

**Metro**

FEBRUARY 17, 2012

TO: BOARD OF DIRECTORS

THROUGH: ARTHUR T. LEAHY *by per*
CHIEF EXECUTIVE OFFICER

FROM: MARTHA WELBORNE, FAIA *MWW*
EXECUTIVE DIRECTOR, COUNTYWIDE PLANNING

SUBJECT: REDEVELOPMENT AGENCY FUNDING

ISSUE

On December 29, 2011, the California Supreme Court issued its decision to uphold legislation dissolving Community Redevelopment Agencies (CRAs) statewide. Through our Call for Projects program, grants have been awarded to CRAs and/or local agencies have proposed to use redevelopment funds as their local match. This report informs the Board of our efforts to work with the Call for Projects sponsors affected by the California Supreme Court ruling.

DISCUSSION

With the Supreme Court decision abolishing CRAs, we are currently working with those Call for Projects sponsors whose projects are scheduled to start in FY 12 that identified redevelopment funds as their local match. Further, we are reviewing our existing Memorandums of Understanding/Letters of Agreements to identify the universe of projects which could be affected by the Supreme Court decision. We will be working with these Call for Projects grant recipients to minimize the impact of this fund source loss, if possible. Grant recipients will be asked to confirm the availability of non-CRA funds as necessary and to confirm that they are prepared to assume any obligations of the redevelopment agency with respect to the grants. To the maximum extent possible, we will maintain flexibility so that these previously programmed grants may move forward.

NEXT STEPS

We will continue contact project sponsors who committed Redevelopment funds as their local match. We will keep the Board apprised as this effort progresses.