RETURN OF THE EMPIRE?

An Analysis of California's J.E.D.I. Act and Resurrecting Redevelopment

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Executive Summary

The proposed "California Jobs and Education Development Initiative Act," (the "Redevelopment Initiative") seeks to resurrect and expand California's Community Redevelopment Law (CRL) and the redevelopment agencies that law created. Governor Brown and the Legislature succeeded in abolishing California's 425 redevelopment agencies in 2011. These agencies had long been accused of corruption, abuse, and steering vital public resources from state and local governments. The Redevelopment Initiative would revive redevelopment agencies, expand their powers, and reduce and restrict public oversight of their activities. This is despite the fact that objective analysts working for the state concluded that redevelopment agencies had little or no positive effect on California's overall economic prosperity.

The Redevelopment Initiative would allow unelected and unaccountable redevelopment agencies to use "tax increment financing," or TIF, to fund their activities. Under California's redevelopment system, TIF provided perverse incentives for redevelopment agencies to establish massive redevelopment areas, condemn healthy neighborhoods, incur staggering debt, and move California residents around like pieces on a chess board theoretically in order to maximize the tax revenue flowing to the agencies. The Redevelopment Initiative would make following changes in California's preexisting redevelopment system:

- It would broaden the so-called "blight" conditions under which redevelopment agencies may condemn businesses, apartment buildings, and many homes, potentially placing hundreds of thousands of perfectly fine properties at risk for condemnation, destruction, and transfer to private developers;
- It would affect the state's fiscal stability by diverting property taxes from schools to redevelopment agencies and leaving the state to make up the difference;
- It would provide incentives for redevelopment agencies to ring up tremendous amounts of debt by removing limits on how much debt a redevelopment agency may have outstanding at any one time;
- It would exempt the reestablishment of redevelopment agencies from compliance with the California Environmental Quality Act;
- It would give redevelopment agencies the power to seize property *outside* of redevelopment areas, creating the possibility of unelected and unaccountable officials roaming the state to acquire attractive properties using taxpayer money; and
- It would halve the amount of money redevelopment agencies previously devoted to low-income housing, despite the claim that the redevelopment law will put money into affordable housing.

Redevelopment combined corporate welfare, fiscal irresponsibility, contempt for property owners, and the potential for governmental corruption into one toxic package. Reviving and expanding it will achieve the same results.

Introduction

On December 23, 2013, the law firm of Rutan & Tucker, LLP,[1] filed an initiative measure[2] entitled the "California Jobs and Education Development Initiative Act," (the "Redevelopment Initiative").[3] The Redevelopment Initiative seeks to reestablish and expand California's Community Redevelopment Law (CRL) and the redevelopment agencies that law created.

Governor Brown and the Legislature abolished California's 425 redevelopment agencies in 2011.[4] These agencies had long been accused of corruption, abuse, and steering vital public resources from the state and local governments. The Redevelopment Initiative would revive redevelopment agencies, expand their ability to engage in corruption and abuse eminent domain, and reduce and restrict public oversight of their activities. This is despite the fact that objective analysts concluded that redevelopment agencies had little or no positive effect on California's overall economic prosperity.

In particular, the Redevelopment Initiative

- Broadens the conditions under which redevelopment agencies may condemn businesses, apartment buildings, and many homes, potentially placing hundreds of thousands of properties at risk for condemnation, destruction, and transfer to well-connected private entities;
- Affects the state's fiscal stability by diverting property taxes from schools to redevelopment agencies and leaving the state to make up the difference;
- Provides incentives for redevelopment agencies to ring up tremendous amounts of debt by removing limits on how much debt a redevelopment agency may have outstanding at any one time;
- Exempts the reestablishment of redevelopment agencies from compliance with the California Environmental Quality Act;
- Gives redevelopment agencies the power to acquire property outside of redevelopment areas, raising the possibility of agencies roaming the state to acquire attractive properties using taxpayer money; and
- Halves the amount of money redevelopment agencies must devote to low-income housing.

Below, we examine the history of redevelopment in California and explain the harm to both private property and the state's fiscal resources these agencies caused. We also discuss how and why Governor

Brown and the Legislature eliminated redevelopment. We then present a section-by-section analysis of the Redevelopment Initiative and explain, in plain English and based on the state's previous experience with redevelopment, the effect this initiative would have on California's taxpayers, schoolchildren, business owners, apartment dwellers, and many homeowners.

Why Does This Matter?—A History of California's Redevelopment Law[*]

The California Legislature first passed a blight law in 1945 as part of the post-war "urban renewal" fad.[5] The CRL was ostensibly designed to remedy "blighted areas that constitute physical and economic liabilities" that required "redevelopment in the interest of the health, safety, and general welfare" of the people of California.[6] By 2011, however, that modest law had metastasized into the 361-page CRL, a vehicle for severe abuse, fiscal irresponsibility, and corruption.

The CRL allowed municipal governments to create—without a vote of the people[7]— powerful governmental bodies called redevelopment agencies.[8] Redevelopment agencies could do two things other governmental bodies could not: issue bonds without voter approval[9] and use eminent domain to condemn private property for transfer to private entities.[10]

While other governments in California can only take private property for public uses, the CRL expanded the definition of "public uses and purposes" to include "redevelopment of blighted areas and the provisions for appropriate continuing land use."[11] Under the CRL, a redevelopment agency could simply declare a property "blighted," condemn it, and then transfer it to a private entity or developer.[12]

"Blight" was a practically meaningless standard in the CRL, however. Under the law, the government routinely declared perfectly fine homes and businesses "blighted" in order to condemn and transfer them to private developers. For example, the City of National City declared a golf course blighted and attempted to transfer it to a private developer.[13] Other properties declared blighted by California redevelopment agencies included parkland, homes in gated communities, and buildings with minor problems like broken windows or chipped paint.[14] Indeed, agencies often condemned property in prosperous areas because developers would not invest in an area post-condemnation if it were truly blighted.[15]

[*] Portions of the analysis in this section appeared in a different form in William R. Maurer, California Redevelopment Association v. Matosantos, *Fiscal Meltdown Leads to Victory for Property Owners, School Districts, and Taxpayers*, 54 Orange County Lawyer 28 (March 2012).

Redevelopment agencies targeted this kind of property because of the perverse incentives created by "tax increment financing" (TIF), which the agencies used to raise money to finance redevelopment. Under TIF, if a municipality established a redevelopment project area, the amount of property taxes flowing to local agencies (such as school districts or community colleges) would be frozen. Going forward, these local entities would receive that same base-line amount each year. All of the growth in property taxes within a project area above the base-line amount would go entirely to the redevelopment agency, except for certain pass-through amounts for school districts. Local governments thus received a static amount of property tax revenue and none of the growth."[16] This would continue for the entire life of the redevelopment project—sometimes up to 50 years.

