

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

RESOLUTION No. 2011-01, A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE TOWN OF APPLE VALLEY PROVIDING FOR PAYMENT OF ITS SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF) OBLIGATION FOR FISCAL YEAR 2010-2011 WITH FUNDS FROM THE REDEVELOPMENT AGENCY'S SET-ASIDE FUNDS.

Summary:

On July 28, 2009, former Governor Schwarzenegger signed AB X4 26 to address the fiscal emergency declared by the Governor on July 1, 2009. This bill amended the Health and Safety Code that required a \$1.7 billion SERAF shift from redevelopment agencies for fiscal year 2009-2010 and a \$350 million SERAF shift for 2010-2011. Per this legislation, the California State Department of Finance has notified the Agency that its SERAF payment obligation for fiscal year 2010-2011 totals \$777,273, consisting of \$401,767 from the Apple Valley VVEDA Project Area No. 1 and \$375,506 from Apple Valley Project Area No. 2. The deadline for payment of the fiscal year 2010-2011 shift is May 10, 2011.

Agency staff recommends that the \$777,273 SERAF shift payment obligation for fiscal year 2010-2011 be paid with existing funds that are deposited in the Agency's Project Area No. 1 and Project Area No. 2 housing set-aside funds. AB X4 26 allows agencies to loan themselves housing set-aside funds in order to meet their SERAF shift obligation. The fiscal year 2010-2011 loan must be repaid to the housing set-aside fund by June 30, 2016. The Agency intends to repay its housing set-aside loan with tax increment revenues that would have otherwise gone to the Agency's redevelopment (economic development) funds.

Based upon the foregoing, staff recommends adoption of the form motion.

Recommended Action:

That the Redevelopment Agency of the Town of Apple Valley adopt Resolution No.2011-01, a Resolution providing for payment of its SERAF obligation for fiscal year 2010-2011 with funds from the Redevelopment Agency's housing set-aside funds totaling \$777,273 consisting of \$401,767 for the Apple Valley VVEDA Project Area No. 1 and \$375,506 for Apple Valley Project Area No. 2.

Proposed by Economic Development & Housing Div.

Item Number _____

T. M. Approval: _____ **Budgeted Item** Yes No N/A

RDA RESOLUTION NO. 2011-01

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE TOWN OF APPLE VALLEY PROVIDING FOR PAYMENT OF ITS SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF) OBLIGATION FOR FISCAL YEAR 2010-2011 WITH FUNDS FROM THE REDEVELOPMENT AGENCY'S SET-ASIDE FUNDS.

THE MEMBERS OF THE TOWN OF APPLE VALLEY REDEVELOPMENT AGENCY HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the Town of Apple Valley Redevelopment Agency is a public entity established under the laws of the State of California; and

WHEREAS, the Agency hereby finds, determines, and declares as follows:

(a) 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 Section 33690 requiring redevelopment agencies in the State to pay certain amounts to the County Auditor for deposit into the County's Supplemental Educational Revenue Augmentation Fund ("SERAF"). (All further references to "sections" shall be to sections of the Health and Safety Code.)

(b) Section 33690(c)(1) authorizes redevelopment agencies to borrow from either the amount required to be allocated to the agency's low-and moderate income housing fund, pursuant to Sections 33334.2, 33334.3, and 33334.6, or any monies in that fund or both, unless executed contracts exist that would be impaired if the agency reduced the amount allocated to the low-and moderate income housing fund or the amount of moneys in the fund, or both.

1) In order to borrow from the low-and moderate income housing fund for payment of SERAF, an agency shall make a finding that there are insufficient other moneys to meet the SERAF payment requirements.

2) Any funds borrowed from the low-and moderate income housing funds for payment of SERAF shall be repaid in full on or before June 30, 2016.

WHEREAS, Pursuant the provisions of Section 33690, the Agency specifically finds and determines that:

(a) There are no existing executed contracts to which the Agency is a party that would be impaired if the agency reduced the amount allocated to the Low-and Moderate Income Housing Funds or the amount of moneys in the fund, or both.

(b) There are insufficient other moneys to meet the SERAF payment requirements of Section 33690(a).

WHEREAS, the Agency hereby approves the borrowing of seven hundred seventy-seven thousand, two hundred and seventy-three dollars (\$777,273) consisting of \$401,767 from the Apple Valley VVEDA Project Area No. 1 and \$375,506 from the Apple Valley Project Area No. 2 Low-and Moderate Income Housing Funds for the purposes of paying the Agency's SERAF obligation pursuant to Section 33690(a). The funds borrowed from the Low-And Moderate Income Housing Funds for payment of SERAF shall be repaid in full to the Low-And Moderate Income Housing Funds on or before June 30, 2016.

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the Town of Apple Valley hereby appropriates said funds for the purposes of paying the SERAF obligation and authorizes the Executive Director, or designee, to make the required SERAF payment to the Auditor as required by law.

The Town Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the Board; and shall make a minute of passage and adoption thereof in the records of the proceedings of the Redevelopment Agency Board, in the minutes of the meeting at which this Resolution is passed and adopted.

Adopted by the Redevelopment Agency Board and signed by the Chairman and attested by the Town Clerk this 26th day of April, 2011.

Scott Nassif, Chairman

ATTEST:

Ms. La Vonda M-Pearson, Town Clerk