

****Housing Obligations Survive the Dissolution of Redevelopment Agencies****

The Dissolution Law did not repeal most of the Community Redevelopment Law's affordable housing requirements. Communities must still increase, improve and preserve affordable housing as required by the CRL. See, e.g., H& S Code §33334.2.

In 2011, the Legislature enacted the Dissolution Law which, among other things, dissolved redevelopment agencies. *California Redevelopment Ass'n v. Matosantos*, 53 Cal.4th 231, 254 (2011). Local governments accept the role of successor agencies to redevelopment agencies and are tasked with honoring the "enforceable obligations" of former redevelopment agencies. §34175; *City of Emeryville v. Cohen*, 233 Cal.App.4th 293, 300 (2015). With regard to affordable housing, enforceable obligations may include (1) housing bonds; (2) loans; (3) obligations imposed by state or federal law; (4) judgments; (5) existing contracts or agreements; and (6) monies borrowed from or owed to the former Low and Moderate Income Housing Fund (LMIHF). §34171(d)(1).

The Dissolution Law also created "successor housing entities", or SHEs. §34176. A city or county may act as the SHE, or transfer that authority to a local housing authority or the state Department of Housing and Community Development. *Id.* SHEs are directed to retain the "housing assets" and to "perform housing functions previously performed by a redevelopment agencies." §34176. The SHE assumes "all rights, powers, duties, obligations and housing assets" of the former redevelopment agency. *Id.*

Thus, if an enforceable obligation is related to the affordable housing, the SHE must perform the obligation with the funds received by the Successor Agency.

What can advocates do?

- **Ensure money owed for affordable housing is paid.**

Previously, redevelopment agencies were required to pay at least 20% of its annual tax increment into a LMIHF to increase, improve, and preserve the community's supply of affordable housing. See §§33334.2; 33334.3; 33334.6. After dissolution, the annual 20% payment no longer exists and the LMIHF is eliminated. §34163(c)(4).

In its place, the Legislature created a Low and Moderate Income Housing **Asset**

Fund for the deposit of all “housing assets”. Tax revenue received by the Successor Agency for an enforceable obligation related to affordable housing is a “housing asset.” §§34176(d),(e)(2). Any funds transferred to the housing successor, including any funds generated from housing assets, must be deposited into the Housing Asset Fund.

Also, if the city or county has a loan agreement with its former redevelopment agency, 20% of that payment must be paid to the Housing Asset Fund. §34191.4(b)(3)(C).

- **Ensure the Housing Asset Fund is used for affordable housing.**

Under the Dissolution Law, money in the Housing Asset Fund must be spent in accordance with the affordable housing provisions of the Community Redevelopment Law. §§34176.1, 33334.2. Accordingly, the Housing Asset Fund must be used to:

1. Monitor and preserve the long-term affordability of units to affordability restrictions;
2. Develop affordable housing targeted for extremely low income individuals;
3. Acquire land and buildings;
4. Construct and rehabilitate buildings;
5. Provide subsidies to benefit extremely lower-income households;
6. Maintain the community’s supply of mobile homes; and
7. Preserve affordable units.

After the agency meets its replacement and production housing obligations, up to \$250,000 of the monies in the Housing Asset Fund may be used for homeless prevention and rapid rehousing services for individuals and families who are homeless or at risk of homelessness. §34176.1(a)(2).

Tools

Find out how much money is owed for affordable housing obligations by:

1. Reviewing the annual Recognized Obligation Payment Schedule. The ROPS lists all enforceable obligations assumed by the successor agency. §34177(o)(1). Advocates should check the ROPS for accuracy of the listed items to ensure the maximum amount of money is being used to develop and preserve low income housing: <http://www.dof.ca.gov/Programs/Redevelopment/ROPS/>
2. Checking the local jurisdiction’s web page. The Housing Successor is required to post audit information regarding the Low and Moderate Income Asset Fund on its website. §34176.1(f).
3. Submitting a public records act request to the County Auditor-Controller to verify the amount of tax revenue distributed to taxing entities. This amount dictates how much money must be paid for debts owed to the former LMIHF.

For more information about the affordable housing obligations that remain after dissolution of redevelopment agencies or to obtain sample PRA requests, contact

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