TIF gave redevelopment agencies incentives to redevelop areas that were not truly blighted because repayment of the bonds was dependent on there being a private developer ready to build immediately. "This usually preclude[d] redevelopment of the most crime-ridden and poverty-stricken sites in town because there [was] simply no alternate market for them."[17] Indeed, the prospect of TIF funds often prompted redevelopment agencies to include major private projects already scheduled for construction within newly established project redevelopment area boundaries.[18] The CRL's purported purpose of eradicating slums soon became an afterthought as agencies concentrated on redeveloping areas where growth was already occurring.

The California Legislature revised the CRL in 1993 to make it more restrictive.[19] The courts also attempted to hold redevelopment agencies to a more realistic definition of blight.[20] In one decision, a California court declared: "The CRL is not simply a vehicle for cash-strapped municipalities to finance community improvements."[21] But that was precisely what it was, largely because the cost and difficulty of challenging a redevelopment agency's declarations of blight was so high that few could afford to do so.[22] In practice, the cost of challenging blight designations and the financial incentives to redevelopment agencies meant that what little reform occurred was largely cosmetic.[23]

There were other harms associated with the CRL. The law created incentives for agencies to acquire huge debts, all the while reducing the funds available for important governmental services. Under the law, a redevelopment agency could only receive TIF funds if it went into debt. A TIF plan was supposed to provide a means to finance a redevelopment project by selling bonds based on the expected tax increment that would result from redevelopment. However, once the agency paid this debt off, it still was entitled to receive the tax increment amount above the base-line. Thanks to TIF, redevelopment became an enormous source of revenue for municipal officials, who often acted as both elected city

officials and redevelopment agency personnel. Cities even used redevelopment funds to pay city hall staff.[24]

The end result was that agencies sought to create large blight zones lasting as long as possible, while trying to incur as much debt as they could.[25] Across the state, redevelopment agencies multiplied, rang up enormous amounts of debt, consumed greater amounts of property tax revenue, and declared increasingly massive swaths of the state "blighted." In one extreme example, the entire city of Westminster, south of Los Angeles, was declared a redevelopment zone.[26]

By 2011, there were 425 redevelopment agencies in California[27] administering 750 project areas, 34 of which were over 6,000 acres.[28] The long-term debt of these agencies stood at $29.8 billion.[29] Interest expenses, long-term debt principal payments, and administrative costs combined consumed 38 percent of the expenditures of redevelopment agencies, while agencies spent just 13 percent on project improvement and construction costs.[30] Even proponents of the law recognized that redevelopment programs were "often implemented with a jaw-dropping lack of financial transparency, accountability, and oversight."[31]

Despite the relatively small amount of money spent on actual projects, redevelopment agencies received over $5 billion in tax increment revenues annually.[32] The redevelopment agencies' share of total statewide property taxes grew from 2 percent to 12 percent. This 12 percent was then not available for use by school districts, community colleges, or other agencies providing broader benefits to the public.[33] This is an average, of course—many municipalities had over a quarter of their property taxes going to redevelopment agencies.[34]

This caused an enormous strain on state resources as well because the state constitution and statutes require the state government to "backfill" school and community college district funds for property tax losses.[35] The unchecked growth of redevelopment agencies thus threatened the fiscal stability of both the state and local governments.

Redevelopment agencies turned California into one of the worst states in the nation for eminent domain abuse, with tens of thousands of acres of property declared blighted and subject to condemnation.[36] What development that did occur was often of the reverse-Robin-Hood variety, with redevelopment agencies acquiring property for transfer to private entities capable of generating more sales tax revenue for the sponsoring municipality. Those displaced were often the poor, minorities, and the elderly.[37] Rather than provide decent homes for those living in slums, redevelopment provided new homes for big box retailers, professional sports teams, and auto retailers.[38]

Redevelopment agencies often included additional financial incentives in their deals with high-sales-tax generators—a blatant form of corporate welfare. In the city of Palm Desert, an agency allocated $16.7 million to the luxury Desert Willow Golf Resort to renovate the greens and build a hotel.[39] Regardless of their original intent, redevelopment agencies had become a mechanism to redistribute money from California's homeowners, small businesses, and taxpayers to large, politically connected corporations.[40]

Redevelopment agencies did all this damage without contributing to the overall economic growth in California. In particular, the California Legislative Analyst's Office found that "there is no reliable evidence that [redevelopment] attracts business to the state or increases overall regional economic development."[41] Redevelopment agencies instead competed with each other to lure businesses and economic activities from other parts of the state.[42] Rather than produce a more vital California economy, redevelopment agencies instead cannibalized each other's businesses, jobs and development.[43]

While the California Redevelopment Agency (or CRA, the lobbying arm of the redevelopment agencies) trumpeted the CRL's funding of affordable housing, that claim was suspect. According to the *Los Angeles Times*, "Cities across California have skirted or ignored laws requiring them to build affordable homes and in the process mismanaged hundreds of millions in taxpayer dollars." [44] State law required redevelopment agencies to deposit 20 percent of their tax increment revenues into low-and-moderate income housing funds and spend those funds on affordable housing.[45] However, redevelopment agencies often avoided this requirement by maintaining large balances of unspent housing funds, using the funds for planning and administrative costs, or spending housing funds to acquire land for housing, but not building that housing for a decade or longer.[46]

Eventually the redevelopment agencies' ever-increasing consumption of property taxes began to drain too many state resources. In December 2010, California entered a state of fiscal emergency. After Governor Brown assumed office, he sought ways to fix this crisis and recognized redevelopment agencies were exacerbating the state's fiscal problems. At first, he proposed eliminating redevelopment agencies entirely. Instead, the Legislature passed, and the Governor signed, two measures that threatened the continued existence of redevelopment agencies.[47]

The first, Assembly Bill (AB) 1X 26,[48] dissolved all redevelopment agencies and transferred control of their assets to successor agencies, which the law determined to be the city or county that created the redevelopment agency. TIF funds were transferred to the county auditor for distribution to

school districts and other government entities. The second, AB 1X 27,[49] provided an exemption to dissolution for any city or county that agreed to make payments to a specified education fund each year.

The California Redevelopment Association and the League of California Cities sued, claiming the measures violated the state constitution. In a strategically questionable move, they challenged both measures, meaning that if the court upheld AB 1X 26 and struck down AB 1X 27, there would be no more redevelopment in California.

And that is exactly what the California Supreme Court did. It unanimously upheld AB 1X 26 and, over one dissent, struck down AB 1X 27.[50] It also concluded that AB 1X 27 was unconstitutional in its entirety, while AB 1X 26 could be separated and act independently from AB 1X 27.[51] Thus, because of the litigation strategy pursued by the plaintiffs, California's decades-long redevelopment experiment came to a sudden end.

