

# Redevelopment Agencies

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# Redevelopment Agencies (RDAs)

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## What is an RDA?

- Agency created by City or County, or jointly
- Legislative body usually City Council or Board of Supervisors
- Powers typically limited to redevelopment project area

## Reasons for redevelopment projects/agencies

- Eliminate blighted conditions
- Expand supply of low-and-moderate-income housing
- Expand employment opportunities

# Redevelopment Agencies (RDAs)

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- RDAs issued bonds for projects and used future income streams from increased property values to repay bonds
- RDAs entered into agreements with affected parties to provide a tax increment pass-through
- Cities, counties, K-12, community colleges, county offices of education and special districts were affected

# February 1, 2012

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- RDAs ceased to exist, new Successor Agencies are created
  - Old RDA = New Successor Agency
- Successor Agencies
  - Are established to wind down the former RDA's affairs
  - Will continue to pay legally enforceable obligations of the RDA
  - Need to develop obligation payment schedules
  - Are monitored/supervised by Oversight Boards
  - Will dissolve after all obligations are paid

# February 1, 2012

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- **Oversight Board for each Successor Agency**
- **Oversight Boards consist of 7 members appointed by:**
  - County Board of Supervisors
  - Mayor for the city that formed the former RDA
  - County Superintendent of Schools
  - Chancellor of the California Community Colleges
  - Member of the public appointed by the County Board of Supervisors
  - Member by the recognized employee organization representing the largest number of successor agency employees in the county

# Marin County RDAs

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- **MCCCD is involved in 3 RDAs in Marin County**
  - Marin County RDA – 1956
  - San Rafael RDA – 1972
  - Novato/Hamilton RDA – 1990
- **MCCCD is on 3 Oversight Boards, one for each RDA**

# San Rafael RDA (SRRDA)

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- Several agreements between SRRDA and MCCCD have existed over the years
- More recent agreement allowed for SRRDA to continue to receive certain tax increment revenue
- In exchange, SRRDA provided financial assistance in the development and rehabilitation of facilities at several sites in, or serving residents of, the San Rafael Redevelopment Project Area

# SRRDA Funded MCCD Projects

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- **Network infrastructure**
- **Matching funds for handicap barrier removal**
- **Matching funds for scheduled maintenance projects**
- **Remodel Marin Conservation Corps facility so ESL and basic skills instruction could be offered in the Canal Area**
- **Develop a high-tech language lab on KTD campus for students in ESL and modern languages**
- **Develop an information literacy center in the KTD library**
- **Improve access to Austin Science Center (ADA)**

# Novato/Hamilton RDA

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- In 2002/03, MCCD issued \$2.7M bonds for:
  - Facilities and capital repair
  - Renewal projects
  - Capital equipment purchases
- Purpose of the bond was to make significant funds available in the near term for capital improvements
- \$2.5M spent on projects

# Bond Projects

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• IVC One Stop	\$ 598K
• KTD/IVC Roof Repairs	\$ 467K
• Telephone System	\$ 464K
• Facilities Masterplan	\$ 349K
• Misc Facilities Renewal/Cap Equip	\$ 402K
• ADA projects	\$ 120K
• IVC Sewer Crossing	\$ 83K
• IVC Fire Mitigation	<u>\$ 54K</u>
<b>Total Projects</b>	<u><b>\$2,537K</b></u>

# Novato/Hamilton RDA

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- **Bond was structured so the repayment schedule would match the revenue stream due from the Novato/Hamilton RDA**
- **Bond payment schedule**
  - Payments due annually on June 1
  - \$90K principal and interest due in 2012
  - Payments increase each year
  - \$665K final payment due June 1, 2033

# Dissolving RDAs

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- Implications of dissolving Marin County and San Rafael RDAs are probably minimal to the district, expectation of increased property tax revenues
- Dissolution of the Novato/Hamilton RDA may be problematic
  - Lack of continued investment/redevelopment may result in lower than anticipated future revenue stream to repay bonds
  - MCCD may need to fund future bond payments from anticipated new revenue sources resulting from the dissolving RDA.