

SB 654 (Steinberg)
Redevelopment

Existing law suspends various activities of redevelopment agencies and prohibits the agencies from incurring indebtedness for a specified period. Existing law also dissolves redevelopment agencies and community development agencies, as of October 1, 2011, and designates successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, repay enforceable obligations, as defined, and to remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities. In the case of *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court ruled that the dissolution of redevelopment agencies and community development agencies shall take effect on February 1, 2012, or 4 months after the effective date or the deadline for performance of an obligation, except as specified.

Existing law authorizes the city, county, or city and county that authorized the creation of a redevelopment agency to retain the housing assets, functions, and powers previously performed by the redevelopment agency, excluding amounts on deposit in the Low and Moderate Income Housing Fund.

This bill would revise the definition of the term enforceable obligation and modify provisions relating to the transfer of housing funds and responsibilities associated with dissolved redevelopment agencies. The bill would provide that any amounts on deposit in the Low and Moderate Income Housing Fund of a dissolved redevelopment agency be transferred to specified entities. The bill would make conforming changes.

Existing law provides that upon a specified date, agreements, contracts, or arrangements between the city or county, or city and county that created the redevelopment agency and the redevelopment agency are invalid. Notwithstanding this provision, an agreement that provided loans or other startup funds for the agency that was entered into within 2 years of the formation of the agency is valid and binds the successor agency.

The bill would expand this exception to include an agreement involving a loan specific to a project area and other specified obligations.

This bill would declare that it is to take effect immediately as an urgency statute.

SB 659 (Padilla and Rubio)
Community redevelopment

Existing law suspends various activities of redevelopment agencies and prohibits the agencies from incurring indebtedness for a specified period. Existing law also dissolves redevelopment agencies and community development agencies, as of October 1, 2011, and designates successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, repay enforceable obligations, as defined, and to remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities. Existing law imposes various requirements on successor agencies and subjects successor agency actions to the review of oversight boards.

In the case of *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court ruled that the dissolution of redevelopment agencies and community development agencies shall take effect on February 1, 2012, or 4 months after the effective date or the deadline for performance of an obligation, except as specified.

This bill would instead provide that dissolution of redevelopment agencies and community development agencies shall take effect on April 15, 2012, and as otherwise specified. Other specified provisions would become effective on May 1, 2012, or require performance of certain actions on or before July 1, 2012.