

MOTION

In 1945, the California Legislature enacted the Community Redevelopment Act to assist local governments in eliminating blight through development, reconstruction, and rehabilitation of residential, commercial, industrial, and retail districts. The Act gave cities and counties the authority to establish redevelopment agencies (RDAs or agencies), to address the effects of blight, as defined by means of redevelopment projects financed by the issuance of bonds serviced by tax increment revenues derived from the project area. After nearly 65 years of Redevelopment Authority, Governor Brown signed a law to dissolve redevelopment and community development agencies on February 1, 2012.

At that time, Los Angeles had thirty-one (31) redevelopment project areas that stretched from the Harbor Area up to Watts and South LA, Downtown, Mid-City, Hollywood and North Hollywood, Pacoima and Reseda in the Valley. The dissolution of CRA/LA cost the City its most effective economic development tool to address blight, build affordable housing and public infrastructure and create jobs in Los Angeles' most distressed communities.

Governor Brown recently signed into law AB 2, which authorizes local governments to establish a "Community Revitalization and Investment Authority" in disadvantaged communities on September 22, 2015. These authorities would carry out provisions of the Community Redevelopment Law for purposes related to infrastructure, affordable housing, and economic revitalization. The bill would provide for the financing of these activities by, among other things, the issuance of bonds serviced by tax increment revenues, and would require the authority to adopt a community revitalization and investment plan.

Under the new law, local governments can create Community Revitalization and Investment Authorities where the annual median household income is less than 80 percent of the statewide median, and where three of the following four conditions are met:

1. Unemployment rate is at least 3 percent higher than the statewide unemployment rate;
2. Crime rate is 5 percent higher than the statewide median crime rate;
3. Deteriorated or inadequate infrastructure such as streets, sidewalks, water supply, sewer treatment or processing and parks;
4. Deteriorated commercial or residential structures

I THEREFORE MOVE that Chief Legislative Analyst (CLA), with the assistance of the City Administrative Officer (CAO) and Economic Workforce Development Department (EWDD) be DIRECTED to report with an analysis of AB 2 and determine which of the thirty-one former CRA/LA project areas, as well as communities located outside those areas, would be eligible for the "Community Revitalization and Investment Authority" designation.

Presented by Joe Buscaino
JOE BUSCAINO
Councilmember, 15th District

Seconded by Gilbert Cesillo


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