In the Supreme Court of the State of California

CALIFORNIA REDEVELOPMENT ASSOCIATION, LEAGUE OF CALIFORNIA CITIES, CITY OF UNION CITY, CITY OF SAN JOSE, and JOHN F. SHIREY,

Petitioners,

v.

ANA MATOSANTOS, in her official capacity as Director of Finance, JOHN CHIANG, in his official capacity as the Controller of the State of California, PATRICK O'CONNELL, in his official capacity as the Auditor-Controller of the County of Alameda and as a representative of the class of county auditor-controllers,

Respondents.

Case No. S194861

NOTICE OF RELATED CASE

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Attorneys for Respondents Ana Matosantos, Director of the California Department of Finance, and State Controller John Chiang

Pursuant to California Rules of Court, Rule 3.300, subdivision (d), respondent Ana Matosantos submits the attached Notice of Related Case filed in *City of Cerritos, et al. v. State of California, et al.*, Sacramento Superior Court Number 34-2011-80000952-CU-WM-GDS. As explained in the attached notice, the *City of Cerritos* case is a constitutional challenge to ABX1 26 and ABX1 27 which alleges many of the same legal theories present in the instant case, involves substantially identical facts and legal issues, and is likely to require substantial duplication of judicial resources if heard simultaneously in different courts.

Dated: September 28, 2011

Respectfully submitted,

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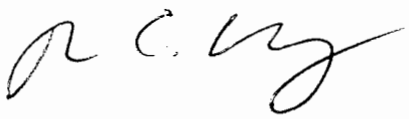

ROSS C. MOODY
Deputy Attorney General
Attorneys for Respondents Ana Matosantos, Director of the California Department of Finance, and State Controller John Chiang

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ATTACHMENT

ATTORNEY OR PARTY WITHOUT ATTORNEY *(Name, State Bar number, and address)*:
Ross C. Moody (State Bar No. 142541)
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ATTORNEY FOR *(Name)*: Respondent State of California, et al.

FOR COURT USE ONLY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF Sacramento
STREET ADDRESS: 720 9th Street
MAILING ADDRESS:
CITY AND ZIP CODE: Sacramento, CA 95814
BRANCH NAME:

PLAINTIFF/PETITIONER: CITY OF CERRITOS, et al.

DEFENDANT/RESPONDENT: STATE OF CALIFORNIA, et al.

CASE NUMBER: 34-2011-80000952-CU-WM-GD

JUDICIAL OFFICER: The Hon. Lloyd Connelly

DEPT.: 33

NOTICE OF RELATED CASE

Identify, in chronological order according to date of filing, all cases related to the case referenced above.

1. a. Title: California Redevelopment Association, et al. v. Matosantos, et al.
   b. Case number: S194861
   c. Court: ☐ same as above
      ☑ other state or federal court *(name and address)*: California Supreme Court, 350 McAllister St., SF
   d. Department:
   e. Case type: ☐ limited civil ☐ unlimited civil ☐ probate ☐ family law ☑ other *(specify)*: see attachment
   f. Filing date: July 18, 2011
   g. Has this case been designated or determined as "complex?" ☐ Yes ☑ No
   h. Relationship of this case to the case referenced above *(check all that apply)*:
      ☐ involves the same parties and is based on the same or similar claims.
      ☑ arises from the same or substantially identical transactions, incidents, or events requiring the determination of the same or substantially identical questions of law or fact.
      ☐ involves claims against, title to, possession of, or damages to the same property.
      ☑ is likely for other reasons to require substantial duplication of judicial resources if heard by different judges.
      ☑ Additional explanation is attached in attachment 1h
   i. Status of case:
      ☑ pending
      ☐ dismissed ☐ with ☐ without prejudice
      ☐ disposed of by judgment

2. a. Title:
   b. Case number:
   c. Court: ☐ same as above
      ☐ other state or federal court *(name and address)*:
   d. Department:

Form Approved for Optional Use
Judicial Council of California
CM-015 [Rev. July 1, 2007]

Cal. Rules of Court, rule 3.300
www.courtinfo.ca.gov

PLAINTIFF/PETITIONER: CITY OF CERRITOS, et al. DEFENDANT/RESPONDENT: STATE OF CALIFORNIA, et al.	CASE NUMBER: 34-2011-80000952-CU-WM-GD

2. *(continued)*

e. Case type: ☐ limited civil ☐ unlimited civil ☐ probate ☐ family law ☐ other *(specify):*

f. Filing date:

g. Has this case been designated or determined as "complex?" ☐ Yes ☐ No

h. Relationship of this case to the case referenced above *(check all that apply):*

☐ involves the same parties and is based on the same or similar claims.

☐ arises from the same or substantially identical transactions, incidents, or events requiring the determination of the same or substantially identical questions of law or fact.

☐ involves claims against, title to, possession of, or damages to the same property.

☐ is likely for other reasons to require substantial duplication of judicial resources if heard by different judges.

