

Redevelopment Agency
March 1, 2011
 Agenda Item 4A

Honorable Chairman and Members
 of the Redevelopment Agency
 City Hall
 Torrance, California

Members of the Agency:

SUBJECT: Redevelopment Agency - Adopt a resolution opposing the State administration's proposal to abolish Redevelopment Agencies in California

RECOMMENDATION

Recommendation of the Deputy Executive Director that the Redevelopment Agency adopt a resolution opposing the State administration's proposal to abolish Redevelopment Agencies in California.

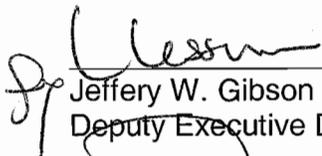
BACKGROUND AND ANALYSIS

On January 10, 2011, the State Administration released its 2011-2012 budget proposal. Despite the passage of Proposition 22 by voters in November 2010, an initiative designed to protect local funds from being taken by the State, the governor has proposed many measures in this budget that target local funds. Included in the proposal is the alarming plan to abolish redevelopment in California.

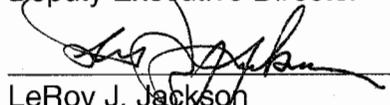
Redevelopment has played an integral role in the economic development of many local communities, including Torrance. Moreover, it is the second largest funder of affordable housing in the state. Redevelopment activities generate over 300,000 jobs and contribute \$40 billion annually to California's economy in the generation of goods and services, including increasing the state's construction sector output by about \$19 billion. As the legislature prepares to draft a ballot measure for approval in March 2011 that includes the abolishment of redevelopment, agencies across the state are mobilizing to educate legislators about the devastating impacts this could cause.

Redevelopment Agency staff recommends that the Agency adopt the attached resolution in opposition to the state Administration's budget proposal to eliminate Redevelopment Agencies in California.

CONCUR:



 Jeffrey W. Gibson
 Deputy Executive Director

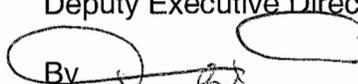


 LeRoy J. Jackson
 Executive Director

Attachment:
 A. Resolution

Respectfully submitted,

Jeffery W. Gibson
 Deputy Executive Director

By 

 Ted Semaan, Manager
 Redevelopment & General Plan Division

RESOLUTION NO. 2011-_____**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF TORRANCE, CALIFORNIA, OPPOSING THE
STATE 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, while the City of Torrance understands the need for strong action to bring the State budget under control, we believe any financial benefit the State will realize through this proposal will be offset by the damage caused to the economy of local jurisdictions and the corresponding loss of future jobs and community revitalization; and

WHEREAS, this proposal will have a negative impact statewide on local economic development, including hundreds of thousands of jobs and billions of dollars in local economic activity throughout California, and, in Torrance alone, will have the effect of halting future community revitalization efforts, including the Commercial Rebate Program, the Home Improvement Program, and the production and preservation of affordable housing in the community; and

WHEREAS, throughout California, redevelopment activities support 304,000 jobs annually, including 170,600 construction jobs, contribute over \$40 billion annually to California's economy in the generation of goods and services, and generate more than \$2 billion in state and local taxes in a typical year; and

WHEREAS, eliminating redevelopment will take away one of the few valuable tools local governments have to comply with state requirements for the production and preservation of affordable housing and to plan for more sustainable compact urban development supported by transit-oriented development, housing, jobs and infrastructure; and

WHEREAS, Redevelopment agencies are the second largest funder of affordable housing, behind only the federal government, responsible for over 98,000 units of affordable housing since 1993; and

WHEREAS, the proposal to permanently eliminate redevelopment is a short sighted solution to the State's budget deficit crisis that will have both long and short term social, economic and environmental consequences; and

WHEREAS, the revenue that communities and local governments receive from redevelopment activities directly benefits neighborhoods, public safety, public education and schools, park facilities, the environment, infrastructure, transportation systems, public transit, and other social programs; and

WHEREAS, redevelopment agencies statewide have contributed over \$2 billion dollars to the State's Education Revenue Augmentation Fund (ERAF) over the past two years; and,

WHEREAS, the Governor has expressed the desire to move more government to the local level and redevelopment is a quintessential expression of local government control over the growth and development of each City.

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Torrance formally opposes the Administration's proposal to abolish redevelopment in California.

THEREFORE, BE IT FURTHER RESOLVED, that the Redevelopment Agency of the City of Torrance authorizes its council and city staff to communicate its opposition to this proposal to the Governor, the Legislature, business groups, and citizens.

Introduced, approved and adopted this ____ day of March, 2011.

Chairman of the Agency

ATTEST:

Clerk of the Agency

Executive Director of the Agency

APPROVED AS TO FORM:
John L. Fellows III, Agency Counsel

By _____
Patrick Q. Sullivan,
Assistant Agency Counsel