The Community Guide To Redevelopment

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Creating Safe, Prosperous and Healthy Communities

Contributing Authors to the First Edition of The Community Guide to Redevelopment include:
Elizabeth Seifel, Seifel Consulting, Inc.
William A. Carlson, California Redevelopment Association
Andrea H. Elliott, California Redevelopment Association

Reviewed by:
The California Redevelopment Association Public Relations and Publications Committee including:
Chair Val Toppenberg, West Sacramento Redevelopment Agency
Donna Alm, Centre City Development Coporation
Simon Andrews, Graphic Solutions
Jari Appelroth, AmeriNational Community Services
Denise Bickerstaff, Keyser Marston Associates, Inc.
William Boyer, Sacramento Housing and Redevelopment Agency
William Cahill, Merced Redevelopment Agency
Dennis Dahlem, City of Barstow
Anne Moore, Sacramento Housing and Redevelopment Agency
Steven Preston, San Gabriel Redevelopment Agency
J. Edward Tewes, City of Morgan Hill

Edited by:
William A. Carlson, Andrea H. Elliott, Suzanne Findlay, Cheryl MacKelvie, and Allyson Myers, California Redevelopment Association

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California Redevelopment Association

The Community Guide to Redevelopment

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Redevelopment enables communities to grow inward, not just outward.

Redevelopment helps encourage new housing and businesses to locate within already developed areas. It helps reduce crime, promote affordable housing, reduce long commutes and preserve the environment.

Redevelopment enhances and expands local businesses, renovates declining housing stock and improves public infrastructure systems and facilities.

Redevelopment plans are locally created and adopted so they can respond to your community's unique needs and vision.

Chapter 1— What is redevelopment?

Redevelopment is a process specifically authorized under California law to assist local governments in revitalizing their communities. Redevelopment encourages new development, creates jobs and generates tax revenues in declining urbanized areas by developing partnerships between local governments and private entities. Over 400 California cities and counties have adopted local redevelopment plans.

Why is redevelopment important to California's future?

California continues to grow in both jobs and population. While this growth provides tremendous opportunities for our citizens and businesses, it also provides many challenges. California is one of the most beautiful states in America. Our state is famous worldwide for its beautiful scenery, abundant croplands, cultural diversity and environmental richness. However, if growth is not properly directed, California will not make the most productive use of our natural and human resources.

California cannot afford to let urbanized areas decline while new development sprawls outward into undeveloped areas. This pattern of growth drains our economy and tax base, strains our infrastructure and does not allow all of our citizens to fully participate in a growing economy.

Redevelopment enables communities to grow inward, not just outward. Redevelopment enhances and expands local businesses, renovates declining housing stock and improves public infrastructure systems and facilities. Redevelopment helps encourage new housing and businesses to locate within already developed areas. It helps reduce crime and long commutes, promotes affordable housing, and preserves the environment.

What can redevelopment do for my community?

Redevelopment can help your community implement a revitalization effort for your downtown, neighborhood or industrial areas. Redevelopment plans are locally created and adopted so they can respond to your community's unique needs and vision.

Redevelopment plans have helped communities such as yours to:

- Attract new jobs and businesses;
- Create more affordable housing;
- Stimulate private reinvestment in local neighborhoods and businesses;
- Reduce crime;
- Stimulate development of downtown improvement programs;
- Stimulate private investment and help rehabilitate homes and businesses;
- Build or improve roads, utilities and public facilities;
- Revitalize waterfronts and surplus military bases;
- Preserve open space;
- Transform hazardous waste sites (called brownfields) into productive uses;
- Create, adopt and/or implement specific plans; and
- Initiate and fund comprehensive planning efforts.

Another one of the benefits of redevelopment being a locally driven activity is the opportunity for communities to participate in preservation of their local historic homes and buildings.

How can my community begin to redevelop itself?

The first step in the redevelopment process is the formation of a redevelopment agency. The elected body of your community, the city council or board of supervisors, may establish a redevelopment agency under the California Community Redevelopment Law (CRL).

