

Mayor
Willard Rodarmel
Mayor Pro Tem
John Plourde
Council Members
John Gordon
John Murray
William Siegel



**Office of the
City Manager**

119 Fox Street
Lemoore • CA 93245
Phone • (559) 924-6700
FAX • (559) 924-9003

Staff Report

ITEM NO. 51

To: Lemoore City Council
From: Judy Holwell, Project Manager
Date: May 30, 2012
Subject: Letter of Support for AB 1585 (Pérez) – Redevelopment

Discussion

Attached is a letter to Senator Rubio, Assemblyman Valadao and the members of the State Legislature requesting their support for Assembly Bill 1585 (Pérez), which seeks to clarify AB X1 26 by making technical and substantive fixes to it. An analysis of the bill can be viewed at http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1551-1600/ab_1585_cfa_20120320_123010_asm_comm.html.

As you know, as a result of Assembly Bill X1 26, redevelopment agencies were eliminated on February 1, 2012. However, the process of dissolving the former Lemoore Redevelopment Agency is an ongoing process. This process is made even more difficult by the ambiguous language of AB X1 26. Unless the Legislature takes action to clarify the Bill's language, hardships will occur as a result of the loss of affordable housing and redevelopment property values. This not only reduces the revenue to the taxing entities, but it devalues the surrounding properties.

Additionally, prohibiting loans from being recognized as enforceable obligations that were legally made by the Redevelopment Agency will have significant negative effects on the City and could result in the loss of vital City services. One loan in particular is the \$2,680,000 loan for Cinnamon Villas, the senior housing complex currently under construction at Fox Street and Cinnamon Drive. The Department of Finance has determined that this project does not meet the requirements of an enforceable obligation, as written in AB X1 26, and therefore has required it be disallowed it.

In a letter dated March 13, 2012, the League of California Cities voiced its support of AB 1585. Due to several other bills that are also being considered by our Legislators, there has been no activity on this Bill since April 19. Cities are urged to send in letters in support of AB 1585 to clean up the ambiguities associated with AB X1 26.

Budget Impact

None at this time; however, potential effects are significant.

Recommendation

That the Lemoore City Council approve the submittal of the attached letter to the Legislature urging them to pass and sign AB 1585 (Pérez).