

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: April 16, 2013

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Gerry F. Miller ^{KEK}
Chief Legislative Analyst _{JK} Assignment No: 13-04-0306

SUBJECT: Report and Resolution to SUPPORT Assembly Bill (AB) 440 (Gatto) and SEEK Amendment

CLA RECOMMENDATION: That the Council adopt the attached Resolution to include in the City's 2013-2014 State Legislative Program, SUPPORT for AB 440 (Gatto) to authorize a local agency to take any action similar to those under the Polanco Redevelopment Act and SEEK an amendment to make this an urgency bill.

SUMMARY

The Polanco Redevelopment Act, part of the Community Redevelopment Act, was enacted to assist redevelopment agencies in responding to brownfield properties in their redevelopment areas. It prescribes processes for redevelopment agencies to follow when cleaning up a hazardous substance in a redevelopment project area. It also provides immunity from liability for redevelopment agencies and subsequent property purchasers for sites cleaned up under a cleanup plan approved by Department of Toxic Substances Control or a Regional Board.

AB 1484, the redevelopment budget trailer bill, includes a provision to allow for the transfer of Polanco Redevelopment Act powers to a redevelopment successor agency or housing successor agency if a cleanup plan currently exists. AB 440 would broaden this language to authorize a local agency (county, city, or a housing authority) to take any action similar to that under the Polanco Redevelopment Act to remedy or remove a release of hazardous substance within the boundaries of a local agency.

We recommend that the Council SUPPORT AB 440 and SEEK an amendment to make this an urgency bill so that the provisions of the bill will take effect immediately.

BACKGROUND

In 2011, the legislature enacted two redevelopment bills, AB1x26 (Blumenfield), the redevelopment elimination bill, and AB1x27 (Blumenfield), the voluntary alternative redevelopment program bill. The constitutionality of AB1x26 and AB1x27 was later challenged in court and on December 29, 2011, the California Supreme Court issued a decision that upheld AB1x26 and ruled AB1x27 to be unconstitutional. As a result, the State's roughly 400 redevelopment agencies were dissolved as of February 1, 2012 and close-out activities have begun.

On June 27, 2012, the legislature passed and Governor Brown signed AB1484, the redevelopment trailer budget bill. The purpose of this bill was to make technical changes as well as clarifications at the request of many interested parties including cities, successor

agencies and housing successors, to AB lx26, the redevelopment dissolution bill. As a budget trailer bill, the provisions of this bill took effect immediately.

DEPARTMENTS NOTIFIED

None.

BILL STATUS

02/28/2013 Referred to Coms. on E.S & T.M. and L. GOV.
02/15/2013 Read first time. To print.



Michael K. Kek
Analyst

Attachment: Resolution

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state, or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Polanco Redevelopment Act, part of the Community Redevelopment Act, was enacted to assist redevelopment agencies in responding to the cleanup of brownfield properties in their redevelopment areas; and

WHEREAS, AB 1x26, the redevelopment dissolution bill, was upheld by the California Supreme court and over 400 redevelopment agencies were dissolved on February 1, 2012; and

WHEREAS, AB 1484, the redevelopment budget trailer bill, amended AB 1x26 to include a provision to allow for the transfer of Polanco Redevelopment Act powers to a redevelopment successor agency or housing successor agency if a cleanup plan currently exists; and

WHEREAS, the Polanco Redevelopment Act powers included in AB 1484 do not apply to new affordable housing and commercial development projects within the City; and

WHEREAS, AB 440 would authorize a local agency (county, city, or a housing authority) to take any action similar to that under the Polanco Redevelopment Act to remedy or remove a release of hazardous substance within the boundaries of a local agency; and

WHEREAS, a number of affordable housing projects within the City are currently being delayed due to the the inability to utilize the Polanco Redevelopment Act powers and an amendment is necessary to make this an urgency bill so that the provisions of the bill will take effect immediately;

NOW THEREFORE BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013-2014 State Legislative Program SUPPORT of AB 440 and SEEK an amendment to make this an urgency bill.