

Reorganizing the San Diego Redevelopment Agency by Marti Emerald

San Diego's Redevelopment Agency has much to be proud about. We've won awards for projects in City Heights and Barrio Logan, and national recognition of the Centre City Development Corporation's revitalization of downtown. Our Agency staff is professional and committed, and residents are actively involved in project planning.

Yet, we have problems. I have heard from the public that we adopted redevelopment project areas that are not truly blighted; that blight in downtown has been eliminated but we keep collecting redevelopment dollars to enhance City revenue; that we just build shopping center, not projects that truly benefit low-income residents; that we select developers who are connected, rather than most qualified; that redevelopment is not used to create new jobs; that funds have been improperly transferred among project areas; that Agency debts to the City have not been repaid; and that we have not built enough affordable housing. And we all remember the scandals uncovered by the *Voice of San Diego* at the Southeastern Economic Development Corporation (SEDC) and at CCDC.

I don't agree with all these criticisms. But I do think the public criticisms reflect problems we have with the Agency's *effectiveness, efficiency, accountability, and transparency*. To understand these problems, I want to clarify how the San Diego Redevelopment Agency is organized.

Just as a business is the sum of its parts – its buildings, employees, assets, and liabilities, the San Diego Redevelopment Agency is seventeen project areas spread throughout the City, hundreds of revitalization projects, millions of dollars in bond debt, and numerous contracts. Redevelopment agencies are state agencies, not a part of the City, and are governed by state law, not the City Charter. The Board of Directors of the San Diego Agency, by state law, is the City Council. As currently organized, the San Diego Agency carries out redevelopment through a contract with CCDC for two downtown project areas, a contract with SEDC for four project areas, and a third contract with the City for the other eleven project areas. (That's right, the City is a contractor to the Agency.) CCDC and SEDC are both nonprofit corporations chartered by the City.

Our *effectiveness* problem is that not all project areas get their proportionate share of resources and expertise. Our *efficiency* problem is that redevelopment work and expenses are duplicated among the three operating components of the Agency. Our *accountability* problem is that everyone who does work for the Agency really works for another employer and so has a built-in conflict of interest. The best example of this is last year's State budget deal that lifted the cap on collecting downtown tax increment. Agency board members – the City Council members with the duty under State law to be responsible for redevelopment – were kept out of the loop on this important decision. Our *transparency* problem is that our complicated organization structure, coupled with gray areas about what information is public and what is not, make it difficult for the public to understand the redevelopment decision process.

We can fix these problems. My reorganization plan eliminates duplicated functions and leverages our strengths and successes by merging CCDC, SEDC, and the City's Redevelopment Department into a single San Diego Development Corporation,

and centralizes all affordable housing responsibility and funding in the Housing Commission. My plan gives the Agency Board the resources to be accountable by making the Agency Executive Director, Finance Manager, and Legal Counsel direct employees of the Board. And my plan simplifies the Agency decision process. Take a quick look at the organization charts of our current Agency structure and of my proposed structure – you will see that the difference is striking. I believe that my plan has the elements necessary to be effective.

Governor Brown has proposed that redevelopment agencies should be eliminated. I disagree. Redevelopment is a critical tool to revitalize older neighborhoods, as we have proved in our downtown and in other parts of our city. We must restore public confidence in how San Diego manages redevelopment, and prove to Governor Brown and our state representatives that redevelopment is too important to de-fund. We can do that by building a new redevelopment model in San Diego: lean, smart, effective, transparent, and capable of generating new tax revenues where none previously existed.