☐ Additional explanation is attached in attachment 2h

i. Status of case:

☐ pending

☐ dismissed ☐ with ☐ without prejudice

☐ disposed of by judgment

3. a. Title:

b. Case number:

c. Court: ☐ same as above

☐ other state or federal court *(name and address):*

d. Department:

e. Case type: ☐ limited civil ☐ unlimited civil ☐ probate ☐ family law ☐ other *(specify):*

f. Filing date:

g. Has this case been designated or determined as "complex?" ☐ Yes ☐ No

h. Relationship of this case to the case referenced above *(check all that apply):*

☐ involves the same parties and is based on the same or similar claims.

☐ arises from the same or substantially identical transactions, incidents, or events requiring the determination of the same or substantially identical questions of law or fact.

☐ involves claims against, title to, possession of, or damages to the same property.

☐ is likely for other reasons to require substantial duplication of judicial resources if heard by different judges.

☐ Additional explanation is attached in attachment 3h

i. Status of case:

☐ pending

☐ dismissed ☐ with ☐ without prejudice

☐ disposed of by judgment

4. ☐ Additional related cases are described in Attachment 4. Number of pages attached: _____

Date: 9/27/2011

Ross C. Moody
(TYPE OR PRINT NAME OF PARTY OR ATTORNEY)

▶ R C M
(SIGNATURE OF PARTY OR ATTORNEY)

City of Cerritos, et al. v. State of California, et al.

No. 34-2011-80000952-CU-WM-GD

ATTACHMENT 1e

Petition for writ of mandate invoking the original jurisdiction of the California Supreme Court.

City of Cerritos, et al. v. State of California, et al.

No. 34-2011-80000952-CU-WM-GD

ATTACHMENT 1h

On July 18, 2011, the California Redevelopment Association, along with the California League of Cities, the cities of Union City and San Jose, and taxpayer John Shirey filed a petition for writ of mandate in the California Supreme Court challenging the constitutionality of ABX1 26 and ABX1 27, two budget trailer bills. (*California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861.) ABX1 26 calls for all local Redevelopment Agencies (RDAs) to be dissolved as of October 1, 2011. ABX1 27 creates a method whereby existing RDAs could convert themselves into a new form of RDA and continue to exist, although they would have to pay higher fees to school, fire and transit districts to do so. The package of the two statutes together provided $1.7 billion in budget savings for FY 2011-12. The primary claim advanced in S194861 is that the Legislature violated Proposition 22, a constitutional amendment approved by voters in November 2010. Proposition 22, among other things, prohibits the state from enacting new laws that redirect property tax revenues that would otherwise flow to RDAs to other purposes such as school funding.

Both the petitioners and respondents agreed that the case was of sufficient statewide importance that the Court should invoke its original jurisdiction and both urged the Court to take the case. By order issued August 11, 2011, and modified on August 17, 2011, the California Supreme Court agreed to exercise its original jurisdiction to hear the case, and issued an order to show cause why relief should not be granted. The Court has set an expedited briefing schedule, and has indicated that it will rule by January 15, 2012. The Supreme Court granted a partial stay of the statutes, but left in place the "freeze" provisions which restrict RDA financial actions to paying debt service and other enforceable agreements. The rationale for the Supreme Court to assert jurisdiction over case S194861 was to ensure prompt and final resolution of an issue of statewide importance. A copy of the Supreme Court's order is attached hereto.

The California Redevelopment Association is comprised of over 350 redevelopment agencies, including many of the petitioners in the instant case. It has advanced many of the same theories in S194861 as those advanced herein, including violations of Articles XIII, section 25.5(a)(7), XIII, sections 24(b), 25.5(a)(1), and 25.5(a)(3), XIIIB, section 6(b)(3), and XVI, section 16 of the California Constitution. Main briefing in S194861 is complete, and the Court has indicated that argument will be held soon, with a decision to be issued by January 15, 2012. Given the significant judicial capital that the Supreme Court has devoted to this issue, litigating substantially similar issues before another court prior to the Supreme Court's impending decision would result in a substantial duplication of judicial resources.

S194861

IN THE SUPREME COURT OF CALIFORNIA

En Banc

CALIFORNIA REDEVELOPMENT ASSOCIATION et al., Petitioners,

v.

ANA MATOSANTOS, as Director, etc. et al., Respondents.

The court's order of August 11, 2011, is modified to read as follows:

The request for a stay of chapter 5, Statutes 2011, First Extraordinary Session (Assembly Bill No. 26 X1) is granted, except that the request to stay Division 24, Part 1.8 of the Health and Safety Code (Health & Saf. Code, §§ 34161-34169.5) is denied.

The request for a stay of chapter 6, Statutes 2011, First Extraordinary Session (Assembly Bill No. 27 X1) is granted, except that the request to stay Health and Safety Code section 34194, subdivision (b)(2) is denied.

