



Subject: SB 659 (Padilla)
Community Redevelopment

Recommend Position: Support

EXPEDITED CITY COUNCIL ACTION REQUEST

Department: Intergovernmental Relations	January 24, 2012	Coordination: City Mgr/City Atty/ Legis. Advocate in Sacramento/Housing/Finance/SJRDA	CMO Approval: <i>[Signature]</i> Dept. Approval: <i>Betsy Shotwell</i>
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RECOMMENDED ACTION:

1. Pursuant to the City's expedited bill process for responding quickly to legislative proposals, re-affirm support for SB 659 which if passed, would temporarily postpone the scheduled dissolution of redevelopment agencies and community development agencies on February 1, 2012 to April 15, 2012.
2. Recommend a one-week turnaround to the City Council so that the Council can re-affirm the City's support for SB 659.

BILL SYNOPSIS:

On 1/29/11, the California Supreme Court ruled in the redevelopment litigation – *CRA v. Matosantos* – upholding ABx1 26 which abolished redevelopment agencies and struck down companion legislation, ABx1 27, that would have allowed agencies to survive if they contribute money to the State. As part of the Supreme Court's ruling, agencies are to be dissolved on February 1, 2012. A broad coalition is working with members of the legislature to pass SB 659 and temporarily postpone the February 1, 2012 dissolution deadline to April 15, 2012. Other specified provisions would become effective on May 1, 2012 or require performance of certain actions on or before July 1, 2012.

IMPACTS TO CITY OF SAN JOSE:

This bill if passed, would allow time prior to April 15 to address and clean-up related issues to the dissolution of redevelopment agencies. As the City and Redevelopment Agency have begun to implement the dissolution, several important issues have been raised that need to be addressed, including concerns about the reimbursement of contractually-obligated funds loaned by the City to the Agency. An extension would maximize the opportunity for addressing the City's priority issues.

POLICY ALIGNMENT:

Included in the Council approved 2012 Legislative Guiding Principles and Priorities is language supporting legislation and policies that "promote and protect local control and decision making related to the City's fiscal stability and health." The additional time granted with the passage of SB 659 would assist the City in addressing and fixing the many implementation issues that have surfaced with ABx1 26.

SUPPORTERS/OPPONENTS:

Support: League of California Cities; California Redevelopment Association and a broad coalition of dozens of organizations representing labor, public safety, business, housing, and local government.

Opposed: Unknown



STATUS OF BILL:

As of January 24, 2012, the bill has been introduced but is awaiting assignment in the Assembly. The bill must pass the legislature and be signed by the Governor by January 31, 2012.

FOR QUESTIONS CONTACT: Betsy Shotwell, IGR Director, 408-535-8270; Roxanne Miller, City's Legislative Advocate, 916-443-3946.