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To: Lemoore City Council and Redevelopment Agency Board SS Item #3
From: Jeff Brittz, City Manager
Date: January 12, 2012
Subject: Dissolution of Redevelopment

Discussion:

As you are all by now aware, on December 29, 2011, the California Supreme Court ruled that AB 1X 26 was valid, and AB 1X 27 was unconstitutional – essentially issuing a death sentence to Redevelopment in California.

Staff and your City Attorney's Office have been working diligently to interpret and prepare for the dissolution of the Lemoore Redevelopment Agency, scheduled for February 1, 2012. As AB 1X 26 was never written to be actually implemented – it was written to cause Redevelopment to pay Ransom Payments under AB 1X 27, which has now been deemed unconstitutional, there remains significant unanswered questions on how to execute AB 1X 26. Attached is a timeline established by the League of California Cities that we must follow, unless the Legislature extends the dissolution.

On Tuesday afternoon, staff will brief the Council/Board on the next steps. The content of the presentation, which is still being developed, will include:

- Where the Tax Increment Goes – initial balances and future years
- Current Cost Allocation Plan - \$860,000 from RDA to City
- Future Contribution for services to City
- Bond Proceeds
- Successor Agency (City) Responsibilities
- Oversight Board Makeup/Appointment
- Low and Moderate Income Housing Obligations and Options
- Future of Economic Development in Lemoore
- Code Enforcement Options
- Special Joint Meeting on January 30 or 31 – not needed if Legislature postpones dissolution

Budget Impact:

Significant to both the Lemoore Redevelopment Agency and to the City of Lemoore.

Recommendation:

None, for discussion only.