

City of Vacaville

Public Information Office
650 Merchant Street
Vacaville, CA 95688
Phone: (707) 449-5371
Online at: www.cityofvacaville.com

FOR IMMEDIATE RELEASE

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Contact: Mark Mazzaferro, (707) 449-5371



VACAVILLE TO FEEL IMPACT OF \$9.5 MILLION HIT TO RDA BUDGET

A court has ruled in favor of the state of California in a lawsuit that sought to stop the takeaway of over \$2 billion in redevelopment funds from local agencies. As a result, the City of Vacaville stands to lose \$9.5 million in funding in 2010 and another \$3.5 million in 2011.

In its ruling, the court decided that, as the state Legislature created the redevelopment areas, the Legislature could determine how redevelopment agencies use their monies. The law enacted by the legislature, AB 26 4x, provides for a shift of redevelopment agency funds in FY 2009-2010 and 2010-2011 from cities to school districts and county offices of education.

After the decision was announced, the Board of Directors of the California Redevelopment Association, which filed the lawsuit, voted unanimously in a special meeting Tuesday to authorize an appeal of the decision. The Board further authorized seeking from the Court of Appeal a temporary stay so that agencies do not have to make payments on May 10. That request will be filed May 5, with a decision hopefully by the end of the week.

"We basically have to write a check to the state of California for \$9.5 million from the Department of Housing and Redevelopment funds," said City Manager Laura Kuhn. "This will have a major impact on a variety of programs offered by various Departments and will certainly affect future redevelopment projects in Vacaville."

(More)

The Department of Housing and Redevelopment (DHR) is responsible for implementing housing, revitalization, and neighborhood services for the City. DHR operates the Section 8 rent subsidy programs for both the City and Solano County; and administering federal Community Development Block Grant (CDBG) funds to benefit lower income households and neighborhoods.

In addition, DHR functions as a community revitalization lender for housing occupied by low-income renter or owner households and coordinates revitalization efforts in downtown Vacaville and other Redevelopment project areas.

DHR also operates the Code Compliance program and serves as staff for the Vacaville Redevelopment Agency (RDA). Vacaville has two Redevelopment Areas, formed in 1982: Vacaville Community Redevelopment Area (Area I) and I-505/80 Redevelopment Area (Area II). A combined Low Income Housing Fund (LIHF) is funded by a 20 percent set-aside of redevelopment tax increment revenue. The RDA's total budget for FY 2009-2010 is \$18.8 million. Of that \$18.8 million, \$4.8 million funds a variety of homeowner programs.

Projects the HDR has been working on the last few years include the development of the Nut Tree Conference Center/Hotel, comprehensive Gateway and Way Finding Plans, Downtown parking (including parking structure feasibility), and revitalization of historic East Main Street and Bush Street areas in the Opportunity Hill target area.

DHR also works with local non-profit housing corporations and local developers to eliminate blight through the creation of new affordable housing units, including expanded efforts to acquire, renovate and/or manage rental housing that is creating public safety concerns.

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