



City of Placerville

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July 27, 2011

Supervisor Ray Nutting
El Dorado County
Board of Supervisors, District 2
330 Fair Lane
Placerville, CA 95667

Re: Redevelopment

Dear Supervisor Nutting:

I want to respond to some of the questions brought up by the opponents of redevelopment. I feel that there were some questions raised that were not completely answered.

First, *it was stated that Under ABx1 27, the City would take on all debt obligation of the Agency if the Agency were to default.* The new bill does place the liability for the additional pass-through payments on the City, not the Redevelopment Agency. However, it also allows for the City to get reimbursed by the Agency, and, if the payment is not made, the Agency is dissolved.

Second, *the referendum, if it qualifies, puts redevelopment on hold for one year. This is not true.* If the referendum qualifies, the ordinance in question is suspended until such time as an election is held on the issue. The election can be held not less than 88 days after the Council chooses to place it on the ballot. The Council can either place it on the ballot or rescind the ordinance. If the referendum is successful, the ordinance is invalidated. If it is not successful, the ordinance is in place and redevelopment moves forward.

Third, *it was stated that the resolution prohibiting the use of eminent domain is not valid.* That also is not true. The Council originally included eminent domain in the Plan with the exception of occupied residential. After many meetings and concerns with eminent domain, the Council adopted a subsequent resolution prohibiting the use of eminent domain in the entire project area. The resolution requires two separate public notices and two separate public hearings, plus a 4/5 vote of the Council, before it can be amended or rescinded. This resolution is binding on the Council unless changed in the future; and, the resolution only applies to the City area, not the County area. Eminent domain in the County area is prohibited by the Plan. It is true that a future Council could change the resolution. It is also true that a future Council

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could change the Plan. Again, the Council acted in good faith to prohibit the use of eminent domain in the entire project area. This language could be placed in the plan in the future. It was not done at this time because of time constraints.

Sincerely,



M. Cleve Morris
City Manager
City of Placerville

MCM:lrn