

# PLACER COUNTY

## REDEVELOPMENT AGENCY

### MEMORANDUM

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Richard Colwell, Chief Assistant CEO-Redevelopment Director *RE Colwell*  
James LoBue, Deputy Director  
**DATE:** January 27, 2009  
**SUBJECT:** Adopt a Resolution Stating Opposition to the Taking of Redevelopment Tax Increment Funding by the State of California.

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#### ACTION REQUESTED

Adopt a resolution stating opposition to the taking of Redevelopment Tax Increment Funding by the State of California.

#### BACKGROUND

The State of California is undergoing difficulties balancing its budget. In the past, the State has taken tax increment funds from city and county redevelopment agencies throughout the state as a fiscal measure to address other State budget needs. For Fiscal Year 2008-09, the State has already determined that it will take a combined \$350,000,000 from redevelopment agencies throughout California. This translates into a loss of \$656,822 for the Placer County Redevelopment Agency's FY 2008-09 budget. As the State continues to experience serious budget problems, there is real concern among local redevelopment agencies that the State will take more local tax increment funds, possibly even more funds this fiscal year. Such a taking would reduce funding support available for the multiple public improvement, blight removal, economic development and community revitalization projects and programs that our Redevelopment Agency carries out in its three Redevelopment Project Areas; North Auburn, Sunset Industrial Area, and North Lake Tahoe.

#### DISCUSSION

Our Redevelopment Agency has been in communication with the California Redevelopment Association (CRA), Northern California Redevelopment Alliance and other local municipalities to evaluate and respond to the current challenge. CRA is leading a statewide effort of redevelopment agencies, their municipalities, and their private beneficiaries and supporters to organize and voice opposition to further funding takes. A primary argument in this effort is that current redevelopment programs create jobs, support economic vitality, and generate other public and private income, which offset losses being suffered during the current economic recession.

It is proposed that your Board demonstrate support for maintaining the integrity of our redevelopment programs by adopting the attached resolution and communicating that information to the State.

**FISCAL IMPACT**

The proposed action has no direct fiscal impact. However, the State has already taken \$656,822 of tax increment funds from the Redevelopment Agency in the current fiscal year and may attempt to take more.

**RECOMMENDATION**

Adopt a resolution stating opposition to the taking of Redevelopment Tax Increment Funding by the State of California.

Respectfully submitted,

*RE Colwell*

Richard Colwell  
Chief Assistant CEO-Redevelopment Director

Attachment: Resolution

cc: Karin Schwab, Agency Counsel

**Before the Placer County  
Redevelopment Agency Board of Directors  
County of Placer, State of California**

**In the matter of:**

**Stating opposition to the taking of Redevelopment Tax  
Increment Funding by the State of California**

**Reso. No.** \_\_\_\_\_

**Ord. No:**.....

**First Reading:** .....

The following Resolution was duly passed by the Redevelopment Agency Board  
of the County of Placer at a regular meeting held \_\_\_\_\_,

by the following vote on roll call:

**Ayes:**

**Noes:**

**Absent:**

**Signed and approved by me after its passage.**

**Attest:  
Clerk of said Board**

\_\_\_\_\_  
**Chair, Agency Board**

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WHEREAS, the Placer County Redevelopment Agency is duly authorized to carry out redevelopment activities in accordance with California Community Redevelopment Law and for the benefit of its authorized redevelopment project areas and the general public; and

WHEREAS, in 1952 the voters of California approved Article XVI, Section 16 of the California Constitution, providing for tax increment financing for the express stated purpose of community revitalization; and

WHEREAS, in 2004 California voters approved by a 84% margin Proposition 1A, which included provisions that the State of California would no longer transfer local government funds to the State for State budget or fiscal purposes; and

261

WHEREAS, in this time of economic recession it is critical that local communities retain the financial resources to maintain and enhance public safety, job creation, and community revitalization; and

WHEREAS, redevelopment is a key economic stimulus tool, which investment generally leverages many times over in private and other economic development investment, and provides a stimulus for wide ranging economic and social benefits; and

WHEREAS, blighted, abandoned, and economically depressed areas are a breeding ground for criminal activity, which require additional tax payer financed public safety resources, and redevelopment improvements remove blighting and economically depressed conditions for the benefit of the overall community.

NOW, THEREFORE, BE IT RESOLVED, that the Redevelopment Agency Board hereby supports job creation, building sustainable communities and affordable housing, enhancing public safety and livable communities, and the economic stimulus that is generated by municipal services and redevelopment investments, which are essential to the state's economic growth and recovery.

BE IT FURTHER RESOLVED, that the Redevelopment Agency Board hereby opposes State of California transfers of local government funds, including redevelopment monies that are vital to enhancing public safety and fostering economic growth.

BE IT FURTHER RESOLVED, that the Redevelopment Director or designee is hereby directed to convey this resolution and communicate this Agency's position on this matter to our State legislators and Governor Arnold Schwarzenegger and express continued appreciation for the governor's and any supportive legislators' opposition to further borrowing or seizure of our local redevelopment funds.

262