What is a redevelopment agency?

A redevelopment agency is a separate public body that reports to the local governing body of a community, and either the city council or county board of supervisors. The CRL provides that any county or city can establish a redevelopment agency by the action of its governing body. In all but a few agencies in California, the local governing body also serves as the redevelopment agency board. In a handful of cities and counties, the redevelopment agency is a separate body comprised of members appointed by elected officials.

In either instance, the local governing body and the redevelopment agency are two separate, distinct legal entities. And, the redevelopment agency assigns its own staff and advisors to carry out its day-to-day operations as well as to help formulate and implement redevelopment plans.

The benefit of this system is that the redevelopment agency is ultimately responsible to the voting public through the elected governing body that oversees the agency.

Is the redevelopment agency another layer of government?

No. An agency has been vested by the California legislature with unique powers to enhance a community's revitalization efforts. Also, while the agency is legally a separate unit of local government, the elected officials of the community's governing body typically serve as the redevelopment agency board members.

Redevelopment agencies are established by elected officials with the specific goal of revitalizing deteriorated areas. Once that goal is met, they can be dissolved.

What laws govern redevelopment agencies?

The California Community Redevelopment Law, contained in the California Health and Safety Code beginning with Section 33000 et seq., provides the authority and implementation provisions for a redevelopment program. California voters adopted Article XVI, Section 16 of the California Constitution in 1952, providing for tax increment financing. Tax increment financing is the key mechanism for implementing the purposes of the California Community Redevelopment Law. Refer to Chapter 7 for more information on tax increment financing.

How can my community qualify for a redevelopment program?

The CRL specifically describes when and how redevelopment may be used in a community. Redevelopment can only be used in areas that suffer from adverse physical and economic conditions, defined in the law as "blight."

The following types of adverse physical and economic conditions have been observed in redevelopment areas to be examples of blight.

Adverse Physical Conditions

- Unsafe building conditions;
- Aging, deteriorating, and poorly-maintained buildings, sometimes interspersed with well-maintained buildings;
- Incompatible adjacent or nearby uses of land parcels that hinder economic activity;
- Adverse physical factors, such as susceptibility to flooding and earthquakes, that demand significant improvements to buildings in order that they be safe for occupancy;
- Small and irregularly shaped lots under multiple ownership that are vacant or underutilized;
- Outdated and inefficient building configuration and design that does not meet current business needs;
- Unsafe access into buildings or parking lots; and
- Inadequate and obsolete infrastructure, (i.e. utilities, storm drainage, sewers, street lighting, and confusing and inefficient street systems).

Adverse Economic Conditions

- High business vacancies, low commercial leases and high turnover rates;
- Vacant and underutilized land or buildings;
- Depreciated or stagnant property values and other evidence of disinvestment;
- Hazardous waste and other negative environmental conditions;
- High incidences of criminal activity, sometimes equated with an over-concentration of bars, liquor stores or adult stores;
- Lack of neighborhood businesses to serve residents, such as banks, pharmacies or grocery stores; and
- Residential overcrowding.

If my community qualifies for redevelopment, how much area would be included?

The redevelopment agency must determine how much area will be included in a redevelopment project area. This determination is done in three stages. First the local governing body adopts a "survey area" that is evaluated to see how much of the area qualifies for redevelopment. Next, the planning commission defines the "project area" where redevelopment activities would be focused. Finally, the redevelopment agency and the local governing body must hold several public hearings about the project to formally adopt the project area.

