

**Mayor**  
William Siegel  
**Mayor Pro Tem**  
Lois Wynne  
**Council Members**  
John Gordon  
Eddie Neal  
Willard Rodarmel



**Office of the  
Mayor**

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March 19, 2013

Assemblymember Rudy Salas  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0032

**RE: Support for AB 981 – Use of Bond Proceeds  
Issued on or before June 28, 2011**

Dear Assemblymember Salas:

The City of Lemoore strongly supports AB 981, which, if approved, would authorize successor agencies and successor housing entities to expend bond proceeds derived from bonds issued on or before June 28, 2011, for the purposes for which they were intended at the time of issuance.

On June 27, 2012, AB 1484 was passed, which, among other changes, amended the language regarding the use of bond proceeds. The new language permits the use of bond proceeds for bonds issued before January 1, 2011, after an agency receives a Finding of Completion. However, the law remains unchanged for bonds issued in 2011; bond proceeds can only be used to defease the bonds. Thirty-seven (37) redevelopment agencies issued bonds between January 1, 2011 and June 28, 2011, totaling \$679,375,409. Lemoore, like many other agencies, is prohibited from paying off its bond for several years. In our case, the bond cannot be defeased until August 1, 2016.

Prohibiting successor agencies from using bond proceeds for their intended purposes reduces the opportunities that are created when projects are constructed. Cities lose the ability to pay for the proposed developments; construction jobs cease to materialize; and the State loses the increase in revenue that would have been generated from new businesses and job creation. On March 4, 2011, the Lemoore Redevelopment Agency (RDA) Board approved a bond issue resulting in \$13,295,254 for capital projects and \$3,323,813 for affordable housing projects. A sampling of our proposed projects include the following:

- Street improvements near State Route 41 at Bush Street
- Railroad Crossing Upgrades – Fox Street (install gates – currently only a signal)

*"In God We Trust"*

- Storm Drain Upgrade – Lemoore Industrial Park
- Storm Drain Improvements - West of State Route 41
- Wastewater Treatment Plant Upgrade – Engineering & Planning
- Business Revolving Loan Program
- Multifamily Low-Income Housing Rehabilitation Assistance
- Major Rehabilitation Single Family Low-Income Housing Program
- Conversion of 2nd Floor in Downtown to Affordable Housing

Reducing funding for affordable housing and economic development projects and programs is short-sighted and the quick gain will negatively affect California's economy in the long run. We need to do everything possible to keep our local economic engine running, which will ultimately benefit the entire State.

For the reasons stated above, my fellow Council Members and I request your 'YES' vote in favor of AB 981 (Bloom). If you have any questions about our position, please feel free to contact me at (559) 924-6700.

Sincerely,

William M. Siegel Jr.  
Mayor

cc: Hillary Baird, League of California Cities  
Assemblymember Richard Bloom