That is not the end of the story, however. There have been numerous efforts in the Legislature to revive redevelopment agencies in some form.[52] The Urban Land Institute, which represents land use and real estate interests, has also issued recommendations and draft legislation to revive some form of redevelopment with expanded powers of eminent domain.[53] There is considerable doubt that Governor Brown would sign such measures, although he supports efforts to revive redevelopment with significant limits and far more public oversight. The people behind the Redevelopment Initiative are apparently not content to attempt to persuade the Governor or wait until he leaves office, however, and prefer to revive the CRL while removing many preexisting limits on redevelopment agencies.

The Redevelopment Initiative—An Analysis

The Redevelopment Initiative is 78 pages long. It amends the 361-page CRL, which itself is a confusing and complex collection of cross-references, exceptions, varying effective dates, rules for indebtedness, and special provisions. The dense language cannot obscure the fact that the CRL's scope, as amended by the Redevelopment Initiative, would be breathtaking. The Redevelopment Initiative would, if passed, grant tremendous powers to unelected and unaccountable governmental agencies, with very little, if any, restrictions on their exercise of these powers.

Section 1: Title. In a cynical attempt to generate easy sympathy for their effort, the sponsors of the Redevelopment Initiative have named it the California Jobs and Education Development Initiative Act, or JEDI for short. For many Californians, however, redevelopment meant Special Interests Taking Homes, so the acronym "SITH" is perhaps more accurate.

Science fiction references aside, the title is misleading. There is no evidence that redevelopment created jobs overall in California. As the California Legislative Analyst's Office concluded, there was "no reliable evidence that redevelopment increase[d] regional or statewide economic development."[54]

As for education, California's educators were an important part of the effort to restrain, if not entirely abolish, redevelopment agencies and their consumption of public resources.[55] Every penny of property taxes diverted to redevelopment agencies is a penny that is not used to fund public education.[56] As discussed below, the Redevelopment Initiative attempts to address the concerns of California's public educators by setting a fixed-amount of pass-through payments to "local education agencies."[57] But even if local education agencies receive pass-through amounts, a revived CRL would still divert money from schools to redevelopment agencies. Revenues lost to TIF are forever unavailable to local municipalities, even in bankruptcy.[58] The financially-strapped state government must then make up these shortfalls in local education spending.

The previous CRL contained a pass-through of tax increment amounts, but that system still sacrificed education spending for things like renovations to a golf course and a live mermaid tank in a bar in Sacramento.[59] For all of the proponents' claims regarding education, the JEDI Act would revive a system strongly opposed by California's educators.

Section 2: Findings and Declarations. This sections contains a number of "findings" that are false, unprovable, or highly implausible.

Section 2(b) makes the remarkable statement that "[h]igh unemployment is the new blight, which quickly becomes the old blight – poverty, neighborhood deterioration and crime." There is no support for this proposition. Moreover, it reveals the disturbing philosophy behind the Redevelopment Initiative—that the problem with neighborhoods with high unemployment is the people who live in them. That view reflects the idea that the poor are a disease afflicting an otherwise healthy society and excising them will improve the wellbeing of the overall community. Indeed, the term "blight" has its origins in botany to describe plant diseases.[60] This view of the poor as an affliction has racial components as well, as "minority groups have often been disproportionately victimized [by private-to-private condemnations], sometimes out of racial prejudice and at other times because of their relative political weakness."[61] California is a diverse state and one facing significant financial issues—reviving a vestigial organ of mid-20th Century classism a decade into the 21st Century seems an odd way to address these issues.

Section 2(d) explains that TIF schemes permit "locally generated property tax revenues to create jobs, build affordable housing and rebuild neighborhoods." This is a significant overstatement. As

discussed above, there is "no reliable evidence" that redevelopment "attracts businesses to the state or increases overall regional economic development."[62]

As for affordable housing, the Redevelopment Initiative actually *halves* the amount of tax devoted to affordable housing from 20 percent to 10 percent.[63] Even under the earlier version of the CRL, with its requirement that 20 percent of the tax increment funds go to affordable housing, "state audits and oversight reports frequently conclude[d] that a significant number of redevelopment agencies [took] actions that … reduc[ed] their housing program productivity,"[64] including maintaining large balances of unspent funds, using most of the funds for planning and administrative costs, and spending money for land upon which they would build no houses for a decade or longer.[65]

The Redevelopment Initiative is correct that redevelopment has been used to rebuild neighborhoods. Many healthy neighborhoods have been destroyed using redevelopment in order to transfer the property to politically connected developers and businesses. For example, in San Francisco, government officials used redevelopment to destroy the Fillmore district, the heart of the city's African-American community. Emblematic of the approach many agencies took to the poor and their need for affordable housing, San Francisco's redevelopment officials gave residents certificates for affordable homes in the redeveloped area and then never built those homes.[66] In fact, the redevelopment agency and city built little to replace the neighborhood.[67] Even the executive director of the San Francisco Redevelopment Agency admitted that "[t]here is no way to make up for clearing large swaths of land and displacing thousands of people."[68]

When the government "rebuilds neighborhoods," it is deciding whether a community may remain unmolested by the government. But it is not the job of government to move individuals around like pieces in a board game because they (or their politically connected allies) believe something else would be better off where apartments, homes, and businesses now stand. Far from being a selling point, "rebuilding neighborhoods" is little more than a nice-sounding name that describes governmental overreach.

Section 2(e) states that tax increment financing originated in California and that most states have "adopted this powerful tool for creating jobs and rebuilding neighborhoods." Being the first to adopt a mechanism that has caused widespread eminent domain abuse deprived the general treasury fund of billions of dollars, and operated without adequate oversight or transparency for decades is not something to brag about. While many states use TIF, the kinds of programs vary[69] and many states have TIF but have not seen their government abuse this tool in the broad, sustained way California has.

Section 2(f) discusses the elimination of TIF for redevelopment in California and claims that this resulted "in the considerable loss of 300,000 jobs, including 170,000 construction jobs, and more than $41 billion in economic activity." The Redevelopment Initiative does not cite the source for these numbers, but they appear to have come from a study commissioned by the redevelopment agencies' lobbying group, the CRA, in 2009.[70] Objective analysts have debunked the CRA's "study." The California Legislative Analyst's Office found the study's "methodology and conclusion … to be seriously flawed" in that it "vastly overstates the economic effects of eliminating redevelopment and ignores the positive economic effects of shifting property taxes to schools and other local agencies."[71] The LAO also noted that the CRA study "has never been subjected to any independent or academic scrutiny."[72] In particular, the LAO found that the CRA study did not carefully distinguish redevelopment-related construction activity from other activity and that the study assumed that the use of the tax increment funds by other agencies would have no economic benefits.[73] The CRA study also assumed that private and public entities that invested in a project in a redevelopment area would not invest this money in other economically beneficial activities if the redevelopment area did not exist.[74] In other words, the study operated under the assumption that the money invested in a redevelopment area would only be invested in that redevelopment area and investors would simply close their checkbooks if redevelopment areas did not exist.

