

**City of Culver City, California
Agenda Item Report**

Meeting Date: <u>02/28/11</u>		Item Number: <u>J-1</u>	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY AGENDA ITEM: Adoption of a Joint Resolution in Opposition to All Proposals to Abolish Redevelopment Agencies.			
Contact Person/Dept.: Shelly Wolfberg/City Manager's Office		Phone Number: (310) 253-6008	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Meetings and Agendas-City Council (02/23/11); Meetings and Agendas - Redevelopment Agency (02/23/11); John Shirey, California Redevelopment Association; and Jeff Kiernan, League of California Cities (02/23/11).			
Department Approval: Martin R. Cole (02/22/11)		City Attorney Approval: Carol A. Schwab (by H. Baker) (02/22/11) Agency General Counsel Approval: Murray Kane (02/22/11)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (02/23/11)		City Manager/Executive Director Approval: John M. Nachbar (02/23/11)	
<u>RECOMMENDATION:</u> Staff recommends the City Council and Redevelopment Agency Board (Agency Board) adopt a joint resolution in opposition to all proposals to abolish Redevelopment Agencies. <u>BACKGROUND:</u> Redevelopment works to improve existing properties and attract new development throughout Culver City to help ensure their highest and best use and to establish a balanced and prosperous community. Redevelopment efforts in Culver City have been effective in stimulating private reinvestment into areas by eradicating blight, increasing public safety and creating opportunities for business growth, jobs, and affordable housing. The Governor's 2011/2012 budget proposal includes abolishing redevelopment agencies in order to reallocate funds to the State's General Fund. Over 400 redevelopment agencies in California would be impacted. In Fiscal Year 2009/2010 the State of California took over \$10.9 million of redevelopment funds from the Culver City Redevelopment Agency and an additional \$2.25 million will be taken in Fiscal Year 2010/2011.			

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DISCUSSION:

The Culver City Redevelopment Agency (Agency) currently provides programs that range from homeless services and new construction to rehabilitation of single and multi-family homes and rental assistance. Through the 20% Housing Set Aside Fund, the Agency has been able to assist 3,300 very low, low, and moderate income households, so that residents may live affordably in decent, safe and sanitary housing units. The Agency is also working on three housing developments that will produce nearly 60 affordable new construction units over the next two years. Without financial assistance from the Agency's 20% Housing Set Aside Fund, these projects could not be built.

The Agency has also provided financial assistance for numerous commercial, retail, restaurant, infrastructure, and beautification projects, using tools available to redevelopment agencies. For example, the renovation and expansion of Culver City's major mall, Westfield Culver City, resulted in a \$180 million project that created 350 construction jobs. Westfield Culver City currently employs over 2,000 people and generates approximately \$3 million in revenues annually for the City and at least \$15 million in revenues for the state. The Agency is also working to develop a dynamic, sustainable Transit Oriented Development at the initial terminus of the Metro Exposition Light Rail line in Culver City. This mixed use project will feature housing, office, retail and hotel use and is a collaborative effort with Metro, Caltrans and the City of Los Angeles.

Redevelopment has been a valuable tool for Culver City. There is a concern that the elimination of the Redevelopment Agency would negatively impact Culver City, the municipal bond market, and financial markets overall. Further, this past November, the state's voters demonstrated their support for redevelopment agencies by overwhelmingly supporting Proposition 22, which constitutionally protects local authority and revenues, leading many to believe that there are serious legal concerns with the Governor's proposal.

As it stands today, the State's proposal to permanently eliminate redevelopment could seriously impact all redevelopment activity in Culver City, significantly impact local economic development efforts, and result in the loss of hundreds of thousands of jobs and billions of dollars in local economic activity throughout California.

The City Council and Agency Board have already been active in advocating Culver City's opposition to the Governor's proposal to eliminate redevelopment. The attached joint resolution provides the City Council and the Redevelopment Agency Board of Directors an additional opportunity to further express Culver City's position. If adopted, the joint resolution would be forwarded to the Governor's office, our state legislators, the League of California Cities, the California Redevelopment Association, and other stakeholders.

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FISCAL ANALYSIS:

There is no fiscal impact related to the adoption of the joint resolution. There would be significant negative financial consequences for the City if the Agency were eliminated.

ATTACHMENTS:

1. Proposed City Council and Agency Board Joint Resolution

MOTION:

That the City Council and Agency Board:

Adopt a joint resolution opposing the all proposals to abolish Redevelopment Agencies.