all funds received from the CDC pursuant to this Agreement, whether such funds are the proceeds of a bond issue or are other tax increment funds, exclusively for the purpose of paying a portion of the Unfunded Liabilities.

4. This Agreement constitutes the entire agreement between the parties regarding the Unfunded Liabilities, and supersedes all prior negotiations or agreements between the parties with respect thereto.

5. If any term, provision, clause, sentence, paragraph, or section of this Agreement is determined by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding, or determination of unenforceability.

6. If either party fails to perform, or to adequately perform an obligation within 30 days of receiving written notice from the other party, the party failing to perform shall be in default. In the event of default, the non-defaulting party shall have all rights and remedies, in law and in equity, to enforce the provisions of this Agreement, including without limitation the right to sue for damages for breach of contract. Such rights and remedies shall be cumulative.

7. This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or by operation of law.

Intending to be legally bound, the parties have executed this Agreement, below, as of the date first set forth above.

CITY OF SANTA FE SPRINGS

Mayor

Attest:

City Clerk

Approved as to form.

City Attorney

COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF SANTA FE SPRINGS

Executive Director

Attest:

Commission Secretary

Approved as to form.

CDC Attorney



City of Santa Fe Springs

Community Development/City Council Meetings

February 10, 2011

NEW BUSINESS

City Resolution No. 9302 and CDC Resolution No. 259-2011 - Payment of Required SERAF to State for Fiscal Year 2010-11

RECOMMENDATION

That the Honorable City Council and Community Development Commission take the following actions:

- 1) Adopt attached Resolution Nos. 9302 and 259-2011, respectively, providing for the payment of the Supplemental Educational Revenue Augmentation Fund (SERAF) for FY 2010-11; and
- 2) Authorize the Director of Finance and Administrative Services to inform the Los Angeles County Auditor-Controller that the CDC will make its required contribution from the Low and Moderate Set Aside Funds.

BACKGROUND

As a result of the State's massive budget troubles, the Legislature passed Assembly Bill 26 in July 2009. It obligated all local community development commissions to remit SERAF payments to the State in FY 2009-10 and FY 2010-11. The Santa Fe Springs Community Development Commission's required contributions were determined to be \$10,653,876 and \$2,191,328, respectively. The legislation further required that the City notify the County's Auditor-Controller office by March 1, 2011, of how it intends to meet its obligation with payment due prior to May 10, 2011.

RECOMMENDED FUNDING SOURCE

Staff recommends that the funds are paid by borrowing internally from approximately \$3.7 million in available Low and Moderate Set Aside Funds. In order for this to occur, the Council must make a formal finding that there are insufficient alternative funding sources from which to make the payment above. Furthermore, in accordance with State law, repayment of the borrowed funds must be made in full on or before June 30, 2016.

There is ongoing litigation regarding the legality of the State's ability to impose the SERAF obligation on commissions. The proposed notification to the County's Auditor-Controller will specifically identify the ongoing litigation and clarify that the Agency wishes to reserve any and all rights that may result from the outcome of the legal proceedings.

Thaddeus McCormack
City Manager

Attachments

Resolution Nos. 9302 and 259-2011

RESOLUTION NO. 9302

**A RESOLUTION OF THE CITY OF SANTA FE SPRINGS PROVIDING FOR THE
PAYMENT OF THE SUPPLEMENTAL EDUCATIONAL REVENUE
AUGMENTATION FUND (SERAF) OBLIGATION FOR FISCAL YEAR 2010-11**

WHEREAS, Chapter 21 of the Statutes of 2009 (AB X4-26) and Chapter 652 of the Statutes of 2009 (SB 68) enacted Health and Safety Code (HSC) Section 33690.5 requiring redevelopment agencies (also known as community development commissions) in the state to pay certain amounts, for Fiscal Year 2010-11, to the county auditor for deposit into the County's Supplemental Education Revenue Augmentation Fund ("SERAF")

WHEREAS, to make the full allocation to SERAF, HSC Section 33690.5(c)(1) authorizes redevelopment agencies to borrow from the Community Development Commission of the City of Santa Fe Springs' (Commission) Low and Moderate Income Housing Fund, pursuant to HSC Sections 33334.2, 33334.3, and 33334.6, unless executed contracts exist that would be impaired if the Commission reduced the amount allocated to the low and moderate income housing.

