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## OPINION

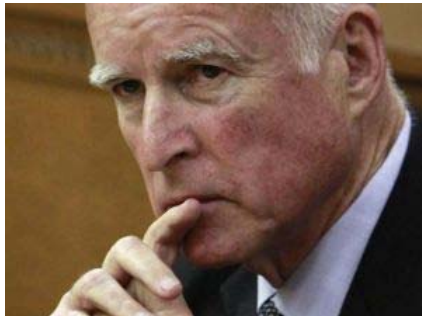
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### ARTICLE

Gov. Jerry Brown and his few allies are fighting an uphill battle, one fraught with political landmines, to make his proposal a reality to dissolve the state's 425 redevelopment agencies and redirect the estimated \$1.7 billion in savings to education, public safety and child welfare.

On Thursday the Democratic Party signaled some solidarity with Brown when the Legislature's Budget Conference Committee voted along party lines, with Democrats supporting Brown's proposal and Republicans opposing it. The issue, as part of the overall budget bill, goes to the Assembly and Senate for floor votes this week.



Gov. Jerry Brown ponders a question while appearing before the joint legislative budget conference committee at the Capitol in Sacramento, Calif., Thursday, Feb. 24, 2011. Brown, took questions from committee members about his proposed budget plan.(AP Photo/Rich Pedroncelli)

But that is the only bit of good news for Brown that I see. Brown faces a political landscape largely cool to his proposal, including: Some resistance from his own party; limited support from the minority party, the GOP; staunch opposition from the business community and Republicans in the business community, specifically the building industry; tepid union backing; obstruction of his plans by major cities throughout the state; law firms calling the proposal illegal; and a general lack of public understanding about redevelopment agencies.

Waging war to abolish a government agency ranges from difficult to nearly impossible. There are always entrenched interests willing to take up arms to preserve the status quo. This is especially true of redevelopment agencies, which not only manage hundreds of millions of tax dollars, but also serve well-heeled, politically savvy constituencies on the Right and the Left.

Redevelopment agencies, known as RDAs, are local government entities that were originally intended to revitalize blighted areas, provide for economic growth in those communities and revamp decaying structures in an area. Opponents argue that the original intent of RDAs long has been abandoned, and that they have morphed into local government piggy banks for private development. Too often, opponents say, the government dollars distort the market, and projects are built larger than actual market demand or without demand at all. They point to

the list of RDA economic failures and say developers should pencil out their own projects. They object to government powers – such as eminent domain – being leveraged on behalf of a private developer and create unfair advantages for certain businesses. All businesses should be treated to fewer regulations.

Proponents say RDAs create jobs, reduce crime, clean up cities and boost the economy, though there is little evidence that suggests that redevelopment agencies actually increase the net creation of jobs in California or grow the economic pie in the state as a whole, recent studies show. What they do is allow cities to compete against each other and lure car dealerships, retail stores and development projects within a particular area.

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RDAs really produce no more than a shuffling of tax dollars and jobs from one locality to another.

If you think your local community has not been a recipient of redevelopment funds, think again. The [Brea Mall](#), the [Block at Orange](#), Anaheim Plaza, Triangle Square in Costa Mesa, and the downtown Brea project have received redevelopment funds dating back to the formation of the Brea Redevelopment Agency in 1972. Other notable Orange County projects on the receiving end of redevelopment funds include Costa Mesa's Triangle Square retail space, currently more or less a ghost town.

The Block at Orange outdoor shopping space was brought to you by the Orange Redevelopment Agency as was the [Village at Orange](#), formerly known as the Mall of Orange. In Anaheim, the Anaheim Plaza and even my favorite technology store, Fry's Electronics off the 91 freeway, have benefited from redevelopment

agencies. Downtown Placentia is a redevelopment zone. In addition, the Santa Ana Auto Mall as well as a variety of those hip, urban lofts that sprung up in Santa Ana in recent years received part of the RDA pot.

These are huge projects with huge amounts of money at stake. Gov. Brown should know; he used redevelopment funds while he was mayor of Oakland.

Therein exists the problem. Brown's own party has yet to show resounding support for abolishing RDAs; many like its affordable housing provisions and other elements. Some argue that Democrats will come around because ending RDAs is preferable to clipping other social programs more important to Democratic constituencies. Many Democrats like elements of RDA funding, such as for affordable housing, but still would prefer to end RDAs as opposed to other state programs.

One would think Republicans, who purport an ideological, limited-government perspective, would be in lock step with Brown on the issue. After all, redevelopment agencies, in essence, use taxpayer dollars to subsidize private enterprise. That is not particularly fiscally conservative and definitely not a free market way of doing business. But instead, the brazen proposal has put Republicans in an awkward position with the business community (their donors) and their hardcore, ideological conservative base, which supports an end to redevelopment agencies. What to do, what to do?

Drawing a line in the sand for Republicans is easy on an issue like taxes. The state GOP opposes them, no matter what. But in redevelopment, some Republicans see gray areas, because the RDAs put power in local hands, a major Republican tenet, and have become increasingly significant funding sources for local municipalities and for businesses seeking government subsidy and support for real estate development projects. This group asks: How can the GOP support a policy that would hurt builders and shift local control of taxpayer dollars to the state?

Standing with these pro-business Republicans are mayors of major cities throughout the state, who vehemently oppose eliminating RDAs and have gone so far as to offer alternatives. Anaheim mayor Tom Tait, San Diego mayor Jerry Sanders, mayor Bob Foster of Long Beach and even Los Angeles mayor Antonio Villaraigosa are not keen on the governor's plan, just to name a few.

Furthermore, Brown's plan might violate the state constitution. At least two law firms, Nielsen Merksamer as well as Best, Best & Krieger, after reviewing Brown's proposal, contended in a memo that the "proposal violates at least three provisions of the California Constitution" including Prop 22, which was passed by voters in November. The California League of Cities has threatened a lawsuit if Brown's proposal is passed.

These barriers combined with a lack of public understanding about RDAs will make for a rocky road ahead.

Assemblyman Chris Norby, R-Fullerton, has been one of the state's most outspoken critics of redevelopment agencies. He supports Brown's desire to eliminate RDAs but opposes other aspects of Brown's budget plan. "Republicans and Democrats are split pretty evenly on clipping RDAs," he said. "But I believe the Democrats will come around to support Brown on this because if they don't they are going to have to find \$1.7 billion to cut from somewhere else."

"They do not have an alternative," he said, "Brown has told them this is it."

Gov. Brown has found himself in a pickle. Too many constituencies seem to be working against his efforts and, from my vantage point, it appears the proposal is losing steam.

Whether the governor knew this from the start and his proposal was merely a threat to gain political leverage elsewhere on budget matters is yet to be seen. But as it usually goes with state budget battles, it is going to get bumpy and the end game is far from clear.

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