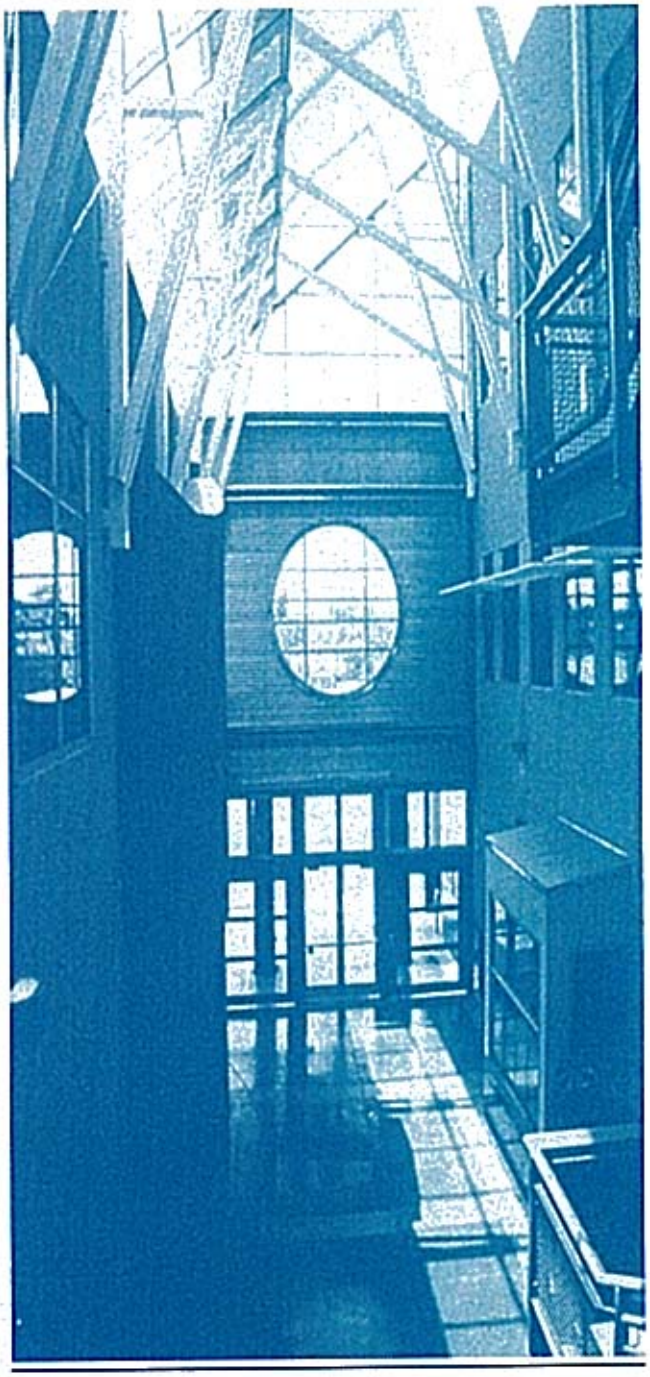
If my community adopts a redevelopment program that includes my home or business, does that mean my home or business is "blighted"?

No. Blight is a legal term used solely for the purposes of determining whether your community can qualify for redevelopment. The redevelopment agency and the local governing body must make a finding that the area suffers from adverse economic and physical conditions, defined in the law as blight.

Some areas that qualify for redevelopment often have well-maintained homes or businesses interspersed among deteriorating structures. An area must be more than 50 percent blighted to qualify as a project area.

What is a redevelopment plan?

If your community qualifies for redevelopment, the redevelopment agency must adopt a redevelopment plan to govern its activities. The redevelopment plan provides a legal framework for planning and implementing revitalization activities in a redevelopment project area. It also can establish a unique financing method, called tax increment financing, to fund these initiatives. Redevelopment plans are covered more specifically in Chapter 4.



The Vic Fazio Workforce Development Center in Sacramento, California. See page 32 for the story on this project.

Chapter 2— How does redevelopment benefit communities?

The benefits of redevelopment are abundant. Success stories range from physical transformations of dilapidated buildings to the attitudes of the newly empowered people that reside in a redeveloped community. And the positive effects of community pride are often contagious!

Redevelopment is a powerful tool that empowers communities through:

- Creation of new job and housing opportunities;
- Economic development and crime reduction;
- Development or improvement of public facilities like libraries, theaters, parks, youth centers, bike paths, and greenbelts;
- Landscaping of neighborhood streets with trees or shrubs;
- Improved street lights, storm drains and water systems;
- Reduced through traffic on residential streets;
- New cultural, shopping, and recreational opportunities;
- Restoration of community pride; and
- Ultimately increasing overall city revenues to provide greater public safety and services.

