



## News & Publications

### California Budget Wars: California Supreme Court Modifies Stay Of Redevelopment Elimination Legislation

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*CCN Client Alert*

On Wednesday, August 17th the California Supreme Court modified its August 11th stay of the statutes enacted in late June (ABX1 26 and ABX1 27) overhauling California's redevelopment agencies ("RDAs").

The order clarifies that several provisions of ABX1 26 requiring each RDA to document its existing obligations are **not** stayed. Specifically, the Court clarified that each RDA must prepare and submit an Enforceable Obligation Payment Schedule no later than August 29, 2011, and a Preliminary Recognized Obligation Payment Schedule no later than September 30, 2011. There had been some question whether RDAs that were continuing to exist pursuant to an ordinance adopted under ABX1 27 would need to comply with these deadlines. However, because those provisions of ABX1 27 relating to adoption of the ordinance under ABX1 27 remain stayed, it is now clear that all RDAs must prepare and submit these materials prior to the applicable statutory deadlines. [Developers, property owners and other third parties that have what they believe to be an enforceable obligation with an RDA should carefully monitor the RDA's actions to confirm that such obligations are listed accurately in the applicable Enforceable Obligation Payment Schedule and Preliminary Recognized Obligation Payment Schedule.](#)

In addition, the Court removed the stay of an RDA's ability to appeal the amount of its remittance payment under ABX1 27. Because the date to file such an appeal passed while that provision was stayed, any RDA that had not previously filed an appeal may have until

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August 22, 2011 to file such an appeal, but the Court's order does not provide for this expressly.

In all other respects, the Court's stay remains in place. Accordingly, RDAs continue to be limited in their ability to enter into new deals or modify existing deals.

The Court's intention is still to render a final decision prior to January 15, 2012.