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DATE: May 19, 2015

TO: Members, Senate Budget Subcommittee on State Administration #4  
Members, Assembly Budget Subcommittee on State Administration #4

FROM: Dan Carrigg, League Legislative Director, (916) 658-8222

RE: Governor's May Revise Budget Proposal Affecting Redevelopment Dissolution

On behalf of the League of California Cities we regret to inform you that the League continues to have an **Oppose, Unless Amended** position on the language released May 14<sup>th</sup> containing proposed changes to the redevelopment dissolution process. A detailed outline of the key provisions is attached.

Cities continue to have significant concerns with aspects of the proposal that seek to undo provisions of existing law affecting the definitions of loans qualifying for repayment and applicable interest rates that have been relied on by cities. We believe that it is inappropriate to attempt to turn back the clock on the aspects of existing law that were presented to cities as "carrots" while we are expected to continue to absorb all the sticks contained in AB 1484 of 2012.

Still we also acknowledge and appreciate several changes that have been made to this proposal since January. Most significant is the removal of previous provisions that sought to repeal various re-entered agreements that local agencies had entered into under the provisions of AB 26X of 2011. Several new provisions have also been proposed to address issues with stranded 2011 bonds and the proceeds of special voter-approved property tax rates, which are being reviewed by the applicable agencies. Several other helpful proposals have also been proposed dealing with non-redevelopment issues.

While some provisions offered may be helpful to individual agencies, the provisions the League remains opposed to are those that attempt to reverse existing law and have the broadest impact in our membership. We urge legislators to avoid causing further harm to their cities. The loss of redevelopment has been devastating for many communities. Cities lost the major tool they had to address the needs of poorer and blighted neighborhoods. Gone are significant resources that were used to build affordable housing, transit-oriented development, clean up brownfields and rebuild infrastructure.

We strongly urge you to reject the harmful aspects of this proposal on cities; enough harm has already been done.

Thank you for your attention to this important matter.

cc: Mr. Michael Cohen, Director, Department of Finance  
Ms. Camille Wagner, Secretary of Legislative Affairs, Office of Governor Brown