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**Redevelopment
Division**

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Staff Report

ITEM NO. 14C

To: Lemoore Redevelopment Agency Board
From: Judy Holwell, Redevelopment Project Manager
Date: March 28, 2011
Subject: Redevelopment – Legal Defense Funds

Discussion:

The California Redevelopment Association (CRA) and the League of California Cities mailed the attached letter and invoice to all of the redevelopment agencies in California requesting a contribution to a legal defense fund. The funds are necessary in the event that CRA needs to file a request for a stay with the court if the Governor's proposal to eliminate redevelopment agencies passes. As you know, the Governor has been trying to close a more than \$26 billion gap in the State budget and is proposing the elimination of California redevelopment agencies as an approach to obtaining additional revenues. This is an obvious violation of Proposition 22, which passed by an overwhelming 61 percent last November to put an end to the State raids on redevelopment.

CRA is working hard to defeat the Governor's illegal and devastating proposal and it is important that they begin preparing for litigation. In an effort to preserve redevelopment in California, CRA is requesting financial assistance from every redevelopment agency. Based on the amount of tax increment we received in 2008-2009, we are asked to contribute \$400 to a legal defense fund. CRA has set up a separate bank account for these funds and, if litigation is not needed, our contribution will be returned. To expedite payment, this contribution is on the Warrant Register for your approval during Tuesday evening's Council Meeting.

Budget Impact:

The impact to the Redevelopment Agency is \$400.

Recommendation:

That the Board approve a contribution in the amount of \$400 to the California Redevelopment Association Legal Defense Fund to protect redevelopment in California.