



Opinion: Republicans should favor abolishing redevelopment agencies

By Marko Mlikotin | 06/20/11 12:00 AM PST

Only now as politicians are cutting funding for vital public services such as police and fire protection, as well as classrooms and parks, are Californians learning that their hard earned dollars are being diverted to pay for private development such as sports arenas, luxury golf courses and even a **mermaid bar**, a Capitol hangout costing taxpayers \$6.9 million. What's more, Californians don't realize that even though the mermaid bar isn't in their community, they are paying for it through state taxes.

And all this is administered through relatively unknown government, called redevelopment agencies. In fact, California has over 425 such agencies that exercise their power of eminent domain to forcibly seize private property and give it to private developers. Unlike a burglar that is prosecuted for stealing property, redevelopment agencies do so with impunity.

But, all this could change now that State can no longer afford to fund private development. This won't be easy given the political influence of those who profit from lucrative redevelopment projects.

In fact, this fight played out this week when the redevelopment industry unleashed onto the State Capitol its biggest army of lobbyists yet to protect their very existence and lost! Yes, with support coming mostly from Democrats, the California State Legislature voted to abolish RDAs...at least for now.

While GOP legislators continue to be the redevelopment lobby's best friend in Sacramento, several Republicans who defended these agencies in the past voted against them. The fact that a conservative icon such as Congressman Tom McClintock had to release a YouTube **video** urging GOP Legislators to abolish RDAs seems unimaginable given that protecting private property and taxpayers are two major tenants of the Republican Party's platform.

Growing support for abolishing RDAs is because Republicans heard from organizations and conservative leaders who represent private property rights, taxpayers, faith and family, otherwise referred to as the "**Stop the Money Pit**" coalition that has launched www.StopTheMoneyPit.com.

The coalition's case that RDAs must go is getting easier as the public learns of countless cases of wasteful spending, failed developments financed by taxpayers and an independent State Legislative Analyst Office (LAO) **report** finding RDAs divert over \$5 billion in tax increment revenue annually without any reliable evidence that they create net new jobs.

The **Institute for Justice**, an organization that litigated the Kelo v. New London case before the U.S. Supreme Court, reached similar **conclusions** stating that "Local agencies abuse eminent domain in California more than in any other state, and have little to show for it." They also reveal another relatively unknown fact that California's RDAs hold over \$80 billion in debt, making the State's budget deficit look like chump change.

To generate more tax revenue and pay down debt, RDAs forcibly seize homes, small businesses and places of worship by eminent domain, and not necessarily blighted property. Illustrating the aggressiveness of their takings, RDAs have declared a full 30% of all urbanized land in California to be blighted, or 1 in 3 developed properties at risk of being seized by eminent domain.

A State Controller **audit** of RDAs reached a similar conclusion that overly broad definitions of "blight" expose private property to eminent domain abuse and invite wasteful spending of tax dollars on dubious redevelopment projects such as luxury golf courses. RDA funds are also being used inappropriately as slush funds to supplement the general expenses of local government.

There is an opportunity for Republican legislators to redeem themselves for RDAs have not been "permanently" abolished. The recent budget did include a bill allowing them to continue their existence if they pay into the State's general fund. The only way to permanently abolish RDAs is for legislators to support **SB 77 and AB 101**.

Redevelopment has failed taxpayers and threatens private property rights. Rather than fund government boondoggles at the expense of other vital public services, our elected leaders should remove barriers to building successful businesses and creating jobs, and not ask taxpayers to pick up the tab for their inefficiencies.

Hopefully, abolishing redevelopment is something that Democrats and Republicans in the legislature can support, or so we can hope.

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