In Alameda County there were 12 Redevelopment Agencies (RDA’s) prior to their dissolution by the State in 2011. These 12 RDA’s received $268 Million in tax increment revenue in 2011, of which $59 Million was set aside for Affordable Housing.

These taxes are still collected, but are distributed differently and no longer distributed exclusively to the redevelopment agencies. Instead, tax increment funds not needed for State-approved pre-existing obligations are distributed among the various taxing entities, with portions going to Schools, Special Districts, and both the City the RDA was located in and the County, as Taxing Entities.

As an example of how these funds are now spread, the data from the chart below comes from semi-annual reports prepared by the County Auditor-Controller and submitted to the State Department of Finance. The information from this Chart comes from both the first and second installment reports for FY 2013-14. The funds are broken down by former RDA, so it is clear how much tax increment was generated from each agency, the amounts used for enforceable obligations, and the amounts left as residual funds ("Boomerang") and allocated among the taxing entities.

As you shown above, the total tax increment collected in FY 2013-14 is higher than the last year of Redevelopment ($292 Mil as opposed to $262 Mil in 2011). This is due to increases in the assessed valuation within the former redevelopment areas. After deductions for State and County Administrative costs and pre-existing mandatory pass-
through payments to taxing entities, there was $227 Mil. From this amount, $138 million was used to make payments on enforceable obligations pursuant to State-approved Recognized Obligation Payment Schedules (ROPS). The remaining residual balance is the Boomerang Funding ($89.2 Mil). This Boomerang is distributed to all of the taxing entities. Each of the Cities where the former Redevelopment Agencies were located receives a portion of the funding, representing approximately 26% of the Boomerang, as does the County for the County’s former Redevelopment Agency in the Unincorporated County ($409k in FY 13/14). In addition, as a Taxing Entity, the County also receives a portion of the tax increment from all the other former RDA’s, increasing the County’s portion to a significant amount of the total Residual Tax Increment (14% of the Boomerang or $12.3 Mil in FY 13/14).

Over time, two things will happen. First, the total amount of taxes collected will increase as the property tax base increases. Second, the amount that is used for ROPS ($138 Mil in FY 14/15) will gradually be reduced as obligations of the former RDAs are satisfied. In the above example, if the ROPS obligations were completely paid off, then the amount distributed to the taxing entities would be $227.3 Mil. If the County received 14% as a Taxing Entity, its increased share would be $31.8 Mil, rather than the $12.3 Mil in FY 13/14.

It may 20 years or more for the ROPS to be completely paid off. In the meantime, the Board must decide how much of the County’s “Boomerang” funds will be set aside for Affordable Housing.

**Housing Funding**

The outstanding question remaining before the Board of Supervisors is to determine the amount of funding that will be set aside for Affordable Housing from the County’s portion of the Boomerang funds. To date, the BOS has approved a minimum of $2 Million per year. The BOS will revisit the amount per year ongoing.