The first way redevelopment agencies help communities is to listen to local citizens when they ask for help. To facilitate community involvement, many agencies distribute newsletters, provide public forums and form redevelopment advisory committees on which community members can serve to provide community direction on redevelopment projects.

You have a voice in redevelopment!

A continuing dialogue with the public is crucial to a successful redevelopment program. Without community input, ideas, and support, any redevelopment plan will falter. The redevelopment plan for a project area is presented at public hearings and community members are given an opportunity to review and comment on the plan. Meetings of the agency and any publicly appointed or elected redevelopment committees are also open to the public.

Although no direct vote is usually taken to affirm or deny the formation of a redevelopment area, community participation is an essential ingredient in any successful redevelopment program.

How can you participate?

One way you can participate is to join a project area committee (PAC)! Formation of a PAC to review the proposed plan is required when eminent domain is authorized over properties where a substantial number of low-to-moderate income households reside. Most redevelopment agencies form PACs specifically to encourage community participation, even when it is not required by law to do so.

Contact your local redevelopment agency to find out how you can participate!

Why should my community consider redevelopment?

Redevelopment is effective. As federal economic development initiatives have declined, redevelopment has become one of the primary economic development tools in California. The reason redevelopment is effective is that it has the authority, scope and financial resources to reverse the factors that contribute to the decline of an area and acts as a barrier to unwanted or unnecessary private investment in an area.

Communities with limited financial resources can use funds from redevelopment projects to rehabilitate properties, build better homes, create jobs, and stimulate private businesses and development. Because of its funding structure, redevelopment accomplishes what could not be done by other public or private means.

My neighborhood is not in decline, so how does redevelopment affect me?

The CRL was passed in recognition of the fact that the adverse impacts of distressed areas tend to be contagious. Even though your neighborhood is prosperous, deteriorated areas in your overall community can still physically and financially impact it. Below is a list of negative impacts blighted communities have on healthy neighboring communities.

A. Deteriorating areas cannot pay their own way.

People living in deteriorated and over-crowded conditions are often the victims of crime and unsafe living conditions. Often these deteriorating areas require more public services, such as public safety, than the tax revenue produced in the area can fund. When that happens, funding is diverted from other public services. In this way, deteriorated areas may be a financial drain on the whole community.

B. There are no natural barriers to deterioration.

Deterioration, if not controlled, tends to expand. It can spill over into adjacent areas and affect an ever-widening circle of surrounding residents and businesses. Like a disease, if the causes and symptoms are treated in the early stages, then swift economic recovery is more likely.

C. Deterioration results in an economic drain on the community.

As offices, industries, services and shops leave or close, jobs and tax revenues are lost. The relocation of one business outside the area encourages other firms to leave, causing a ripple effect on the community. Vacated residential and commercial structures are an economic drain to the community as property depreciates or stagnates.

Shopping areas and jobs move farther and farther away, stranding the transit-dependent and causing those with automobiles to travel farther for work and the basic necessities of life. Residents then spend increased dollars and travel time to find employment, shopping, and recreation outside their neighborhood. The result is that local dollars are now being spent outside the community.

D. A deteriorating area results in a negative image that affects development elsewhere in the community.

What a community has to offer in terms of labor, land, consumers, facilities, transportation, and environment plays a major role in business location decisions. If the community does not stop deterioration and turn it around, new businesses will not choose the community as the site for new developments. A thriving community has the advantage of attracting new business development; a decaying one is a major deterrent to new investment.

How does redevelopment enable a deteriorated area to financially sustain itself?

As the project area is revitalized, it begins to generate enough revenue to pay its own way and contribute to other areas of the community. When a redevelopment project ends, the property taxes from the increase in property values flow to all other local taxing agencies (such as special districts, counties, mosquito abatement and fire districts).

