

City of Richland Center Planning Commission

Project & Initiative Update Report Form

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Project:	Status of Redevelopment Authority (RDA)	Status:	In Progress

PROJECT DESCRIPTION

Determine whether the RDA should be reformed, dissolved, or transitioned to a Community Development Authority (CDA).

STATUS

- Continuing to evaluate the most appropriate path forward and consulting with subject matter experts such as Attorney Jared Walker Smith and Ehlers.
- Evaluating the impact of establishing a TID within the RDA's existing redevelopment zone.

CONSIDERATIONS/CONCERNS

- **Potential for Intergovernmental Friction:** The creation of an RDA/CDA introduces the possibility of conflict or misalignment with the Common Council, potentially hindering unified decision-making and project execution.
- **Procedural Delays:** An independent RDA/CDA may add layers of bureaucracy, leading to slower redevelopment processes compared to streamlined Council-led initiatives.
- **Financial Viability:** The long-term effectiveness of an RDA is contingent on securing a stable and recurring funding source. Without this, its operational capacity and project implementation will be severely limited.
- **Community and Stakeholder Participation:** The RDA's ability to achieve meaningful public engagement and stakeholder participation needs to be carefully evaluated.
- **Administrative Support:** The city's capacity to provide adequate personnel support to the RDA is critical for its success.
- **CDA Operational Capacity:** If transitioning to a CDA, the city must assess its ability to manage the significantly expanded roles and responsibilities that entails.

NEXT STEPS & ACTION ITEMS

- Complete the evaluation to determine whether establishing an RDA would support or hinder planned redevelopment projects.
- Decide whether creating a TID is both feasible and essential for supporting redevelopment within the proposed RDA zone.
- Determine whether a sustainable long-term funding mechanism can be established to enable the RDA to operate effectively within its full statutory authority.

ADDITIONAL COMMENTS

- A measured approach is being taken before making any formal recommendations.
 - Anticipated outcome: reformation of the RDA and the establishment of a TID upon executing a development agreement.
 - RDA and CDA overviews have been included to provide a general understanding of both structures.
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Redevelopment Authority (RDA) Overview

A Redevelopment Authority (RDA) is a public body created under Wisconsin Statutes Chapter 66.1333. An RDA helps improve blighted areas and promote economic development. RDAs can acquire property, issue bonds, and provide financial assistance.

Wis. Stat. [§ 66.1333\(3\)\(a\)1](#). It is found and declared that a redevelopment authority, functioning within a city in which there exists blighted areas, constitutes a more effective and efficient means for preventing and eliminating blighted areas in the city and preventing the recurrence of blighted areas.

The statutory authority of an RDA includes the following powers and responsibilities:

ESTABLISHMENT & GOVERNANCE

- A city may create an RDA through a resolution adopted by its governing body.
- The RDA is governed by a board of seven commissioners, typically appointed by the mayor or city council.

POWERS & DUTIES

- **Acquisition of Property:** RDAs have the authority to acquire real estate through purchase, lease, eminent domain, or other legal means.
- **Redevelopment Planning:** RDAs create and implement redevelopment plans that align with municipal goals.
- **Property Disposition:** RDAs may sell, lease, or transfer properties to private developers or public agencies for redevelopment purposes.
- **Financing & Grants:** RDAs can issue bonds, apply for state and federal funding, and enter into agreements to support redevelopment projects.
- **Blight Elimination:** RDAs have the power to identify and remediate blighted areas through property improvements, clearance, and rehabilitation.
- **Public-Private Partnerships:** RDAs can engage in partnerships with private entities to support economic development and revitalization projects.
- **Tax Increment Financing (TIF) Coordination:** While RDAs themselves do not create Tax Increment Districts (TIDs), they often work closely with municipalities to align redevelopment efforts with TIF policies.

LIMITATIONS & OVERSIGHT

- RDAs operate independently but must report to the municipal governing body.
- All redevelopment plans require approval from the local governing body before implementation.
- RDAs cannot levy taxes but may generate revenue through property sales, grants, and bond issuance.

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Community Development Authority (CDA) Overview

A Community Development Authority (CDA) is a public entity created under Wisconsin Statutes Chapter 66.1335. A CDA combines the powers of both a Redevelopment Authority (RDA) and a Housing Authority, allowing for a broader scope of community and economic development initiatives.

Wis. Stat. [§ 66.1335\(1\)](#) A city may, by a two-thirds vote of the members of the city council present at the meeting, adopt an ordinance or resolution creating a housing and community development authority which shall be known as the “Community Development Authority” of the city. It is a separate body politic for the purpose of carrying out blight elimination, slum clearance, urban renewal programs and projects and housing projects. The ordinance or resolution creating a housing and community development authority may also authorize the authority to act as the agent of the city in planning and carrying out community development programs and activities approved by the mayor and common council under the federal housing and community development act of 1974 and as agent to perform all acts, except the development of the general plan of the city, which may be otherwise performed by the planning commission under s. [66.1105](#), [66.1301](#) to [66.1329](#), [66.1331](#) or [66.1337](#).

