

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor John Benoit

January 9, 2012

SUBJECT: Extension of the Redevelopment Dissolution Deadline and Reestablishment of Redevelopment in an Alternative Form

RECOMMENDED MOTION: That the Board of Supervisors:

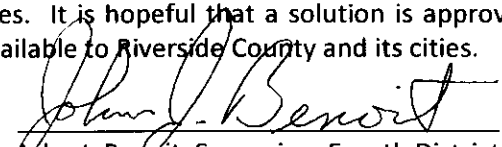
- 1) Authorize and approve submittal of the attached draft letters to the California Legislature, which support: a) extension of the deadline for the dissolution of redevelopment agencies; and b) reestablishment of an alternative form of redevelopment beneficial to the county; and,
- 2) Direct the County legislative team to provide any and all support that furthers the efforts above.

BACKGROUND:

The ruling by the Supreme Court of California issued on December 29, 2011, validated AB 1x 26, which dissolves redevelopment agencies effective February 1, 2011. The companion bill, AB 1x 27, was invalidated in the same ruling. The decision by the Supreme Court causes ripple effects across Riverside County that cannot be fully understood in such a short time frame.

Consequently, there is a push by various parties in the California Legislature to extend the deadline for dissolution of redevelopment agencies and also to work on some form of alternate redevelopment structure. Because the situation is so fluid at this time, and because action by the California Legislature could occur prior to our next meeting on January 24, I think it is incumbent upon this Board to advise the Legislature of the County's position on redevelopment and provide direction to the County's legislative team regarding new legislative proposals that would extend or reestablish redevelopment.

The dissolution of redevelopment agencies is disastrous for our county and its residents. The existing legislation, with its short implementation timeline, creates a bureaucratic and logistical nightmare to navigate for this Board and many of the county's city councils. Additionally, the elimination of redevelopment will impact the county's economic climate. The report prepared in April 2011 by the Rose Institute of State and Local Government at Claremont McKenna College clearly illustrated how important the Redevelopment Agency has been for the county: \$678 million in economic activity over the last six years; generating over 4,000 jobs; generating \$2.3 million in California business taxes and \$7.6 million in California personal income taxes. It is hopeful that a solution is approved at the state level so that this important economic tool is available to Riverside County and its cities.


John J. Benoit, Supervisor Fourth District

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