For example, when tax dollars are no longer needed to help a decaying area they can be spent on schools or improving roads and infrastructure. More dollars flowing into the city or county budget as a result of redevelopment activities (sales tax, hotel tax, and utility tax revenues) also enables the local government to provide greater public safety and services while stopping the spread of deterioration and blight.

Will my community lose the good qualities it already has if we pursue redevelopment?

No. The financial structure of redevelopment funding (tax increment) is designed to target and fund only areas that need redevelopment. Consequently, healthy areas of the community will likely not be targeted.

When a redevelopment plan is adopted, only the incremental property tax revenues generated within a designated project area become available for redevelopment. Property taxes generated from properties outside the project area, as well as sales, hotel, and utility taxes generated by the entire community go into the community's general fund. Whats more, all decisions about what to do in your project area are made locally, by your city council or board of supervisors.

Why wasn't this area in our community helped earlier?

Once private investment disappears, many people often lose interest in that area. The owners of private businesses and homes are often reluctant to invest more money in improving their property for fear that they will not be able to recoup their investment.

Why have other efforts to renew such areas failed?

A well-planned and adequately financed strategy is required to stop deterioration and begin what can sometimes be a long process of economic and physical revitalization.

Many major revitalization projects fail for a number of reasons. While good intentions and considerable efforts are often made, the complexity of the task, the enormity of financial resources required, and the difficulty of coordinating diverse interests sometimes stymie public and private efforts at revitalization. Multiplicity of ownership, inadequate public facilities, financial limitations, and widespread environmental problems place the possibility of revitalization beyond the reach of private enterprise alone.

Also, private enterprise does not have the legal authority to consolidate numerous properties for new development in an older area and seldom can afford the high cost of rebuilding an area. The high risk and fear of the loss of an economic investment prevents private enterprise from reversing the downward trend.

Can't private enterprise do it alone?

Not very often. Community redevelopment is usually accomplished by forming a partnership of

public and private enterprise. Public funds are used to lay the foundation and provide the pre-conditions that are necessary for private enterprises to be interested in and capable of investing their financial resources. Local public funds are, in essence, used as seed money that will leverage much greater private investment. These funds can be used for improvement of streets, utilities, landscaping, parking, and also assembly of parcels of sufficient size for modern development in order to encourage and attract private development. The additional tax dollars created in the project area due to redevelopment are used to change adverse economic and physical conditions and improve the environment of community residents.

New tools, new resources, and new ideas are required. The CRL provides for the necessary planning, financial tools, legal authority, and citizen participation for community revitalization efforts. Through the redevelopment process, a partnership of public and private efforts can join forces to bring new life to deteriorating areas.

Plaza Almeria (below) in the City of Huntington Beach is an example of a successful mixed-use project that revitalized a previously blighted area (right) by creating 80,000 square feet of retail, office space and townhomes.

Chapter 3— How do redevelopment agencies work?

What can a redevelopment agency do?

A redevelopment agency has unique powers. There are eight main tools that an agency can use to implement a redevelopment program:

- Receive and spend tax increment revenue;
- Help improve public infrastructure and facilities;
- Prepare sites for development;
- Assemble property, resell property it has assembled, and/or participate in the redevelopment of a property;
- Encourage private development;
- Regulate land use; and
- Preserve, rehabilitate and produce affordable housing for low- and moderate- income families.

The redevelopment plan must specifically describe the powers of the redevelopment agency. Each of these tools is briefly described below. The following chapters describe some of them in greater detail.

How can an agency receive and spend tax increment revenue?

An agency has the option to spend tax increment revenue within a designated area called the project area. If it exercises this option, the County Auditor-Controller determines the total assessed value of all of the properties within the project area at the time the project area is adopted. (This value is sometimes called the frozen base.) For up to 45 years, or until its made whole, most of the property tax revenues generated from increases in the assessed value above the frozen base can be allocated to the redevelopment agency and invested within the project area. These revenues are called tax increment.