After being challenged by the CRA, the LAO concluded further that "the design and implementation of the study lacked controls to ensure consistency and limit bias" and affirmed their conclusion that the CRA-sponsored study "vastly overstates the employment effects of redevelopment."[75]

While the Redevelopment Initiative may "find and declare" that doing away with redevelopment resulted in a massive loss of jobs and a decrease of billions of dollars in economic activity, that conclusion is based on a faulty study paid for by those who financially and politically benefitted from redevelopment.

The remainder of Section 2 and all of Section 3 ("Purpose and Intent") recite similarly unsupported claims, such as that a revived and expanded system of redevelopment will result in more jobs, affordable housing, money for schools, and tax revenue. If the performance of redevelopment agencies under the old CRL is any indication, simply repeating these phrases will not make them true.

Section 4. Section 4 amends the definition of "agency" in the old CRL to include agencies revived pursuant to the Redevelopment Initiative.[76]

Section 5. Under California law, in order for a governmental entity to classify an area as "blighted," the government must demonstrate that the area contains one or more conditions of "physical" blight and one or more conditions of "economic" blight.[77] Section 5 of the Redevelopment Initiative revises the standards for both physical and economic "blight" in the CRL. It makes both standards broader, more ambiguous, and more susceptible to abuse. If passed, practically every area in the state of California will meet at least one standard for both physical and economic blight.

It is important to recall that, in considering the expansion of the term "blight" under the Redevelopment Initiative, California's definition of the term was already incredibly broad and included such conditions as "obsolete design," "subdivided lots that are in multiple ownership," and "stagnant property values." The Redevelopment Initiative retains these largely meaningless standards and expands them to give redevelopment agencies even more opportunities to make subjective determinations about which communities will survive and which will not.

Subsection (a) of Section 5 concerns physical conditions causing blight and subsection (b) concerns economic conditions causing blight.

Section 5(a)(1) first defines "blight" to include legitimate problems ("[b]uildings in which it is unsafe or unhealthy for persons to live or work … caused by building code violations, serious dilapidation and deterioration"). It then adds a number of factors over which residents and businesses would have no control ("defective design or physical construction, faulty or inadequate infrastructure, or other similar factors").[78]

Of these factors, "faulty or inadequate infrastructure" is particularly concerning. Small businesses and residents of a neighborhood have little to no control over the condition of the infrastructure around them. It is usually the responsibility of their municipality to maintain such facilities. These municipalities often work in tandem with redevelopment agencies, which are often comprised of officials from that municipality. A municipality and redevelopment agency can work together to ensure that "blight" becomes a reality by failing to repair sewers, streets, drainage, or sidewalks. Nonetheless, the existence of potholes should not be enough to deprive people of their property and the California courts have shown little patience with the ability of the government to base "blight' findings on using conditions that exist in almost every municipality.[79]

Section 5(a)(2) revises the physical conditions that cause blight to include factors that prevent or hinder "the viable … reuse … of buildings or areas."[80] Any currently existing building hinders the "reuse" of any area because it is currently being used for something else—namely, the buildings that

stand there now. Thus, *any* preexisting structure would be enough to create physical blight under the Redevelopment Initiative. This provision would give redevelopment agencies the ability to "blight" pretty much any area in the state.

This change reverses decades of precedent from California courts that held that properties actually had to be causing a problem and that a planner's view of what might be better is insufficient to establish blight.[81]

Moreover, by changing the old CRL's restriction of "lots" to "areas," the Redevelopment Initiative changes the focus from individual properties that cause a problem to entire areas in which the majority of buildings are perfectly fine. This would permit agency-hired consultants to simply declare that entire areas of a municipality are incompatible with "the viable reuse" of the land and thus subject to blighting, condemnation, and transfer.

Section 5(b)(8) expands the number of properties that would demonstrate economic conditions causing blight. It does this by amending the CRL to make any area that demonstrates "[u]nemployment rates in the locality or county that are in excess of the national or statewide average, as determined by the latest information from the United States Bureau of Labor Statistics and the California Employment Development Department."[82] As of February 2014, the national unemployment rate is 6.6 percent.[83] California's unemployment rate is 8.3 percent.[84] The entire state thus shows signs of "economic blight."

There is also no time specified when the unemployment rates in the locality or county must be in excess of the federal or state average to satisfy this standard for economic blight. Can the redevelopment agency use the rates from last month? From a year ago? From ten years ago? If not, why not?

There are few, if any, municipalities in California that do not contain huge tracts of land demonstrating both physical and economic blight—as defined in the Redevelopment Initiative. Far from being a standard used to determine when properties are posing a legitimate threat to residents and neighbors, the Redevelopment Initiative gives agencies and their municipal allies opportunities to "blight"—and subsequently condemn and transfer to developers—practically any property they desire.

Sections 6, 7, 8, and 9. These sections remove limitations on redevelopment agencies that existed in the previous law. The Redevelopment Initiative strips the old CRL of what scant restrictions existed on the actions of redevelopment agencies.

Section 6 concerns redevelopment plans adopted prior to June 28, 2011 (or that were amended to add territory prior to June 28, 2011) and that had not expired by that date. The first part of Section 6

removes a time limit on the establishment of loans, advances, and indebtedness to be paid with the proceeds of property taxes to finance the redevelopment project. That time limit had been 20 years.[85] Under the Redevelopment Initiative, it would be unlimited.

Second, Section 6 alters the time limit on the effectiveness of a redevelopment plan. The old CRL capped the life of a redevelopment plan at 30 years from its adoption.[86] The new CRL, as amended by the Redevelopment Initiative, would extend the plans *an additional 40 years* from the date of the redevelopment agency's reactivation pursuant to the Redevelopment Initiative.[87] For example, if a municipality revives its agency in 2015 (regardless of how many years that plan had existed prior to June 28, 2011), the redevelopment plan will be extended until 2055. In other words, if the Redevelopment Initiative passes, some parts of California could (except for the interregnum caused by AB 1X 26) be under a redevelopment plan for close to 70 years—an entire lifetime.

Section 6 also removes a limit on the time period within which a redevelopment agency may repay its indebtedness using the proceeds from property taxes. The limit had been 45 years.[88] The Redevelopment Initiative would extend that period "for such additional period as is necessary to repay all indebtedness with the proceeds of property taxes …."[89] A redevelopment agency can thus remain a drain on the property tax revenues of a local government for as long as it wishes. This will result in more tax revenue shifting from the general treasury—schools, police, community colleges—to redevelopment agencies.

