

# LEGISLATURE MUST PASS SB 659 QUICKLY TO POSTPONE SCHEDULED DISSOLUTION OF REDEVELOPMENT AGENCIES ON FEBRUARY 1, 2012

*Temporarily Postponing February 1 Deadline for Dissolution of Agencies Will Ensure the State and Education Receive the Funding Intended by the Legislature, and allow Time to Develop a New Job Creation and Neighborhood Renewal Program*

**Background:** On December 29, 2011, the California Supreme Court ruled in the redevelopment litigation -- *CRA v. Matosantos* -- upholding ABX1 26 which abolished redevelopment agencies, but striking down companion legislation 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 coalition of labor, business, local government, public safety and affordable housing advocates is working with members of the Legislature to pass SB 659 and temporarily postpone the February 1, 2012 dissolution deadline in order to preserve the ability to develop a new job creation and neighborhood renewal program. Here's why:

- **SB 659 will temporarily postpone the February 1 dissolution deadline allowing critical time to develop a new job creation and neighborhood renewal program.**
  - If agencies are dissolved on February 1, 2012, successor agencies are responsible for winding down all assets, properties, contracts, leases, records, buildings, and equipment of the former redevelopment agencies, and laying off workers -- actions that are incredibly difficult to undo.
- **Passing SB 659 is the first step toward creating a new program that helps the State budget, local communities and education.**
  - We are committed to working with lawmakers to create a new program that is appropriately focused on job creation, environmentally sustainable growth, affordable housing, and the elimination of blight and economic disparity.
  - Any new program will provide the State and local entities with additional budgetary relief that is now put in question because of the California Supreme Court ruling. We all are acutely aware that any job creation and neighborhood renewal program must give the state and education increased revenues for this fiscal year and beyond.
- **Allowing the dissolution process to proceed on February 1 will lead to mass litigation and chaos, shut down projects and lead to loss of jobs.**
  - Once the dissolution process starts, it will lead to lawsuits, endless delays, and ongoing conflict, making it more difficult to develop a new job creation and community revitalization program in California.
  - The dissolution process could take years. Thousands of jobs and vital economic development and affordable housing projects will be lost in the meantime.