



RDA Dissolution

- Over \$5 Billion in property taxes diverted at the time of dissolution.
- \$1 Billion in affordable housing obligations



What dissolution exposed

- Lack of good record keeping
- Housing obligations were postponed and not fulfilled
- RDA governance and city governance were too entwined
- State oversight lacking – lackluster audits



Reforms for new tools

- Cap on school's contribution (state's share)
- Robust replacement housing policies and anti-displacement policies.
- Requires detailed records of use of funds. Creates a \$10,000 fine per violation of the record keeping requirements.
- Requires an independent audit each year by a certified public accountant. Requires the audit be submitted to the Controller.
- The Controller annually determines major audit violations and refers any violations that are not corrected to the Attorney General.
- Authorizes fines for major audit violations that are not corrected up to \$250,000.
- Governing board made up of multiple other agencies and the public.



Big Themes for New Tool

- Funding for affordable housing and infrastructure
- More money to affordable housing >20%
- Bondable funding source – tax increment
- New “project areas” means the benefits of new TI will not be immediate
- State needs to contribute – schools portion/General Fund
- What role should economic development play?
- Reforms that address abuses of RDA 1.0



AB 3037 (Chiu et.al) (2018)

- Redevelopment Housing and Infrastructure Agencies
- Modeled after EIFDs and RDAs
- All taxing entities are required to participate at formation but city backfills those that don't want to contribute TI.
- State contributes by backfilling schools portion – amount is capped.
- SGC approves the creation of the project.
- DOF monitors the cap.
- Requirement to spend affordable housing funds to use infrastructure funding.
- Strong replacement and displacement tools
- Eminent domain



Feedback Needed

- Where should the tool be used? Transit? Disadvantaged Communities?
- How much does the state need to contribute?
- What additional tools should be added to AB 3037 – land assembly?
- How does new TI tool interact with old RDA project areas?
- Should cities have to meet performance standards to access new state funded TI tool? If so what should they be?