



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE OFFICE
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: Thomas M. Miller, County Executive Officer
DATE: January 10, 2012
SUBJECT: Update on the Placer County Redevelopment Agency

ACTION REQUESTED:

Receive a verbal update on the December 29, 2011 California Supreme Court ruling resulting in dissolution of Redevelopment Agencies and provide direction as may be appropriate. No action requested.

BACKGROUND:

In January 2011, the Governor announced a proposal to eliminate all California Redevelopment Agencies (AB 1X-26 - RDA Dissolution Act) and provide an alternative redevelopment program under AB1X-27 (Alternative Redevelopment Program Act). The legislation was ultimately adopted and signed into law. It allowed agencies to avoid elimination if their legislative bodies committed to making significant payments to local school and special districts. On August 9, 2011, your Board opted into the Alternative Redevelopment Program and adopted an urgency ordinance electing to participate in the State Voluntary Payment program.

On December 29, 2011, the California Supreme Court delivered its decision to a lawsuit filed by organizations external to Placer County challenging the constitutionality of the two bills. The Court upheld the RDA Dissolution Act, however, invalidated the Alternative Redevelopment Program Act. The Court's decision means that all California Redevelopment Agencies, including the Placer County Redevelopment Agency (RDA) will be dissolved, effective February 1, 2012.

ISSUES:

The actions by the Supreme Court eliminate Redevelopment Agencies as well as funding for programs and projects not under contract to third parties. The RDA provides funding for a range of infrastructure, public improvement projects and affordable housing programs.

Implementation schedules for compliance with the Dissolution Act are aggressive, with need for the County to assume the role of Successor Agency effective February 1, 2012 and for all assets to be transferred to it. As you may recall last spring a team from a number of departments including County Counsel, the Auditor Controller, the County Executive Office, as well as the Redevelopment Agency was formed to evaluate the potential implications of the Dissolution Act to the RDA and the County. As such, significant evaluation work regarding potential impacts was completed at that time resulting in a reasonable understanding of the

required steps needed to implement the legislation. That body of work is being updated to reflect current circumstances and the revised timelines articulated in the Supreme Court ruling.

In addition to the governance, finance and technical elements of the elimination, staff is working with the Personnel department to consider the effects upon the existing staff within the RDA, including the transitional work program required to implement this law.

At your meeting on January 24, 2012 staff will present an update as to the impacts on projects, staffing, governance, and County finances. In addition, staff will present information as to the County's obligations, alternatives and follow up actions that will be required to dissolve the Redevelopment Agency consistent with this ruling. This will include resolutions for your consideration to formally accept the role of Successor Agency.

In the meantime, as noted, work is ongoing and staff is evaluating potential staff impacts, finances, and is informing Redevelopment Agency contractors of the issue and implications for contracted services.