Perhaps the most objectionable portion of Section 6 eliminates "any limitation on the number of dollars of taxes that may be divided and allocated to the redevelopment agency set forth in or otherwise applicable to the redevelopment plan, including any amendment to the plan."[90] Thus, even if a redevelopment plan had previously set forth a limit on how much property tax the redevelopment agency would siphon off from the general fund, this initiative would eliminate that limit.

Section 6 also restarts the agency's power to use eminent domain for 12 years from the adoption of the resolution reviving the agency.[91]

Finally, Section 6 nullifies any agreement between a redevelopment agency and a municipality that set time limits or limited the amount of property tax revenue the agency may receive or the amount of bonded indebtedness the agency may have outstanding at any one time or in total.[92] Section 6 thus gives redevelopment agencies and bondholders more than what they had negotiated with the municipalities whose property tax is being diverted.

Section 7 removes similar restrictions on redevelopment agencies whose final redevelopment plan was adopted prior to October 1, 1976.[93] Section 8 likewise removes restrictions on redevelopment agencies whose final redevelopment plan were adopted prior to December 31, 1993.[94]

Section 9 extends Sections 6-8 to the redevelopment agency of the City and County of San Francisco, a notorious abuser of eminent domain.[95]

Sections 10 and 11. Section 10 removes limitations on the amount of bonded indebtedness that an agency may have outstanding at any one time.[96] Section 11 permits an agency that had a similar limit in its redevelopment plan to eliminate that limit and absolves the agency from any liability for having exceeded those limits in the past.[97]

Sections 12 and 13. Even though the proponents of the Redevelopment Initiative claim it helps develop affordable housing, Section 12 of the Initiative halves the amount of property tax revenue the agency devotes to affordable housing, from 20 percent to 10 percent. In addition, it caps the amount of money that the agency *may* spend on affordable housing at 10 percent.[98]

One ostensible improvement that the Redevelopment Initiative makes to the earlier CRL is that the funds for affordable housing must be segregated by the agency into a separate fund and any interest accrued on the money in that fund must be deposited into it.[99] This protection is illusory. First, the Redevelopment Initiative does not specify a time in which the agency must spend such funds. Worse yet, the Redevelopment Initiative allows the agency to transfer the funds to another public body within the county or in an adjacent county upon a resolution by the agency and the legislative body (presumably of the body receiving the funds) that the transfer will benefit the project area. This resolution is "final and conclusive as to the issue of the benefit to the project area."[100] A redevelopment agency may thereby give its affordable housing funds away to other public bodies for any purpose whatsoever, so long as the agency and the public body pass what may be a totally self-serving resolution stating that the transfer benefits the project area, which the courts cannot review.

In order to further insulate redevelopment agencies from judicial challenges, the Redevelopment Initiative shortens the statute of limitations on actions to enforce redevelopment agencies' obligation to deposit money in the affordable housing fund from 10 years to three years.[101]

Section 13 halves the amount of money that agencies that are not affected by Section 12 must deposit for affordable housing, from 20 percent to 10 percent.[102]

Section 14. Section 14 concerns the methods by which redevelopment agencies may acquire property. It provides that an agency may acquire land by eminent domain so long as it complies with the "limitations" approved in Proposition 99, which amended article I, section 19 of the California Constitution, on the government's power of eminent domain.[103] Proposition 99 did little to protect California residents from eminent domain abuse, however.[104] Proposition 99 protects only "owner-occupied residences" from condemnation and transfer to a private entity, defined to mean only real property "improved with a single-family residence such as a detached home, condominium, or townhouse and that is the owner or owners' principal place of residence for at least one year prior to the . . . government's initial written offer to purchase the property."[105] In other words, new purchasers of homes and apartment dwellers—not to mention businesses—would still be exposed to condemnation and redevelopment.

Section 15. Section 15 permits a redevelopment agency to acquire property and build a publicly owned building wherever it wants to and not just in the project area. The redevelopment agency and the local governing body must pass a resolution finding that the acquisition will benefit the project area or the "immediate neighborhood" in which the project is located and that there "are no other reasonable means of financing" the property. Both bodies must also conclude that the acquisition will assist in the elimination of one or more blighting conditions.[106] The Redevelopment Initiative does not appear to limit such acquisition to negotiated deals—in other words, if an agency wants to condemn land outside the project area and build a building on it, there appears to be nothing in the Redevelopment Initiative that would prevent such a condemnation.

There will be no judicial oversight of the agency's decision to acquire land outside the boundaries of the project area because the "determinations made by the agency and the local legislative body . . . shall be final and conclusive."[107] The standard that the acquisition will benefit the project area means little—an agency could argue that pretty much anything may theoretically benefit the project area. Also, the Redevelopment Initiative only requires that the property "assist" in the elimination of blight—it does not actually have to eliminate blight, and practically anything a redevelopment agency does could be classified as "assisting" in eliminating blight.

Section 16. Section 16 removes conditions on the ability of a redevelopment agency to acquire property outside the project area.[108]

Section 17. Section 17 removes restrictions on redevelopment plans concerning military bases.[109] It is similar to Sections 6, 7, and 8 in that it removes a number of limitations on timing and money that previously restricted redevelopment agencies.

Sections 18 and 19. Sections 18 and 19 concern the time in which a party may challenge a redevelopment plan. Specifically, under Section 18, a party must bring an action challenging the validity of a plan, and the validity of any findings or determinations made by the redevelopment agency, within 90 days of the adoption of the plan or the adoption of the findings and determinations.[110] Similarly, Section 19 provides a 90-day statute of limitations on actions to challenge the validity of a bond.[111]

Section 20. Section 20 addresses the amount of tax increment that a redevelopment agency must distribute to other government agencies and appears to be an attempt to mitigate opposition for the measure from the police, firefighters, teachers' unions and others. This section maintains a pre-existing requirement that the redevelopment agency pay local governments, including school districts, and adds additional requirements. According to the California Legislative Analyst's Office, for all reactivated redevelopment agencies, the Redevelopment Initiative modifies the calculation of post-1993 pass-through payments for schools and community college districts.[112] "Under the measure, these payments to school and community college districts no longer would grow over the life of a redevelopment project. Instead, these payments would be equal to a fixed proportion (30 percent) of a district's share of [the agency's] property tax increment—that is, the share of property tax revenues the district would have received if the [redevelopment agency] did not exist and the funds were distributed as normal property taxes."[113]

While this provision freezes the amount of tax increment money redevelopment agencies must transfer to local governments and educational agencies, every penny of tax increments the local agency keeps is a penny that does not go to police, firefighters, teachers, and community colleges. Although proponents of redevelopment will likely claim that this tax increment would never exist without redevelopment, this is debatable, to put it mildly. Regardless, this argument does not account for increases in property tax receipts caused by population increases, private investment, and statewide development.

