

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DECLARING ITS INTENTION, UNDER PROTEST, TO MAKE REMITTANCES REQUIRED BY ABX1 27 IN ORDER TO AVOID DISSOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA

WHEREAS, on November 14, 1972, the Redevelopment Plan for the Central City Redevelopment Project Area ("CCRP") was adopted by the City Council by Ordinance No. 3566 and will expire by its own terms in August 2015;

WHEREAS, the Redevelopment Agency of the City of Santa Barbara, through the exercise of its powers under the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*) ("CRL") has made major contributions to the physical and economic development of the CCRP and City and has strengthened the City's ability to meet the needs of its citizens and contributed to the quality of life throughout the City;

WHEREAS, the California Legislature has adopted, and the Governor has signed ABX1 26 ("Dissolution Bill") and ABX1 27 ("Continuation Bill"), legislation that would dissolve the Agency effective as of October 1, 2011, unless the City agrees to make certain payments to the State Department of Finance and the County Auditor-Controller;

WHEREAS, since the effective date of the Dissolution Bill, the power of redevelopment agencies has purportedly been suspended and redevelopment agencies are prohibited from taking a number of actions, including making loans and entering into or modifying contracts;

WHEREAS, Section 34193, subdivision (a), of the California Health & Safety Code, as added by the Continuation Bill, provides that a city may avoid dissolution by adopting an ordinance on or before November 1, 2011 agreeing to participate in the Alternative Voluntary Redevelopment Program and declaring that the city will make the certain payments to the county auditor;

WHEREAS, Section 34193, subdivision (b), of the California Health & Safety Code, as added by the Continuation Bill, permits a city that intends to adopt an ordinance declaring that it will make the required payments to adopt a non-binding resolution stating that the city intends to adopt such an ordinance; and

WHEREAS, the adoption of the non-binding resolution of intent described above would, upon adoption of a continuation ordinance, allow the redevelopment agency to continue carrying out its business, despite the enactment of the Dissolution Bill.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The above recitals are true and correct and incorporated herein by reference.

SECTION 2. Based on the foregoing recitals and all evidence presented to and considered by the City Council, and in accordance with Health and Safety Code Section 34193, subdivision (b), the City Council hereby declares by this non-binding resolution it intends to adopt an ordinance (the "Continuation Ordinance") on or before November 1, 2011, declaring that it will make the payments required by the Continuation Bill.

SECTION 3. This non-binding resolution of intent in no way warrants or guarantees any payment of money by the City to any other entity, and the City reserves the right to withdraw from making the payments required by Continuation Bill if the amount of such payments prove to be in excess of the City's available funds not otherwise obligated for other uses.

SECTION 4. This non-binding resolution shall in no way be construed as requiring the City to abide by ABX1 26 or ABX1 27 in the event that either, or both, bills are found unconstitutional or otherwise legally invalid in whole or in part, nor shall this resolution effect or give rise to any waiver of rights or remedies the City may have, whether in law or in equity, to challenge ABX1 26 or ABX1 27. This resolution shall not be construed as the City's willing acceptance of, or concurrence with, either ABX1 26 or ABX1 27; nor does this resolution evidence any assertion or belief whatsoever on the part of the City that the bills are constitutional or lawful.

SECTION 5. The Mayor, City Administrator, City Attorney, Finance Director and City Clerk of the City are hereby authorized to take all action necessary to effectuate this Resolution.

SECTION 6. Effective Date. This Resolution is effective on the day of its adoption.