

January 21, 2011

TO: NPH Members

FROM: NPH Staff

RE: Redevelopment Agencies and the Proposed State Budget

Many of you have contacted us over the past week in regard to Governor Brown's proposal to eliminate redevelopment agencies, as part of his larger budget plan. We appreciate your calls and share your concern about this sudden and significant threat to an important resource for affordable housing development.

Yesterday we learned of a Redevelopment Reform Bill, which has not yet been assigned a number, that will be introduced to the Senate, sponsored by Senator Lowenthal and managed by Mark Stivers, consultant for the Senate Transportation and Housing Committee. We have attached a summary of the proposed bill. It was drafted before the Governor issued his budget proposal, and Mr. Stivers tells us the Committee plans to send the bill through the regular Senate process, introducing it in mid-February regardless of decisions on the Governor's budget proposal.

While the situation is changing daily, we want to alert you of the upcoming dates and deadlines we are aware of related to this issue:

- Budget Subcommittee begins meetings Monday, January 24<sup>th</sup>
- Budget Subcommittee hearing on RDAs: Monday, February 7<sup>th</sup>
- Governor's deadline to introduce a ballot measure: March 1<sup>st</sup>
- NPH Legislative Committee Meeting on RDAs (all are welcome): February 10<sup>th</sup>

#### NPH'S POSITION:

NPH opposes the Governor's proposal to eliminate redevelopment agencies. It is our priority to preserve low- and moderate-income housing policy within current redevelopment law. Additionally, NPH will most likely support the Redevelopment Reform package, including Senator Lowenthal's draft bill, that will be unfolding over the next few months, after further analysis.

#### WHAT YOU CAN DO:

NPH encourages our members to schedule visits with your area's legislators or, if you are unable to meet with them in person, to make a call or send a letter. We suggest that you focus on those legislators who come from a city council or mayoral background, as many of them are more likely to be sympathetic to preserving the low- and moderate-income housing activity of redevelopment agencies. We have attached a new Bay Area legislator list to this memo, with information on the legislators' backgrounds.

Here are some talking points that you can use in meetings with or letters to your legislators (please let us know if you need source information for these points):

- Did you know that redevelopment agencies are the second largest funders of affordable housing in California, second only to the federal government?
- Since 1999, redevelopment agencies have helped 166,779 households find affordable housing, and 87% of these households had low or very low incomes.
- Since 1995, 91,000 housing units have been built with redevelopment funds.
- Within one year, the estimated impacts of building 100 rental apartments on a metro area include \$7.9 million in local income; \$827,000 in taxes and other revenue for local governments, and 122 local jobs.

You should also add a few examples of how RDA funding directly impacts housing on the local level, specific to your city or region. For instance, in Oakland, over the past 10 years, the Oakland RDA has allocated over \$200 million to affordable housing activities, with 1,900 units of housing constructed. The Oakland RDA deposits 25% of its gross tax increment into the Low and Moderate Income Housing Fund. Totaling approximately \$28 million per year, this is the city's largest source of affordable housing funds.

We also ask that members send us any updates and information you may receive on this issue, in addition to any examples of excellent uses of the redevelopment agencies' housing funds for affordable housing, and any general data on redevelopment-funded housing developments that you discover. Please get in touch with the redevelopment agencies in your area and with area city staff, to obtain such data and examples that you may be able to use as talking points to support our cause when speaking with or writing to your legislators.

Thank you again for your continued support of affordable housing in the Bay Area, particularly at this challenging time. Please feel free to contact either of us with any questions or thoughts.

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