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RESOLUTION NO. 2011-9

A RESOLUTION OF THE ALBANY CITY COUNCIL IN OPPOSITION TO THE ADMINISTRATION'S PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES IN CALIFORNIA

WHEREAS, as part of its 2011-12 budget proposal, the Governor has proposed permanently abolishing California's more than 400 local redevelopment agencies; and

WHEREAS, this proposal represents more of the same State budget raids of local government funds that voters have repeatedly sought to end, most recently in November 2010 when an overwhelming 61% of voters elected to stop State raids of local government funds, including redevelopment funds; and

WHEREAS, this proposal will bring very little financial benefit to the State. According to the State Controller's Office, redevelopment agencies have more than \$87 billion in bond and other contractual obligations that legally must be repaid before revenues are available to any other purpose. In fact, according to the State Department of Finance's own budget documents, there will be zero State savings in out years from shutting down redevelopment; and

WHEREAS, this proposal will significantly damage progress in local economic development, including hundreds of thousands of jobs and billions of dollars in local economic activity throughout California. In fact, in Albany, abolishing redevelopment will reduce or eliminate opportunities for an estimated 100-150 construction jobs and 100 permanent jobs; and

WHEREAS, Albany's redevelopment plan is designed to attract private investment that will not only create jobs, but also will generate income, sales, and other tax revenue for the State of California through re-use and revitalization of underutilized urban infill properties located in an existing transportation corridor; and

WHEREAS, throughout California, redevelopment activities support 304,000 jobs annually, including 170,600 construction jobs, contribute over \$40 billion annually

1 to California's economy in the generation of goods and services, and generate more than
2 \$2 billion in state and local taxes in a typical year; and

3 **WHEREAS**, eliminating redevelopment will take away one of the few tools local
4 governments have to comply with state requirements to plan for more compact urban
5 development supported by transit-oriented development, housing, jobs and infrastructure;
6 and

7 **WHEREAS**, eliminating redevelopment will destroy the development of
8 affordable housing in California. Redevelopment agencies are the second largest funder
9 of affordable housing, behind only the federal government, responsible for over 98,000
10 units of affordable housing since 1993; and

11 **WHEREAS**, shutting down redevelopment agencies is a violation of multiple
12 State and Federal constitutional provisions.

13 **THEREFORE, BE IT RESOLVED** that the City of Albany formally opposes
14 the Administration's proposal to abolish redevelopment in California.

15 **BE IT FURTHER RESOLVED** that the City of Albany's opposition to
16 abolishing redevelopment in California does not diminish its concern and support for
17 education and social service funding.

18 **BE IT FURTHER RESOLVED**, that the City of Albany authorizes its council
19 and city staff to communicate its opposition to this proposal to the Governor, the
20 Legislature, business groups, and citizens.

21
22 _____
23 Farid Javandel
24 Mayor
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