A revived system of redevelopment would still affect school funding. In that regard, the Legislative Analyst's Office concluded, after examining the effect of the Redevelopment Initiative on school funding, that "[o]ver the long term, the redirection of net local revenue from schools and community colleges would grow to a few billion dollars a year."[114] To make up for this shortfall, the state itself must backfill the amount, adding to California's already precarious fiscal situation.[115] The

Redevelopment Initiative revives the system that caused money to flow from the state treasury, but adds new sections to keep that flow at a sustainable level.

Sections 21 and 22. Sections 21 and 22 concern the division of taxes within a redevelopment project.[116]

Sections 23 and 24. Section 23 repeals AB 1X 26, and Section 24 reactivates redevelopment agencies.[117] Section 24 permits a city or county that had previously sponsored a redevelopment agency to reactivate that agency by passing a resolution within 180 days of the passage of the Redevelopment Initiative. In doing so, neither the local government nor the redevelopment agency must comply with the rules for the amendment of redevelopment plans. This section also absolves them from complying with the requirements of the California Environmental Quality Act.[118]

Section 25. Section 25 requires the California Controller to order local governments that received property owned by the redevelopment agency prior to AB 1X 26 to return the property to the revived redevelopment agency.[119]

Section 26. Section 26 provides that, if a local government does not revive its redevelopment agency, the dissolution process set out in AB 1X 26 continues.[120]

Section 27. Section 27 provides for an effective date for the Redevelopment Initiative as the date on which the Secretary of State certifies the results of the election at which the Initiative was approved.[121]

Section 28. Section 28 is a "competing measure" provision. It provides that, in the event that the people pass an initiative on the same ballot as the Redevelopment Initiative that imposes different rules and provisions than the Redevelopment Initiative and the Redevelopment Initiative receives a greater number of votes, the Redevelopment Initiative will prevail in its entirety over the competing initiative. If the competing initiative receives a greater number, the courts and the government should treat the Redevelopment Initiative as complementary.[122] This provision would effectively prevent a competing initiative from interfering with the Redevelopment Initiative.

Section 29. Section 29 provides that the Legislature "shall" pass all laws necessary to carry out the Redevelopment Initiative.[123]

Section 30. Section 30 sets out that the Redevelopment Initiative "may be amended only by a vote of four-fifths of the membership of both houses of the Legislature. All amendments to the

[Redevelopment Initiative] shall be to further the [Redevelopment Initiative] and must be consistent with its purposes."[124]

Assuming that a court would uphold this provision, it means that, should the people pass the Redevelopment Initiative, the Legislature would be largely powerless to change it. In other words, if the people and the Legislature realize that this law is a bad idea, there will be little they could do to fix it.

Section 31. Section 31 requires the courts to liberally construe the Redevelopment Initiative.[125]

Section 32. Section 32 is in response to the decision of the U.S. Supreme Court in *Hollingsworth v. Perry*.[126] In that case, the Court held that the sponsors of an initiative do not have standing to defend the initiative's constitutionality in court if the state decides not to defend it. Section 32 is an attempt to avoid this outcome by providing that its proponents "shall be empowered and authorized to defend the [Redevelopment Initiative] through legal counsel of their choosing."[127] Although it is unclear whether this would be sufficient to create standing in the federal courts, it could be enough to grant the proponents standing in state courts.[128]

Section 32 also provides that if the proponents defend its validity and win, they are entitled to recover attorneys' fees from the state—yet more general treasury funds to disappear down the redevelopment rabbit hole. However, "[i]n no event" is the state to recover its fees and costs from the proponents.[129]

Section 33. Section 33 is a severability clause, which provides that, in the case that the courts strike down a provision of the Redevelopment Initiative, the remaining provisions remain in effect.[130]

Conclusion

If passed, the Redevelopment Initiative would constitute one of the most significant expansions of government power in decades. It would revive governmental bodies with long histories of exploitation and corruption and grant them more power and less oversight. Redevelopment did little to achieve its goals and caused widespread eminent domain abuse and fiscal instability. Governor Brown and the Legislature were correct to do away with this system in 2011. Reviving it would simply result in more of the same.

[1] Rutan & Tucker, LLP, are apparently working in conjunction with Forde & Mollrich, a targeted media services and ballot measure campaign management firm, as well as a "handful of cities, primarily in Orange County." Memorandum from John M. Wohlmuth, City Manager, City of Palm Desert, California, to City of Palm Desert 1 (June 27, 2013) (on file with the author).
[2] Letter from Philip D. Kohn, Rutan & Tucker, LLP, to Initiative Coordinator, Office of the Attorney General, State of California (Dec. 23, 2013) (on file with the author).
[3] Proposed Initiative Cal. Jobs & Educ. Dev. Initiative Act (Cal. 2013) (hereinafter, the "Redevelopment Initiative").
[4] *Cal. Redevelopment Ass'n v. Matosantos*, 53 Cal. 4th 231 (2011).
[5] Cal. Stats. 1945 ch. 1326, § 1.
[6] Cal. Health & Safety Code § 33030(a).
[7] *See* Municipal Officials for Redevelopment Reform, *Redevelopment: The Unknown Government* 2 (Chris Norby et al. eds., 8th ed. 2006).
[8] Cal. Health & Safety Code § 33101.
[9] *Id*.
[10] Cal. Health & Safety Code § 33037.
[11] *Id.*
[12] *See Redevelopment Agency of City and Cty. of San Francisco v. Hayes*, 122 Cal. App. 2d 777, 802 (1954).
[13] *Sweetwater Valley Civic Ass'n v. City of Nat'l City*, 18 Cal. 3d 270 (1976).
[14] *Redevelopment: The Unknown Government*, *supra* note 7, at 4; Castle Coalition, *California Scheming: What Every Californian Should Know About Eminent Domain Abuse* 2 (March 2008).
[15] George Lefcoe, *Finding the Blight That's Right for California Redevelopment Law*, 52 Hastings L. J. 991, 1003-04 (2001).
[16] Legislative Analyst's Office, *The 2011-12 Budget: Should California End Redevelopment Agencies* 3 (Feb. 9, 2011).
[17] Lefcoe, *supra* note 15, at 1004.
[18] *Id*.
[19] Stats. 1993 ch. 942 § 3. Subsequent changes to the CRL also attempted to restrict the definition of blight. These changes are codified at Cal. Health & Safety Code § 33031.
[20] *See, e.g.*, *Friends of Mammoth v. Town of Mammoth Lakes Redevelopment Agency*, 82 Cal. App. 4th 511 (2000); *Beach-Courchesne v. City of Diamond Bar*, 80 Cal. App. 4th 388 (2000).
[21] *Beach-Courchesne*, 80 Cal. App. 4th at 407.
[22] *California Scheming*, *supra* note 14, at 2-3; Lefcoe, *supra* note 15, at 1024-25.
[23] Lefcoe, *supra* note 15, at 1022-27.
[24] George Lefcoe, *Redevelopment in California: Its Abrupt Termination and a Texas-Inspired Proposal for A Fresh Start*, 44 Urban Lawyer 767, 777 & n.62. (2012). In cases where city personnel were also acting as agency personnel, the fact that the city personnel owed their salaries to the agency created a clear and irreconcilable conflict of interest.
[25] *California Scheming*, *supra* note 14, at 7.
[26] Lefcoe, *supra* note 24, at 777 & n.62.
[27] California State Controller, *Community Redevelopment Agencies Annual Report*, at iv (Nov. 2, 2011).
[28] *Id.* at xxi.
[29] *Id.* at xiv.
[30] *Id.* at x.
[31] Lefcoe, *supra* note 24, at 774.
[32] *2011-12 Budget*, *supra* note 16, at 7.
[33] *Id.* at 1.
[34] *Id.*; Legislative Analyst's Office, *Governor's Redevelopment Proposal* at 1-2 (Jan. 18, 2011).
[35] Daniel S. Maroon, *Redevelopment in the Golden State: A Study in Plenary Power Under the California Constitution*, 40 Hastings Const. L. Q. 453, 457 (2013).

