



The RDA fought the law, and the law won

As [Rick blogged](#), the California Redevelopment Association inadvertently committed suicide at the state Supreme Court last week. Convinced by their lawyers that they would ultimately win in court, the Association's leaders had played hardball last year at the legislature in the face of attempts to end redevelopment. But the California Supreme Court ended up immolating the very compromise measure that would have salvaged some redevelopment, using the same voter-approved proposition that the Association had pushed to save redevelopment in the first place.

Unlike Rick, however, I am less sanguine about the impact of this decision on infill development going forward. There are generally two types of infill opportunities in California: 1) infill in high-demand markets, like San Francisco, Santa Monica, and Berkeley, that requires virtually no public subsidies and 2) infill in blighted neighborhoods, like Hollywood or Old Town Pasadena in the 1990s or downtown Oakland today, that need major public investment to attract sufficient private capital. Building in the high-value areas is often restricted by wealthy and organized neighbors. The classic example is the area around the Rockridge BART station in the Bay Area, where Berkeley neighbors have stymied development that could concentrate new growth around the multi-billion dollar rail line running through the neighborhood.

As a result, many infill developers have had to look to low-income or industrial neighborhoods to build projects. These neighborhoods often lack neighbors entirely (such as much of downtown Los Angeles before the recent boom) or the existing residents are

unorganized and unable to fight proposed projects. Building in these spots typically requires major investments in infrastructure, schools, and public safety. Redevelopment is key to financing many of these investments. As then-Attorney General Jerry Brown said at a UCLA Law workshop in 2009, infill development is “[not for the faint of heart](#).”

As it is, many worthwhile infill projects, including affordable housing developments, barely pencil out in these areas. Developers stack various sources of funding to make projects happen, such as infrastructure and affordable housing bonds, federal tax credits, and of course redevelopment money. Take out a layer of this financing cake, as the state government has now done by killing redevelopment, and many projects across the state simply will not happen.

My hope is that the legislature and the governor make the reinvention of redevelopment for transit-rich areas a priority in this coming legislative term. Unfortunately, the politics are not great this year, given the ongoing budget retrenchment in the face of total Republican opposition to anything with the word “tax” on it. Still, if the state is committed to building smarter going forward, reinventing redevelopment needs to be a top priority.