WHEREAS, in order to borrow from the amounts to be allocated to the fund for payment of SERAF, an agency shall make a finding that there are insufficient other moneys to meet the SERAF payment requirements.

WHEREAS, any funds borrowed from the amounts to be allocated to the fund for payment of SERAF shall be repaid in full on or before June 30, 2016.

WHEREAS, pursuant to the provisions of Section 33690.5, the Community Development Commission of the City of Santa Fe Springs specifically finds and determines that: (a) there are no existing executed contracts to which the Commission is a party that would be impaired if the Commission reduced the amount allocated to the Low and Moderate Income Housing Fund by the amount of the required SERAF payment fee; (b) there are insufficient other moneys to meet the SERAF payment requirement of Section 33690.5(a).

NOW, THEREFORE, THE CITY OF SANTA FE SPRINGS DOES RESOLVE AS FOLLOWS:

SECTION 1. The City approves the Commission's borrowing of Two Million, One Hundred Ninety One Thousand, Three Hundred and Twenty-Eight Dollars (\$2,191,328) from the Low and Moderate Income Housing Fund for the purposes of paying the Commission's SERAF obligation pursuant to Section 33690.5(a);

SECTION 2. The funds borrowed for payment of SERAF shall be repaid in full to the Low and Moderate Income Housing Fund on or before June 30, 2016. The City approves of the Commission appropriating said funds for the purposes of paying the SERAF obligation and authorizing the Executive Director or his designee to make the required SERAF payment to the Los Angeles County Auditor as required by law.

APPROVED and ADOPTED this 10th day of February, 2011:

Joseph D. Serrano, Sr., Mayor

ATTEST:

Deputy City Clerk

RESOLUTION NO. 259-2011

A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS PROVIDING FOR THE PAYMENT OF THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF) OBLIGATION FOR FISCAL YEAR 2010-11

WHEREAS, Chapter 21 of the Statutes of 2009 (AB X4-26) and Chapter 652 of the Statutes of 2009 (SB 68) enacted Health and Safety Code (HSC) Section 33690.5 requiring redevelopment agencies (also known as community development commissions) in the state to pay certain amounts, for Fiscal Year 2010-11, to the county auditor for deposit into the County's Supplemental Education Revenue Augmentation Fund ("SERAF")

WHEREAS, to make the full allocation to SERAF, HSC Section 33690.5(c)(1) authorizes redevelopment agencies to borrow from the Community Development Commission of the City of Santa Fe Springs' (Commission) Low and Moderate Income Housing Fund, pursuant to HSC Sections 33334.2, 33334.3, and 33334.6, unless executed contracts exist that would be impaired if the Commission reduced the amount allocated to the low and moderate income housing.

WHEREAS, in order to borrow from the amounts to be allocated to the fund for payment of SERAF, an agency shall make a finding that there are insufficient other moneys to meet the SERAF payment requirements.

WHEREAS, any funds borrowed from the amounts to be allocated to the fund for payment of SERAF shall be repaid in full on or before June 30, 2016.

WHEREAS, pursuant to the provisions of Section 33690.5, the Community Development Commission of the City of Santa Fe Springs specifically finds and determines that: (a) there are no existing executed contracts to which the Commission is a party that would be impaired if the Commission reduced the amount allocated to the Low and Moderate Income Housing Fund by the amount of the required SERAF payment fee; (b) there are insufficient other moneys to meet the SERAF payment requirement of Section 33690.5(a).

NOW, THEREFORE, THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS DOES RESOLVE AS FOLLOWS:

SECTION 1. The Commission hereby approves the borrowing of Two Million, One Hundred Ninety One Thousand, Three Hundred and Twenty-Eight Dollars (\$2,191,328) from the Low and Moderate Income Housing Fund for the purposes of paying the Commission's SERAF obligation pursuant to Section 33690.5(a);

SECTION 2. The funds borrowed for payment of SERAF shall be repaid in full to the Low and Moderate Income Housing Fund on or before June 30, 2016. The Commission hereby appropriates said funds for the purposes of paying the SERAF obligation and authorizes the Executive Director or his designee to make the required SERAF payment to the Los Angeles County Auditor as required by law.

APPROVED and ADOPTED this 10th day of February, 2011:

Joseph D. Serrano, Sr., Chairperson

ATTEST:

Commission Secretary