



INVESTING IN COMMUNITIES

NEWS RELEASE

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**SACRAMENTO REDEVELOPMENT AGENCY OPTS-IN FOR
PAYMENT PROGRAM TO STAY IN BUSINESS**
**California Supreme Court issues partial stay on lawsuit challenging
State statutes that eliminate redevelopment under 2012 Budget**

Sacramento, CA | The Sacramento County Board of Supervisors and the City Council each unanimously approved a recommendation for the Sacramento Redevelopment Agency to “opt in” under AB X1 27 and make payments to the County Auditor-Controller so that it could remain in business.

"We decided to make the payments because redevelopment is critical to Sacramento's economic survival and we were determined to cobble together the funds to try to save it," said La Shelle Dozier, Executive Director of Sacramento Housing and Redevelopment Agency.

Sacramento Redevelopment Agency waits with nearly 425 agencies across the state for the Supreme Court to hear argument in a lawsuit challenging two statutes that force agencies to either dissolve or to opt-in to a continuation program by making annual payments that are intended to help balance the 2011-2012 State budget.

The California Redevelopment Association and the League of California Cities filed the lawsuit claiming that ABX1 26 and ABX1 27 are unconstitutional and violate Proposition 22 passed by voters last November prohibiting the use of redevelopment funds for any other purpose.

On August 11 the Court issued a partial stay that suspends elimination of redevelopment agencies under AB X1 26 with restrictions on certain activity, and leaves AB X1 27 in place allowing agencies to participate in a Voluntary Alternative Redevelopment Plan as part of the State budget. The Court announced that it intends to issue a decision by January 15, 2012 when the first payment is due.

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SHRA (www.shra.org) is a Joint Powers Authority created by the City and County of Sacramento to represent both jurisdictions for affordable housing and community redevelopment needs. The Agency is the leading public developer of affordable housing and oversees residential and commercial revitalization activities in 15 redevelopment areas throughout the City and County. SHRA has a FY 2011 budget of \$250 million and 291 employees. The Agency owns and manages 3,144 units of public housing and is one of the largest landlords in Sacramento. SHRA also administers approximately 11,000 rental assisted vouchers per month.

Sacramento Housing & Redevelopment Agency 801 12th Street | Sacramento, CA 95814 | www.shra.org

"Until then, we can only move forward with certain projects that were already approved before the Governor signed the budget on June 29," said Dozier. "But even with those approved projects, we can't take any new actions that require changes to contracts, agreements or other activity that would be part of the normal process for a redevelopment project," said Dozier.

Sacramento owes about \$22 million under the payment program for FY 2011-2012 of which \$18.3 million will come from the City redevelopment agency. The County redevelopment agency will contribute approximately \$3.5 million. Subsequent annual payments are estimated at \$4.2 million for the City and \$838,000 for the County. The Agency will suspend its 2011-2012 allocation to its low income housing and moderate income housing funds in order to make the first payment.

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