

REPORT TO CITY COUNCIL

DATE: MARCH 9, 2011

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: LOUIS CELAYA, ASSISTANT TO THE CITY MANAGER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, IN OPPOSITION TO THE ADMINISTRATION'S PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES IN CALIFORNIA

As part of the League of California Cities (League) and California Redevelopment Association ongoing efforts to address the Governor's proposal to eliminate California's redevelopment agencies to balance the State's budget, the League has begun a series of actions as part of their "Project Redevelopment" campaign, to emphasize to the Governor and State Legislature its opposition to the proposal, and emphasize the importance of redevelopment to the State of California.

The League has requested its members with redevelopment agencies to consider passing a resolution expressing opposition to elimination of California's redevelopment agencies. The attached resolution emphasizes the elimination of California redevelopment agencies will not bring relief to the State Budget crisis in the magnitude being expressed in Sacramento, calls out the devastating impacts to local economic redevelopment and economic development, identifies violation of multiple State and Federal constitutional provisions, and formally opposes the Legislature's proposal to abolish redevelopment.

At many League meetings, both representatives from the League and the California Redevelopment Association have emphasized the need to be diligent and vocal on this issue, as taking no action by all agencies affected will only result in the Legislature achieving the success of their proposal. Like many local agencies with redevelopment agencies, the elimination of redevelopment will greatly impact Agoura Hills.

RECOMMENDATION

Staff respectfully recommends the City Council approve Resolution No. 11-1615 in Opposition to the Administration's Proposal to Abolish Redevelopment in California

attachment: Resolution No. 11-1615

RESOLUTION NO. 11-1615

A RESOLUTION OF CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, IN OPPOSITION TO THE ADMINISTRATION'S PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES IN CALIFORNIA

WHEREAS, as part of its 2011-12 budget proposal, the Governor has proposed permanently abolishing California's more than 400 local redevelopment agencies; and

WHEREAS, this proposal represents more of the same misguided and illegal State budget raids of local government funds that voters have repeatedly sought to end, most recently in November 2010 when an overwhelming 61% of voters elected to stop State raids of local government funds, including redevelopment funds; and

WHEREAS, this proposal will bring very little financial benefit to the State. According to the State Controller's Office, redevelopment agencies have more than \$87 billion in bond and other contractual obligations that legally must be repaid before revenues are available to any other purpose. In fact, according to the State Department of Finance's own budget documents, there will be zero State savings in out years from shutting down redevelopment; and

WHEREAS, this proposal will destroy local economic development, including hundreds of thousands of jobs and billions of dollars in local economic activity throughout California; and

WHEREAS, throughout California, redevelopment activities support 304,000 jobs annually, including 170,600 construction jobs, contribute over \$40 billion annually to California's economy in the generation of goods and services, and generate more than \$2 billion in state and local taxes in a typical year; and

WHEREAS, eliminating redevelopment will take away one of the few tools local governments have to comply with state requirements to plan for more compact urban development supported by transit-oriented development, housing, jobs and infrastructure; and

WHEREAS, eliminating redevelopment will destroy the development of affordable housing in California. Redevelopment agencies are the second largest funder of affordable housing, behind only the federal government, responsible for over 98,000 units of affordable housing since 1993; and

WHEREAS, shutting down redevelopment agencies is a violation of multiple State and Federal constitutional provisions.

THEREFORE, BE IT RESOLVED that the City Council of the City of Agoura Hills formally opposes the Administration's proposal to abolish redevelopment in California.

THEREFORE, BE IT FURTHER RESOLVED, that the City Council of the City of Agoura Hills authorizes its Council and City Staff to communicate its opposition to this proposal to the Governor, the Legislature, business groups, and citizens.

PASSED AND ADOPTED this 9th day of March, 2011 by the following vote to wit:

AYES: ()
NOES: ()
ABSTAIN: ()
ABSENT: ()

Harry Schwarz, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk