



INVESTING IN COMMUNITIES

# NEWS RELEASE

**CONTACT:**

Angela Jones, Public Information Officer  
(916) 440-1355 or (916) 919-3090  
[www.shra.org](http://www.shra.org)

**FOR IMMEDIATE RELEASE**

**January 17, 2012**

**EXECUTIVE DIRECTOR'S STATEMENT ON THE DISSOLUTION ACT  
ELIMINATING REDEVELOPMENT AGENCIES**

**Sacramento Housing and Redevelopment Agency Urges Legislature to Protect Local Jobs  
and Preserve Low Income Housing**

**Sacramento, CA** | Executive Director of the Sacramento Housing and Redevelopment Agency La Shelle Dozier says there are no winners in the Supreme Court's decision to uphold the State's elimination of California's redevelopment agencies.

"Without redevelopment Sacramento loses the only local tool that has been successful in helping to regenerate the economy," said Dozier. "We're looking at a tremendous loss in temporary and permanent job creation and housing opportunities for our residents who deserve to live in neighborhoods that are safe, vibrant and affordable. Both of these components are critical to building a sustainable economy."

On December 29, 2011, the California Supreme Court ruled in the redevelopment litigation, *CRA v. Matosantos*. The Court upheld ABX1 26 (the redevelopment Dissolution Act), but struck down ABX1 27, the bill that would have allowed agencies to remain in operation as long as they made a payment to the state. The Court's ruling is final and cannot be appealed. In upholding the legislation, the Court set a new date for dissolution of redevelopment agencies which is now February 1, 2012 instead of the original date of October 1, 2011. To read the Court's ruling, go to: <http://www.courtinfo.ca.gov/opinions/documents/S194861.PDF>.

As has been the case since the Governor signed the Dissolution Act on June 29, 2011, redevelopment agencies are prohibited from engaging in any new redevelopment activity that was not approved prior to June 29, 2011.

**SHRA** ([www.shra.org](http://www.shra.org)) is a Joint Powers Authority created by the City and County of Sacramento to represent both jurisdictions for affordable housing and community redevelopment needs. The Agency is the leading public developer of affordable housing and oversees residential and commercial revitalization activities in 14 redevelopment areas throughout the City and County. SHRA has a FY 2012 budget of \$236 million and 253 employees. The Agency owns and manages 3,144 units of public housing and is one of the largest landlords in Sacramento. SHRA also administers approximately 11,500 rental assisted vouchers per month.

## **Redevelopment Agency prepares to unwind after half a century of community investment**

SHRA has begun the complicated process of working with the City and County to comply with the Dissolution Act which requires that a Successor Agency step up and take control after the redevelopment agency is dissolved effective February 1. SHRA must turn over all of its assets and liabilities including all real property, funds and debt to the Successor Agency. The legislation also requires that a seven-member Oversight Board be established to supervise the Successor Agency for the duration of the winding down of the redevelopment agency. To read the legislation, go to: [http://leginfo.ca.gov/pub/11-12/bill/asm/ab\\_0001-0050/abx1\\_26\\_bill\\_20110629\\_chaptered.html](http://leginfo.ca.gov/pub/11-12/bill/asm/ab_0001-0050/abx1_26_bill_20110629_chaptered.html).

SHRA agrees with advocates that the legislature did not intend to dismantle redevelopment as a means to relieve the State of its obligation to fund schools. As the dissolution date quickly approaches, redevelopment advocates are working to convince legislators to pass an extension to allow time for RDAs to sort out the myriad complexities, inconsistencies and ambiguities of the Dissolution Act.

“After 50 years, we’re being told to throw the baby out with the bath water which will just create more problems than it solves,” said Dozier. “We want to help find a fix that will achieve our shared goal to create jobs, rejuvenate the economy, and preserve the ability to produce affordable housing into the future.”

### **Impact of Dissolution Will Be Far-Reaching**

Dismantling the flexible tool of redevelopment will cause a ripple effect that will spread through the local economy and into Sacramento’s neighborhoods. The City and County will be saddled with responsibility for fulfilling all of the Agency’s financial obligations including bond debt currently estimated at more than \$700 million and potential expensive litigation could result if the agreements are breached.

The Redevelopment Agency owns hundreds of vacant lots, easements, and irregular patches of real estate in the City and County which would be transferred to the Successor Agency. The process of transferring ownership is cumbersome and will take far more than a few weeks to complete. Regulatory agreements for housing assisted by redevelopment must be followed and require monitoring and inspecting thousands of units for as long as 55 years to ensure that the housing continues to be maintained as safe and habitable.

Catalyst projects that attract future development such as Globe Mills, La Valentina, 700 K Street and McClellan Business Park will be extremely difficult if not impossible make happen again. The job loss factor is compounded because redevelopment creates jobs before, during and after construction workers turn the first shovel of dirt and after the doors open for business. Also at risk for job loss are planners, architects, office support staff, real estate and title professionals, inspectors, vendors, and service providers in addition to more than 1,000 redevelopment employees which will add to the State’s decimated economy.

## **SHRA Has Transformed Sacramento's Communities**

Redevelopment has a long track record in Sacramento's blighted low income communities and the downtown including rehabilitation and historic preservation of the Maydestone Apartments and Globe Mills; infill transit oriented development and brownfields remediation of the new La Valentina apartments; and new construction of the 7<sup>th</sup> and H project, Mutual at the Highlands and Foothill Farms Apartments. In addition to hundreds of construction jobs, these projects create over 670 units of affordable housing, including more than 200 units for at risk/formerly homeless individuals and families. Commercial projects like the Citizen Hotel, Watt and Elkhorn Shopping Center, and Sacramento News & Review enhance quality of life, provide jobs for local residents and pump tax revenue into local coffers. Today, McClellan Business Park has more jobs than were lost when the former Air Force base closed in 2001. SHRA also supports non-profit organizations that provide services in permanent supportive housing for at risk and homeless individuals.

"These successes will not be repeated without public intervention and unfortunately, neighborhoods that are still in need of uplifting will likely not see a change for the better," said Dozier. "It is our hope that the legislature will consider what's really at stake and agree that redevelopment still has a vital role to play in helping to stabilize and grow our economy."

###