

**CITY OF ALBANY  
ALBANY COMMUNITY REINVESTMENT AGENCY  
STAFF REPORT**

Agenda Date: 8/29/11  
Reviewed by: BP

**SUBJECT:** Resolution No. ACRA-2011-4, a Resolution of the Albany Community Reinvestment Agency approving and adopting the Enforceable Obligation Payment Schedule pursuant to Part 1.8 of the Redevelopment Law.

**REPORT BY:** Charles Adams, Finance & Administrative Services Director

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**STAFF RECOMMENDATION**

That the Board of Directors of the Albany Community Reinvestment Agency (ACRA) adopt Resolution No. ACRA-2011-4.

**BACKGROUND**

ABx1 26 (the “Dissolution Act”) suspends all new redevelopment activities and incurrence of indebtedness, and dissolves redevelopment agencies effective October 1, 2011. ABx1 27 (the “Voluntary Program”) allows redevelopment agencies to avoid dissolution by opting into an alternative voluntary redevelopment program requiring specified contributions to local school and special districts. The acts require redevelopment agencies to prepare and adopted a series of documents, resolutions and ordinances related to dissolution or opting to continue operations under the voluntary program. The first of these requirements is the adoption of a Enforceable Obligation Payment Schedule (EOPS) by August 28, 2011.

**DISCUSSION**

AB 1x 26 and AB1x 27 have been challenged in court, but there has been no ruling on the challenge, and there is no assurance that any ruling will be issued by the filing deadline for the EOPS. The primary purpose of the EOPS is to establish the debts to be paid by the successor organization, if the redevelopment agency is dissolved. Regardless of the outcome of the legal challenge or a decision to opt into the voluntary program, it is in the interest of the redevelopment agency to establish the debts of the agency that must be paid.

## **ANALYSIS**

Under the voluntary program, the ACRA will be require to make a payment of \$187,778 for fiscal year 2011-12 and a payment of \$44,550 for fiscal year 2012-13. We project that tax increment revenue in future years will be sufficient to cover the new voluntary payments, existing pass-through payment, and installment payments on ACRA debts to the City, and continue to provide reduced funds for new improvements in the redevelopment project area, with the potential of producing increased tax increment revenue.

At the September 6<sup>th</sup> Council meeting, staff will present for Council consideration and action, an ordinance for the City to elect and implement participation by the City and the ACRA in the alternative voluntary redevelopment program.

## **SUSTAINABILITY IMPACT**

Continuation of the operation of the ACRA will allow continuation of projects identified in the recently adopted Public Improvements Grant and Cooperation Agreement, to promote sustainability in conjunction with economic development.

## **FINANCIAL IMPACT**

The adoption of the EOPS will help to ensure repayment of ACRA debt to the City. Follow-up adoption of the voluntary program will secure the potential of future receipt of tax increment revenue for economic development in the project area.

## **Attachments**

1. Resolution No. ACRA-2011-4
2. Enforceable Obligation Payment Schedule