[36] Dana Berliner, *Public Power, Private Gain* 20 (2003).
[37] Dick M. Carpenter & John K. Ross, *Testing O'Connor and Thomas: Does the Use of Eminent Domain Target Poor and Minority Communities?*, 46(11) Urb. Stud. 2447 (2009).
[38] *The Unknown Government*, *supra* note 7, at 14.
[39] Lefcoe, *supra* note 24, at 775.
[40] *Id.*
[41] *2011-12 Budget*, *supra* note 16, at 6.
[42] *Id.* at 6-7.
[43] Castle Coalition, *Redevelopment Wrecks: 20 Failed Projects Involving Eminent Domain Abuse* 5 (2006).
[44] Jessica Garrison, Kim Christensen & Doug Smith, *Arrested Redevelopment: Cities Often Give Short Shrift to Affordable Housing*, L.A. Times, Oct. 3, 2010.
[45] Cal. Health & Safety Code § 33334.2.
[46] *2011-12 Budget*, *supra* note 16, at 6.
[47] Maroon, *supra* note 35, at 457.
[48] A.B. 26, 2011 Assem., 1 Ext. Sess. (Cal. 2011).
[49] A.B. 27, 2011 Assem., 1 Ext. Sess. (Cal. 2011).
[50] *Matosantos*, 53 Cal. 4th at 242.
[51] *Id.* at 270.
[52] *See, e.g.*, S. B. 1 (2013); A.B. 1080 (2013).
[53] Urban Land Institute, *After Redevelopment: New Tools and Strategies to Promote Economic Development and Build Sustainable Communities* 18 (2013).
[54] *2011-12 Budget*, *supra* note 16, at 6.
[55] *See* Lefcoe, *supra* note 24, at 771-72 & n.28 (discussing the fact that redevelopment funds came directly from property taxes that could be used to fund public schools and discussing the brief amicus curiae of the California Teachers' Association in *Matosantos*).
[56] *See* Brief Amicus Curiae of Cal. Teachers Ass'n 9, *Cal. Redevelopment Ass'n v. Matosantos*, 53 Cal. 4th 231 (2011) (No. S194861) (hereinafter, "Cal Teachers' Ass'n Br."), *available at* http://www.courts.ca.gov/documents/24-s194861-acb-ca-teachers-assoc-100311.pdf (quoting Edmund G. Brown, Jr., State of the State Address, Jan. 31, 2011) ("[R]edevelopment funds come directly from local property taxes that would otherwise pay for schools and core city and county services such as police and fire protection and care for the most vulnerable people in our society").
[57] Redevelopment Initiative § 20 (amending Cal. Health & Safety Code § 33607.5 (b)-(d)).
[58] Business Wire, *Fitch: Stockton Bankruptcy Plan Could Influence Negotiations, Settlement Elsewhere*, Yahoo Finance (Nov. 5, 2013), http://finance.yahoo.com/news/fitch-stockton-bankruptcy-plan-could-161800464.html.
[59] Cal. Teachers' Ass'n Br. at 4-5 (discussing the Dive Bar in Sacramento, built with redevelopment funds, which featured an enormous fish tank above the bar in which mermaids and occasionally mermen would "swim and cavort to entertain the bar's patrons"). For a view of the bar funded in part with the money of Sacramento taxpayers, provided in the "interest of the health, safety, and general welfare of the people of [that] communit[y]," Cal. Health & Safety Code § 33030(a), visit the bar's website and enjoy the background music that features lyrics about people in the bathroom "getting higher than the Empire State" building. http://divebarsacramento.com/welcome-about.html (last visited Jan. 15, 2014).
[60] Wendell E. Pritchett, *The "Public Menace" of Blight: Urban Renewal and the Private Uses of Eminent Domain*, 21 Yale Law & Pol'y Rev. 1, 16 (2003).
[61] Ilya Somin, *The Civil Rights Implications of Eminent Domain Abuse: Testimony Before the United States Commission on Civil Rights* 2 (Aug. 12, 2011), *available at* http://www.law.gmu.edu/assets/files/faculty/Somin_USCCR-aug2011.pdf.
[62] *2011-12 Budget*, *supra* note 16, at 6.
[63] Redevelopment Initiative § 12 (amending Cal. Health & Safety Code § 3334.2(a)).
[64] *2011-12 Budget*, *supra* note 16, at 5-6.
[65] *Id.*
[66] Carl Close, *How "Urban Renewal" Destroyed San Francisco's Fillmore District*, The Beacon (July 21, 2008, 03:28 PM), http://blog.independent.org/2008/07/21/how-%E2%80%9Curban-renewal%E2%80%9D-destroyed-san-francisco%E2%80%99s-fillmore-district/.
[67] *Id.*
[68] *Id.* (quoting Fred Blackwell, Executive Director, San Francisco Redevelopment Agency).

