

MOTION

On Thursday, March 3, 2011, the State Legislature's budget conference committee voted to eliminate redevelopment agencies and begin a process of liquidating agency assets. The Assembly and Senate will vote on this matter as soon as this week.

I THEREFORE MOVE that the Council, subject to the approval of the Mayor, adopt the attached Resolution to oppose the elimination of redevelopment.

PRESENTED BY: *Herb Wesson*
Herb Wesson
Councilmember, 10th District

SECONDED BY: *E. Lopez*
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ORIGINAL

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 governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Governor introduced a proposed State budget for FY 2011-2012 that seeks to resolve an estimated deficit in excess of \$25 billion, including a proposal to eliminate redevelopment agencies and take \$1.7 billion of local tax increment property tax revenues to fund State obligations; and

WHEREAS, such an action will eliminate the key economic redevelopment tool available to local governments for the elimination of blight and the creation of new jobs; and

WHEREAS, the Governor's proposal is in violation of Proposition 22, a clear statement by the voters in November 2011 that the protection of local revenues is a high priority;

WHEREAS, the process to close redevelopment agencies outlined in draft legislation sets up a process whereby local governments are forced to accept the decisions an oversight board appointed by counties and school interests, with no ability to challenge those decisions; and

WHEREAS, all funds are stripped of the current protection in State law that directs that redevelopment funds are to "vest in the community" and instead will be controlled by the county auditor-controller, with direction to transfer funds to the State; and

WHEREAS, the current legislation fails to create a clear transfer of property between redevelopment agencies

WHEREAS, local governments will have no authority to make decisions and no authority to control funds, but will be required to accept all liability associated with the assets received from the closed agencies and all liability associated with the decisions of the oversight board and the county auditor-controller, placing the City's General Fund at great risk; and

WHEREAS, elimination of redevelopment will significantly impact the State's economic recovery through the elimination of thousands of jobs, the termination of significant housing and commercial construction projects, and the destruction of the main economic development tool available to local governments.

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 2011-2012 State Legislative Program OPPOSITION to any legislation or administrative action that would eliminate redevelopment agencies.