



# TOWN OF APPLE VALLEY TOWN COUNCIL STAFF REPORT

**To:** Honorable Mayor and Town Council **Date:** February 28, 2012

**From:** Frank Robinson, Town Manager **Item No:** 7  
Town Manager's Office

**Subject:** RESCISSION OF ANY AND ALL PREVIOUSLY ENACTED TOWN COUNCIL ACTION(S) ASSOCIATED WITH ABx1 27 OF THE FIRST EXTRAORDINARY SESSION IN THE CALIFORNIA STATE ASSEMBLY.

**T.M. Approval:** \_\_\_\_\_ **Budgeted Item:**  Yes  No  N/A

## RECOMMENDED ACTION:

Rescind any and all previously enacted actions associated with the implementation of ABx1 27.

## SUMMARY:

On June 29, 2011, the State Assembly chaptered ABx1 27 entitled, "Alternative Voluntary Redevelopment Program." The intent of the legislation was to allow dissolved redevelopment agencies an "opt-in" right based upon the requirement that the newly formed Voluntary Redevelopment Program would redirect a portion of the tax increment received by RDAs to an educational trust fund for disbursement through the State Controller's office.

On July 18, 2011, the California Redevelopment Association ("CRA") along with several other municipalities filed a complaint with the State Supreme Court opposing the constitutionality of ABx1 27. The prevailing argument was ABx1 27 is a diversion of RDA monies in direct violation of Proposition 22, which protects redevelopment funding.

As a result, the Court ruled in favor of the petitioners rendering the measure void, and upheld ABx1 26 resulting in the dissolution of redevelopment agencies. As a result of the Supreme Court decision, redevelopment agencies are required to rescind all actions taken in connection with ABx1 27.

Based upon the foregoing, staff recommends adoption the form motion.

**BACKGROUND:**

Not applicable.

**FISCAL IMPACT:**

Not applicable.