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NEWS RELEASE

SENATOR MICHAEL J. RUBIO

SIXTEENTH SENATE DISTRICT

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Rubio / Padilla Bill: Delay Redevelopment Suspension

SB 659 Would Extend End Dates Until April 15th

SACRAMENTO – Senator Michael J. Rubio (D – Shafter) and Senator Alex Padilla (D – Pacoima) today introduced SB 659 to delay the dissolution of approximately 400 existing redevelopment agencies in California until April 15, 2012. Original redevelopment suspension legislation (ABx1 26) signed by Governor Jerry Brown on June 28, 2011 had set the closure date as February 1, 2012.

Joint authored with Senator Padilla, SB 659 seeks to resolve several important technical issues, as well as ensure a smoother transition for existing projects throughout the state. Among those technical fixes are the proper disposition of redevelopment agency debts and obligations, construction-related contracts, standardized accounting and reporting during the dissolution process and timely layoff notifications to affected employees.

Fresno Councilmember and Redevelopment Agency Chair Oliver Baines noted that "this extension is a good start that I support. This is a very complex process that affects labor, businesses, local government and others and more time is needed to understand the impacts to all."

The California Supreme Court upheld the dissolution of redevelopment agencies, as found in ABx1 26, in its California Redevelopment Association v. Matosantos ruling in December 2011. SB 659 would extend the deadline by which active redevelopment agencies must cease activities.

"SB 659 provides the necessary time for local governments to promote growth and create jobs in California. Here in the Central Valley, we must continue to find ways to address the high unemployment and ongoing blight that affects so many of our communities," Rubio said. "With this important bill, we seek to extend by 10 weeks the amount of time that local redevelopment agencies in California have before they must be dissolved, giving them a better opportunity to responsibly wind down or finish important projects."

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