Ana Matosantos, Director of the California Department of Finance, John Chiang, Controller of the State of California, and Patrick O'Connell, Auditor-Controller of the County of Alameda, are ORDERED TO SHOW CAUSE before this court, when the above matter is called on calendar, why the relief sought by petitioners should not be granted.

The return is to be served and filed by respondents on or before September 9, 2011.

A reply may be served and filed by petitioners on or before September 23, 2011.

Any application to file an amicus curiae brief, accompanied by the proposed brief, may be served and filed on or before September 30, 2011.

Any reply to an amicus brief may be served and filed on or before October 7, 2011.

The parties are directed to address, in the return and reply, the following questions: Assuming solely for the sake of argument that the court's decision upholds both statutes and dissolves the existing stay, what effect would the stay have on the statutory dates for compliance, including those for enactment of an ordinance (Health & Saf. Code, § 34193, subd. (a)) and payment of the remittance amount *(id.,* § 34194, subd. (d))? If it becomes necessary to postpone the statutory compliance dates, what should the new dates be?

The court does not contemplate extending any time set out above. The briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012. Without expressing any opinion on the merits, the court intends that Assembly Bills No. 26 X1 and 27 X1 will, if upheld, be implemented with as little delay as possible.

Kennard, J., is of the opinion a stay should not be issued.

Cantil-Sakauye
Chief Justice

Kennard
Associate Justice

Baxter
Associate Justice

Werdegar
Associate Justice

Chin
Associate Justice

Corrigan
Associate Justice

_____
Associate Justice

PLAINTIFF/PETITIONER: CITY OF CERRITOS, et al.	CASE NUMBER:
DEFENDANT/RESPONDENT: STATE OF CALIFORNIA, et al.	34-2011-80000952-CU-WM-GD

PROOF OF SERVICE BY FIRST-CLASS MAIL
NOTICE OF RELATED CASE

(NOTE: You cannot serve the* Notice of Related Case *if you are a party in the action. The person who served the notice must complete this proof of service. The notice must be served on all known parties in each related action or proceeding.)

1. I am at least 18 years old and **not a party to this action.** I am a resident of or employed in the county where the mailing took place, and my residence or business address is *(specify):*

   455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102

2. I served a copy of the *Notice of Related Case* by enclosing it in a sealed envelope with first-class postage fully prepaid and *(check one):*
   a. ☐ deposited the sealed envelope with the United States Postal Service.
   b. ☑ placed the sealed envelope for collection and processing for mailing, following this business's usual practices, with which I am readily familiar. On the same day correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service.

3. The *Notice of Related Case* was mailed:
   a. on *(date):* September 27, 2011
   b. from *(city and state):* San Francisco, California

4. The envelope was addressed and mailed as follows:

   a. Name of person served: (See attached service list)
      Street address:
      City:
      State and zip code:

   c. Name of person served:
      Street address:
      City:
      State and zip code:

   b. Name of person served:
      Street address:
      City:
      State and zip code:

   d. Name of person served:
      Street address:
      City:
      State and zip code:

☐ Names and addresses of additional persons served are attached. *(You may use form POS-030(P).)*

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: September 27, 2011

J. Wong
(TYPE OR PRINT NAME OF DECLARANT)

J Wong
(SIGNATURE OF DECLARANT)

SERVICE LIST

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DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **California Redevelopment Association, et al. v. Matosantos, et al.**

No.: **S194861**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business.

On September 28, 2011, I served the attached **NOTICE OF RELATED CASE** by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102-7004, addressed as follows:

Steven L. Mayer Howard, Rice, Nemerovski, Canady, Falk & Rabkin Three Embarcadero Center, 7th Floor San Francisco, CA 94111-4024 (Attorneys for Petitioners)	Jennifer Rockwell Chief Counsel Department of Finance 915 "L" Street Sacramento, CA 95814
Claude Kolm Deputy County Counsel Alameda County Counsel's Office 1221 Oak Street, Room 450 Oakland, CA 94612-4296	Brian E. Washington Alameda County Counsel's Office 1221 Oak Street, Room 450 Oakland, CA 94612-4296
Richard J. Chivaro Chief Counsel State Controller's Office P.O. Box 942850 Sacramento, CA 94250	Lizanne Reynolds Deputy County Counsel Santa Clara County Counsel's Office 70 West Hedding Street, 9th Floor East Wing San Jose, CA 95125

RUTAN & TUCKER, LLP Jeffrey M. Oderman, Esq. Dan Slater, Esq. Mark J. Austin, Esq. William H. Ihrke, Esq. Megan Garibaldi, Esq. 611 Anton Boulevard, Suite 14000 Costa Mesa CA 92626-1931	The Honorable Lloyd G. Connelly Sacramento County Superior Court Gordon D. Schaber Downtown Courthouse 720 Ninth Street Department 33 Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on September 28, 2011, at San Francisco, California.

Janet Wong
Declarant

J Wong
Signature

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