ESTABLISHMENT & GOVERNANCE

- A municipality may establish a CDA by resolution of its governing body.
- The CDA is governed by a seven-member board of commissioners, with appointments made by the mayor and confirmed by the governing body.
- The CDA operates as an independent but municipal-affiliated body, carrying out housing and redevelopment functions as delegated by the municipality.

POWERS & DUTIES

A CDA has all the powers of a Redevelopment Authority (RDA) under Wis. Stat. § 66.1333 and a Housing Authority under Wis. Stat. § 66.1201, including:

REDEVELOPMENT & ECONOMIC DEVELOPMENT POWERS

- **Property Acquisition & Disposition:** Can acquire, hold, lease, or sell properties for redevelopment.
- **Redevelopment Planning:** Prepares and executes redevelopment projects to revitalize blighted areas.
- **Blight Elimination:** Engages in slum clearance, rehabilitation, and revitalization efforts.
- **Public-Private Partnerships:** Facilitates partnerships to support economic development.
- **Bond Issuance & Financing:** Can issue revenue bonds and access grants for redevelopment initiatives.

HOUSING DEVELOPMENT & REHABILITATION POWERS

- **Affordable Housing Programs:** Develops, manages, or supports affordable housing projects.
- **Rental Assistance & Public Housing:** Administers public housing programs and rental assistance.
- **Housing Rehabilitation:** Provides financial assistance for housing improvements.

RELATIONSHIP WITH TAX INCREMENT FINANCING (TIF)

While a CDA does not create Tax Increment Districts (TIDs), it often works closely with municipalities to align redevelopment projects with TIF funding.

OVERSIGHT & LIMITATIONS

- A CDA must report to the municipality’s governing body, which has final approval over its major plans and actions.
- Unlike an RDA, a CDA also function as a Housing Authority, making it more versatile in addressing both economic and housing development needs.

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Comparing RDA vs CDA

FACTORS	RDA	CDA
Legal Basis	Wisconsin Statutes § 66.1333	Wisconsin Statutes § 66.1335
Primary Purpose	Focuses on redevelopment and economic revitalization, mainly targeting blighted areas.	Combines the functions of an RDA and a Housing Authority, addressing both redevelopment and affordable housing needs.
Powers & Authority	<ul style="list-style-type: none"> • Can acquire, sell, lease, and develop properties for redevelopment. • Issues bonds for financing redevelopment. • Engages in public-private partnerships to encourage economic development. • Does not directly administer housing programs. 	<ul style="list-style-type: none"> • Has all the powers of an RDA. • It also functions as a Housing Authority, meaning it can manage affordable housing programs, public housing, and rental assistance. • Can issue bonds for both redevelopment and housing initiatives.
TIF Role	Works closely with the city to implement redevelopment efforts that align with TIF-funded projects but does not directly create TIF districts.	Same as an RDA, but it can also apply TIF funding toward housing-related projects, expanding its financial flexibility.
Oversight & Governance	Independent from the city but reports to the governing body. Only oversees redevelopment projects.	More integrated with the city's municipal operations and oversees both redevelopment and housing programs.
Ideal Use Case	Best for cities focused primarily on economic revitalization through redevelopment projects in blighted areas.	Best for cities needing a mix of redevelopment and housing initiatives, particularly if affordable housing is a concern.
Challenges & Limitations	<ul style="list-style-type: none"> • Does not have authority over housing initiatives. • Limited flexibility in funding sources. 	<ul style="list-style-type: none"> • More complex administration due to housing responsibilities. • Requires oversight of both economic development and housing programs.

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Plan Commission vs. Redevelopment Authority

FEATURE	PLAN COMMISSION	RDA
Primary Function	Planning and land use regulation.	Implementation of redevelopment projects.
Focus	<i>Long-term</i> comprehensive planning, zoning, and land use.	<i>Specific</i> redevelopment areas and projects.
Key Responsibilities	<ul style="list-style-type: none"> • Developing and maintaining the comprehensive plan. • Reviewing and recommending zoning changes, subdivision plats, and conditional use permits. • Advising the governing body on planning matters. 	<ul style="list-style-type: none"> • Acquiring and clearing blighted areas. • Facilitating redevelopment projects. • Implementing redevelopment plans. • Potentially issuing bonds, and other financial tools.
Relationship to Comprehensive Plan	Creates and upholds the comprehensive plan.	Must ensure redevelopment projects align with the comprehensive plan.
Decision-Making Authority	Advisory role; recommendations to the governing body.	More direct decision-making authority for redevelopment projects within designated areas.
Scope	City-wide or jurisdiction wide.	Focused on specific redevelopment areas.
Coordination	Requires coordination with the governing body and other agencies.	Requires coordination with the Plan Commission and governing body.
Wisconsin Statutes	Wis. Stat. §§ 62.23	Wis. Stat. §§ 66.1333
Overlapping Areas	Both are concerned with the future development of the city.	

KEY TAKEAWAYS

- The Plan Commission is the "planner," setting the long-term vision
- The RDA is the "implementer," taking action to achieve specific redevelopment goals.
- Effective redevelopment relies on close coordination between these two entities.