

EXECUTIVE SUMMARY

Options for Structuring the Redevelopment Agency

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Pursuant to California Redevelopment Law, the City Council serves as Board of Directors of the Redevelopment Agency. With the transition to the Strong Mayor-Strong Council form of government in January 2006, the Mayor was removed as a member of the City Council, and no longer served as chair of the Agency Board. In order to create a role for the Mayor in redevelopment, the Agency appointed the Mayor as Agency Executive Director for a six month period while alternative structures for the Redevelopment Agency were evaluated. Since then, restructuring efforts have stalled, and the Agency has extended the Mayor's designation as Executive Director on a temporary basis eight times, most recently in December 2010.

This report draws from work that was done under previous restructuring efforts, as well as additional IBA research, to provide a high-level overview of the following six potential organizational models for the Redevelopment Agency:

1. City Redevelopment Structure (status quo)
2. Agency-Employee Model
3. Redevelopment Commission
4. Non-Profit Corporation
5. Merge with Housing Commission
6. Independent Agency Board

It is not the goal of this report to provide a detailed evaluation of all the various options; but rather, to broadly describe the most salient aspects of each model, highlight some of the main differences, and discuss potential advantages and disadvantages. In addition, this report also reviews a number of potential roles for the Mayor in redevelopment. In this regard, perhaps the most significant question is whether or not the Mayor should continue to serve as Agency Executive Director on a more permanent basis. However, even if the Mayor does not continue to serve as Executive Director, there are a number of other ways in which the Mayor can play a meaningful role in redevelopment.

With the establishment of the Redevelopment Agency Ad-Hoc Committee, the Agency has embarked upon a year-long effort to study alternative organizational structures for the Redevelopment Agency. Determining the appropriate organizational structure will be a challenging endeavor, with many competing interests and perspectives that will need to be carefully weighed. This report is intended to be the starting point of a thorough review process, and to provide a foundation for more focused evaluation of the many options available for creating the most effective organizational structure for the Redevelopment Agency.