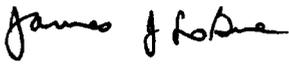


PLACER COUNTY
REDEVELOPMENT AGENCY
MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Thomas M Miller, Director
James LoBue, Deputy Director 
DATE: February 23, 2010
SUBJECT: Adopt a Resolution Informing the Placer County Auditor-Controller that the Redevelopment Agency's Supplemental Education Revenue Augmentation Fund payment of \$3,193,331 will be paid from the Agency's Current Year's Tax Increment

ACTION REQUESTED

Adopt a resolution informing the Placer County Auditor-Controller (Auditor-Controller) that the Redevelopment Agency's (Agency) Supplemental Education Revenue Augmentation Fund (SERAF) payment of \$3,193,331 will be paid from the Agency's current year's tax increment

BACKGROUND

As a part of the State's Fiscal Year 2009-10 budget the Legislature adopted Assembly Bill 26 which requires redevelopment agencies statewide to pay \$2 billion dollars over a two year period beginning May 10, 2010 to K-12 schools via the SERAF The Agency's 2010 and 2011 obligation is \$3,193,331 and \$656,822 respectively The State's action is being challenged in court by the California Redevelopment Association (CRA) but until the matter is resolved, redevelopment agencies must comply with the law

Your Board shall by March 1, 2010 (for the 2010 obligation) and March 1, 2011 (for the 2011 obligation), report to the Auditor-Controller as to how the Agency intends to fund its obligation The Health and Safety Code allows an agency to pay its SERAF obligation from any funds that are legally available including, but not limited to, reserve funds, proceeds of land sales, proceed of bonds or other indebtedness, lease revenues, interest, and other earned income There are not sufficient available funds in the North Auburn Project Area so the Agency will fund the State's taking by using \$2,283,331 of North Lake Tahoe Project Area commercial current tax increment and \$910,000 of the Sunset Industrial Project Area commercial current tax increment These calculations and assumed payment were included in the Agency's approved FY 2009-10 Final Budget

FISCAL IMPACT

If CRA's lawsuit is delayed or unsuccessful, the Agency will be required to make the \$3,191,331 SERAF payment to the Auditor-Controller on or before May 10, 2010 However, the recommended action only reports the source of the SERAF payment to the Auditor-Controller, and has no direct fiscal impact The Agency has sufficient reserves to continue operations in accordance with the approved Agency FY 2009-10 Final Budget

ENVIRONMENTAL STATUS

The proposed action is to inform the Auditor-Controller that the Agency will pay the SERAF with current year's tax increment and has no potential to have a significant effect on the environment. As a result, the proposed action is exempt from the California Quality Act pursuant to the Guidelines Section 15061 (b)(3)

RECOMMENDATION

Adopt a resolution informing the Auditor-Controller that the Agency's SERAF payment of \$3,193,331 will be paid from the Agency's current year's tax increment

Attachments Resolution

cc Karin Schwab, Agency Counsel

**Before the Redevelopment Agency of
Placer County Board of Directors
County of Placer, State of California**

In the matter of:

Informing the Placer County Auditor-Controller that the Redevelopment Agency's Supplemental Education Revenue Augmentation Fund payment of \$3,193,331 will be paid from the Agency's current year's tax increment

Resol. No:.....

Ord. No: ..

First Reading:

The following Resolution was duly passed by the Redevelopment Agency Board of the County of Placer at a regular meeting held _____,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

**Attest:
Clerk of said Board**

Chair, Agency Board

WHEREAS, as a part of the State's Fiscal Year 2009-10 budget the Legislature adopted Assembly Bill 26 which requires redevelopment agencies statewide to pay \$2 billion dollars over a two year period beginning in May 2010 to K-12 schools via the Supplemental Educational Revenue Augmentation Funds,

WHEREAS, the Redevelopment Agency must pay the \$3,193,331 allocated by the State Department of Finance to the Placer County Auditor-Controller for deposit into the Supplemental Educational Revenue Augmentation Fund (SERAF) on or before May 10, 2010,

WHEREAS, the Agency must report to the Placer County Auditor-Controller how the Agency intends to fund its SERAF obligation by March 1, 2010,

WHEREAS, the Health and Safety Code allows an agency to pay its SERAF obligation from any funds that are legally available including, but not limited to, reserve funds, proceeds of land sales, proceed of bonds or other indebtedness, lease revenues, interest and other earned income,

NOW, THEREFORE, BE IT RESOLVED, in compliance with requirements of the State Assembly Bill 26, the SERAF payment will be funded by using \$2,283,231 of North Lake Tahoe commercial current year tax increment and \$910,000 of the Sunset Industrial commercial current year tax increment