



June 5, 2015

The Honorable Mark Leno
Chair, Senate Budget and Fiscal Review Committee
State Capitol, Room 5100
Sacramento, CA 95814

The Honorable Shirley Weber
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

RE: RDA Dissolution Trailer Bill Language

Dear Chairpersons Leno and Weber:

This letter is to express our opposition to sections of the Department of Finance redevelopment trailer bill proposing retroactive “simplification” language dealing with the dissolution of redevelopment agencies. We ask that you reject these harmful provisions.

CHC is a non-partisan advocate for the production and preservation of housing affordable to low- and moderate-income Californians. We represent the development, building, financial, and public sectors united in their goal that every Californian has a safe, affordable place to call home.

The loss of redevelopment has been devastating for many communities. Cities lost a major tool they had to address the needs of lower-income households. Gone are the significant resources that were used to build affordable housing, transit-oriented development, clean up brownfields, and rebuild infrastructure.

By retroactively changing the definition of a loan, changing interest rates, making changes related to installment plans for owed monies, and making other restrictions related to loans, this trailer bill goes far beyond what was intended in 2011 when redevelopment agencies were eliminated. The proposal significantly reduces resources for affordable housing required by existing law by:

- Narrowing the category of deferred payments and moneys owed to Low and Moderate Income Housing Funds
- Preventing successor agencies from taking actions necessary to fulfill enforceable obligations that were incurred prior to dissolution
- Limiting loan agreements that can be repaid and significantly reducing the interest rate applicable to those agreements

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Several of these provisions would undermine litigation that is currently pending. We believe that the Department of Finance should comply with the court rulings, specifically with how the interest rate should be calculated as defined by the City of Glendale case.

Thank you for your consideration. If you have any questions, don't hesitate to contact our policy director, Marina Wiant, at (916) 930-5248 or mwiant@calhsng.org.

Sincerely,

A handwritten signature in black ink that reads "Ray Pearl". The signature is written in a cursive style with a large, prominent "R" and "P".

Ray Pearl
Executive Director