



CITY COUNCIL AGENDA REPORT

MEETING DATE: FEBRUARY 7, 2012

ITEM NUMBER: _____

SUBJECT: AB936 RESOLUTION REGARDING FORGIVENESS OF LOANS

DATE: FEBRUARY 2, 2012

FROM: FINANCE DEPARTMENT

PRESENTATION BY: BOBBY YOUNG, FINANCE & I.T. DIRECTOR

FOR FURTHER INFORMATION CONTACT: BOBBY YOUNG, (714) 754-5243

RECOMMENDATION

Adopt Resolutions concerning the forgiveness of loans, advances or other indebtedness.

BACKGROUND

Assembly Bill 936, which became effective on January 1, 2012, provides that by February 1, 2012, a redevelopment agency or a public body must adopt a resolution stating whether or not from January 1, 2010 through December 31, 2011 the redevelopment agency or public body has forgiven, wholly or partially, the repayment of any loans, advances or indebtedness owed to or by the redevelopment agency, as appropriate.

In the event that such repayment has been forgiven, then the resolution must state the name of the public body to which the agency owes the debt or from which the agency was due the debt, the amount forgiven, the terms of the indebtedness, and the fiscal effect of the forgiveness on the redevelopment agency and the public body. A copy of the resolution must be sent to the City Council and the State Controller no less than ten days after adoption.

City Staff did not become aware of AB936 resolution requirement in time for the City Council or Agency Board to consider and adopt the necessary resolutions. As of February 1, 2012, the Costa Mesa Redevelopment Agency was abolished and the City of Costa Mesa was designated as the successor agency to the Redevelopment Agency. Accordingly, the City is the appropriate body to pass a resolution on behalf of the Redevelopment Agency's actions.

DISCUSSION

Staff has confirmed that from January 1, 2010 through December 31, 2011 neither the Agency nor the City has forgiven, wholly or partially, repayment of any loans, advances or other indebtedness owed to it by any public body, nor has any public body forgiven, wholly or partially, repayment of any loans, advances or other indebtedness owed to it by the Agency or City.

Staff has prepared the attached resolutions for consideration by the City, as required by Assembly Bill 936, to declare that no such forgiveness has occurred.

FISCAL REVIEW

There is no fiscal impact associated with the adoption of these Resolutions.

LEGAL REVIEW

The City Attorney's Office has approved the attached Resolutions as to form.

ALTERNATIVES CONSIDERED

There are no alternatives to the requirement to pass these Resolutions.

CONCLUSION

Staff recommends that the City Council adopt the Resolutions.

Bobby Young
Finance & I.T. Director

Attachments:

1. [City Council Resolution](#)
2. [Redevelopment Agency Resolution](#)