[69] *See* Lefcoe, *supra* note 24, at 797-808 (discussing differences between Texas' Tax Increment Reinvestment Zones and California's defunct CRL).
[70] Time Structures, Inc., *The Impact of Fiscal 2006-07 Community Redevelopment Agency Activities on the California Economy* __ (2009) (concluding that redevelopment agencies generated $40.79 billion in economic activity, created 170,600 construction jobs and 303,946 full and part-time jobs overall for the fiscal year 2006-07).
[71] *2011-12 Budget*, *supra* note 16, at 6-7.
[72] *Id.*
[73] *Id.*
[74] *Id.*
[75] Letter from Mac Taylor, Legislative Analyst, Legislative Analyst's Office, to John Shirey, Executive Director, California Redevelopment Association (Feb. 16, 2011) (on file with the author).
[76] Redevelopment Initiative § 4 (amending Cal. Health & Safety Code § 33003).
[77] Cal. Health & Safety Code § 33030(b)(2).
[78] Redevelopment Initiative § 5(a)(1) (amending Cal. Health & Safety Code § 33031(a)(1)).
[79] *See Beach-Courchesne* 95 Cal. Rptr. 2d 265, 279 ("If the showing in this case were sufficient to rise to the level of blight, it is the rare locality in California that is not afflicted with that condition"). *See also City of Norwood v. Horney*, 853 N.E.2d 1115, 1144 (Ohio 2006) (finding that the "deteriorating area," defined by, among other things, "faulty street arrangement" and "obsolete platting" void for vagueness because those "standards" could be used to describe "almost any city").
[80] Redevelopment Initiative § 5(a)(2) (amending Cal. Health & Safety Code § 33031(a)(2)).
[81] *Sweetwater Valley Civic Ass'n v. National City*, 18 Cal. 3d 270, 277-278 (1976); *Cnty. of Los Angeles v. Glendora Redevelopment Project*, 185 Cal. App. 4th 817, 845-46 (2010); *Friends of Mammoth v. Town of Mammoth Lakes Redevelopment Agency*, 82 Cal. App. 4th 511, 554-555 (2000); *Redevelopment Agency v. Hayes*, 122 Cal. App. 2d 777, 793, 812 (1954).
[82] Redevelopment Initiative § 5(b)(8) (amending Cal. Health & Safety Code § 33031(b)).
[83] Bureau of Labor Statistics, United States Department of Labor, *Economic News Release; Employment Situation Summary* (Feb. 7, 2014, 8:30 AM), http://www.bls.gov/news.release/empsit.nr0.htm.
[84] California Employment Development Department, *Overview—Labor Market Information*, http://www.labormarketinfo.edd.ca.gov/.
[85] Redevelopment Initiative § 6 (amending Cal. Health & Safety Code §33333.2).
[86] Cal. Health & Safety Code § 33333.2(a)(2).
[87] Redevelopment Initiative § 6(f)(1)(B) (amending Cal. Health & Safety Code § 33333.2).
[88] Cal. Health & Safety Code § 33333.2(a)(3).
[89] Redevelopment Initiative § 6(f)(1)(C) (amending Cal. Health & Safety Code § 33333.2).
[90] Redevelopment Initiative § 6(f)(1)(D) (amending Cal. Health & Safety Code § 33333.2).
[91] Redevelopment Initiative § 6(f)(1)(E) (amending Cal. Health & Safety Code § 33333.2).
[92] Redevelopment Initiative § 6(f)(2) (amending Cal. Health & Safety Code § 33333.2).
[93] Redevelopment Initiative § 7(h) (amending Cal. Health & Safety Code § 33333.4).
[94] Redevelopment Initiative § 8(k) (amending Cal. Health & Safety Code § 33333.6).
[95] Redevelopment Initiative § 9 (amending Cal. Health & Safety Code § 33333.7).
[96] Redevelopment Initiative § 10 (repealing Cal. Health & Safety Code § 33334.1)
[97] Redevelopment Initiative § 11.
[98] Redevelopment Initiative § 12 (amending Cal. Health & Safety Code § 33334.2).
[99] Redevelopment Initiative § 12 (amending Cal. Health & Safety Code § 33334.2).
[100] Redevelopment Initiative § 12 (g)(2) (amending Cal. Health & Safety Code § 33334.2).
[101] Redevelopment Initiative § 12 (j)(1)(B) (amending Cal. Health & Safety Code § 33334.2(j)(1)(B)).
[102] Redevelopment Initiative § 13 (amending Cal. Health & Safety Code § 33334.6).
[103] Redevelopment Initiative § 14 (amending Cal. Health & Safety Code § 33391(b)).
[104] Ilya Somin, *Why California's Proposition 99 is a Lot Worse than Nothing*, The Volokh Conspiracy (June 4, 2008, 5:08 AM), http://www.volokh.com/posts/1212570507.shtml.
[105] Cal. Const. art. I, § 19.
[106] Redevelopment Initiative §15 (amending Cal. Health & Safety Code § 33445).
[107] Redevelopment Initiative § 15(b) (amending Cal. Health & Safety Code § 33445 (b)(1)).
[108] Redevelopment Initiative § 16 (repealing Cal. Health & Safety Code § 33445.1).
[109] Redevelopment Initiative § 17 (amending Cal. Health & Safety Code § 33492.13).

[110] Redevelopment Initiative § 18 (amending Cal. Health & Safety Code § 33500).
[111] Redevelopment Initiative § 19 (amending Cal. Health & Safety Code § 33501).
[112] California Legislative Analyst's Office, *2013 Initiative Analysis: Jobs and Economic Development Initiative (JEDI) Act* (Feb. 4, 2014), http://www.lao.ca.gov/ballot/2013/130773.aspx.
[113] *Id*.
[114] Letter from Mac Taylor, Legislative Analyst, and Michael Cohen, Director of Finance, California Legislative Analyst Office, to Kamala Harris, Attorney General of California (Feb. 4, 2014) (on file with the author).
[115] *Id.*
[116] Redevelopment Initiative §§ 21 & 22 (amending Cal. Health & Safety Code §§ 33670 and 33670.5).
[117] Redevelopment Initiative § 23 (repealing Part 1.8, beginning with § 34161, of the Cal. Health & Safety Code); Redevelopment Initiative § 24.
[118] Redevelopment Initiative § 24.
[119] Redevelopment Initiative §25 (amending Cal. Health & Safety Code § 34178.8).
[120] Redevelopment Initiative § 26 (amending Cal. Health & Safety Code § 34179).
[121] Redevelopment Initiative § 27.
[122] Redevelopment Initiative § 28.
[123] Redevelopment Initiative § 29.
[124] Redevelopment Initiative § 30.
[125] Redevelopment Initiative § 31.
[126] __ U.S. __, 133 S. Ct. 2652, 2668, 186 L. Ed. 2d 768 (2013).
[127] Redevelopment Initiative § 32(A).
[128] *See Perry v. Brown*, 52 Cal. 4th 1116, 1127, 134 Cal. Rptr. 3d 499, 505. 265 P.3d 1002, 1007 (2011) (holding that, under California law, the official proponents of a measure are authorized to appear and defend the state's interest in the validity of the measure when the government refuses to do so).
[129] Redevelopment Initiative § 32(B).
[130] Redevelopment Initiative § 33.