

RESOLUTION NO. 2011-9

A RESOLUTION OF THE ALBANY CITY COUNCIL EXPRESSING ITS CONCERNS ON THE PROPOSAL TO ELIMINATE REDEVELOPMENT AGENCIES

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 voters of Alameda County and the State approved passage of Proposition 22 to stop State raids of local government funds, including redevelopment funds; and

WHEREAS, this proposal will significantly damage progress in local economic development, which in Albany means the reduction or elimination of an estimated 100-150 construction jobs and 100 permanent jobs; and

WHEREAS, on November 15, 2010, the Albany Community Reinvestment (ACR) Agency Board of Directors approved a new five-year redevelopment implementation plan to attract private investment and jobs, create a stronger tax base, and to spur economic activity in other areas of the city and region that will benefit other public agencies; and

WHEREAS, on January 17, 2011, the ACR Agency Board of Directors approved a Public Improvement Grant and Cooperation Agreement with the City of Albany, by which the Agency will pay for the acquisition and improvement of, and design, construction and related activities to complete public improvement projects contained and referenced in the Five-Year Implementation Plan in order to alleviate blighted conditions in the Project Area; and

WHEREAS, the improvements in the Project Area on Cleveland Avenue total approximately \$2.8 million and include Gateway and Way finding signage; Street repaving and installation of sidewalks; Streetscape improvements; Creek and Storm

 Drain improvements; Traffic Improvements at the Freeway off ramp; and a Bicycle and Pedestrian Trail connection; and

WHEREAS, the improvements in the Project Area also include the acquisition, development, and associated improvements of property on Pierce Street, with an estimated cost of \$7.5 million, including: Acquisition of the 4.45 acre Pierce Street parcel from the California Department of Transportation; Relocating the City's maintenance center activities from leased space on Cleveland Avenue and constructing a new maintenance center; Development of park space for an underserved population; and Constructing a regional bicycle and pedestrian trail to connect the Bay Trail to BART; and

WHEREAS, on January 17, 2011, the Albany City Council authorized execution of a purchase agreement with the California Department of Transportation (Caltrans) to acquire the Pierce Street property as referenced in the Public Improvement Grant and Cooperation Agreement, and pay the State of California \$1.9 million; and

WHEREAS, the City of Albany has been negotiating with Caltrans for more than 15 years to acquire the Pierce Street property and reached agreement on terms of the purchase prior to January 1, 2011; and

WHEREAS, the acquisition of the Pierce Street property and relocation of the City's maintenance center will allow for the assembly of properties in the Project Area on Cleveland Avenue for private development, for which the City has targeted the "green jobs" industry as part of its membership in the East Bay Green Corridor; and

WHEREAS, the private investment into and development of the ACR Agency Project Area 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, any proposal to eliminate redevelopment including housing setaside for low and moderate income housing will significantly decrease the feasibility of constructing affordable housing in Albany, which is a goal of the State of California as expressed in its Regional Housing Needs Allocations; and **WHEREAS,** shutting down redevelopment agencies is a violation of multiple State and Federal constitutional provisions,

NOW, THEREFORE, BE IT RESOLVED that the City of Albany urges the Governor and Legislature of the State of California to reject the elimination of redevelopment agencies, and allow redevelopment agencies to, at the minimum:

- Retain existing fund balance and future tax increment revenue to existing redevelopment agencies to fund those projects contained in a redevelopment agency's five-year implementation plan, a Public Improvement Grant and Cooperation Agreement, contract, or similar commitment;
- 2) Retain existing fund balance and future tax increment to existing redevelopment agencies to fund the development of low and moderate income housing.

BE IT FURTHER RESOLVED that the City of Albany's opposition to wholesale elimination of redevelopment in California does not diminish its concerna and support for education and social service funding, and any funds taken for school-related purposes from the ACR Agency should benefit the local school district.

BE IT FURTHER RESOLVED that the City of Albany supports the State of California in pursuing and generating alternative sources of revenue, including placement of a tax measure(s) on the June 2011 ballot.

BE IT FURTHER RESOLVED, that the City of Albany authorizes its council and city staff to communicate its position to the Governor, the Legislature, business groups, and citizens.

Farid Javandel

Farid Javandel Mayor