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## LAW ALERT

### California Supreme Court Upholds Dissolution of Redevelopment Agencies; Invalidates Voluntary Redevelopment Program

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Today the California Supreme Court delivered its decision in the *California Redevelopment Association v. Matosantos* case, finding AB1x 26 (the “Dissolution Act”) constitutional and AB1x 27 (the “Voluntary Redevelopment Program Act”) unconstitutional.

The Court’s bifurcated decision means that all redevelopment agencies will be dissolved under the constitutional Dissolution Act, and none will have the opportunity to opt into continued existence under the unconstitutional Voluntary Redevelopment Program Act.

The Court also determined to push back all deadlines in the Dissolution Act by four months. For instance, all redevelopment agencies will be dissolved and their

successor agencies will begin to function on February 1, 2012 under the Court’s decision (as opposed to the October 1, 2011 deadline specified in the Dissolution Act itself).

Goldfarb & Lipman will be sending a more detailed analysis of the Court’s decision soon, including a revised timeline of steps to be implemented by redevelopment agencies in connection with dissolution.

For more information, please call Jack Nagle, Lynn Hutchins, Karen Tiedemann, Rafael Yaquian, or any other Goldfarb & Lipman attorney at 510-836-6336.

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