An agency can invest tax increment dollars within this project area for a variety of revitalization activities. In addition, an agency must invest tax increment dollars to preserve, rehabilitate and produce affordable housing throughout its community. (Chapter 7 provides additional information on tax increment financing.)

How can an agency help improve public infrastructure and facilities?

An agency can help improve public infrastructure and facilities that serve the project area including:

- Roads, intersection improvements and landscaping;
- Sewer, water and storm drainage systems;
- Public parking lots and garages; and
- Parks, library, and recreational facilities.

An agency can only assist facilities specifically authorized in its redevelopment plan.

How does an agency prepare sites for development?

An agency can assist private property owners or act on its own to prepare sites for redevelopment. If authorized in its redevelopment plan, an agency can:

- Demolish delapitated structures to prepare a site for redevelopment, subject to detailed procedures designed to protect residents and businesses from undue hardship due to relocation;
- Perform or help perform onsite work, such as the construction of a parking garage;
- Perform or help perform offsite work, such as the construction or upgrading of public infrastructure to serve the site; and
- Clean up a contaminated site.

The agency has limited powers related to the actual construction of buildings.

How does an agency assemble property?

The CRL is very specific as to how an agency may assemble and dispose of land. One way is through voluntary acquisition of private property or by the acquisition of property through eminent domain. The CRL is also very specific as to when local governing bodies can use eminent domain. Eminent domain may only be used for public benefit and the owner of the property must be justly compensated. For example, a city council may condemn private property in order to build a new park. However, a redevelopment agency has the unique ability to acquire private property in order to stimulate private redevelopment.

In order for the redevelopment agency to use this unique power, the redevelopment plan must specifically describe how and under what circumstances the power of eminent domain may be used. The power of eminent domain is only authorized for the first 12 years of a plan, and the power of eminent domain must be renewed by the agency through a formal process if it is to be used after the first 12 years. As will be described in further detail below, the CRL provides strict protections and benefits for property owners subject to eminent domain. In addition, the CRL requires that agencies provide a means for private property owners to participate in the redevelopment of their properties. Chapter 8 provides additional information on property assembly and eminent domain.

A. Voluntary Acquisition or Negotiated Purchase

In most cases, redevelopment agencies assemble property through voluntary acquisition or negotiated purchase. In this case, the agency enters into a mutually acceptable arrangement with a property owner to purchase the land and/or make improvements for a specified price, usually the fair market value.

B. Eminent Domain

When the power of eminent domain is contained within the redevelopment plan, the agency may exercise its authority to acquire land and/or make improvements by eminent domain if all efforts to negotiate a purchase have failed. The agency is required by law to pay fair market value in such an action and the property owner is entitled to a jury trial on the issue of fair market value. When the agency uses the power of eminent domain, it is required to provide:

- Moving and other relocation assistance and benefits to qualified individuals, businesses, and non-profit organizations when they are required to move.
- The participation of property owners in the redevelopment of their property in the project area.
- Reasonable preference to persons who are engaged in business in the project area to re-enter into business within the project area.

- An equal number of replacement dwelling units for low- and moderate-income dwelling units destroyed or removed from the project area by the agency.

Chapter 8 provides additional information on property assembly and eminent domain.

How can an agency dispose of property it has assembled and/or participate in the redevelopment of a property?

An agency may assemble property and dispose of it and may enter into an agreement with a private developer or property owner to redevelop a property. Typically, an agency enters into one of the following types of agreements:

- Exclusive Negotiating Rights Agreement with a selected developer;
- Disposition and Development Agreement; and/or
- an Owner Participation Agreement.

These agreements are governed by State Law and specify how the agency and the private developer and/or property owner must participate in the property's redevelopment. They also describe the terms and time frame for property disposition.

How can an agency encourage private development in other ways?

The CRL authorizes a redevelopment agency to provide the following additional types of assistance:

- Commercial rehabilitation loans;
- Manufacturing facilities assistance;
- Seismic retrofit assistance;
- Hazardous materials remediation; and/or
- Graffiti removal.

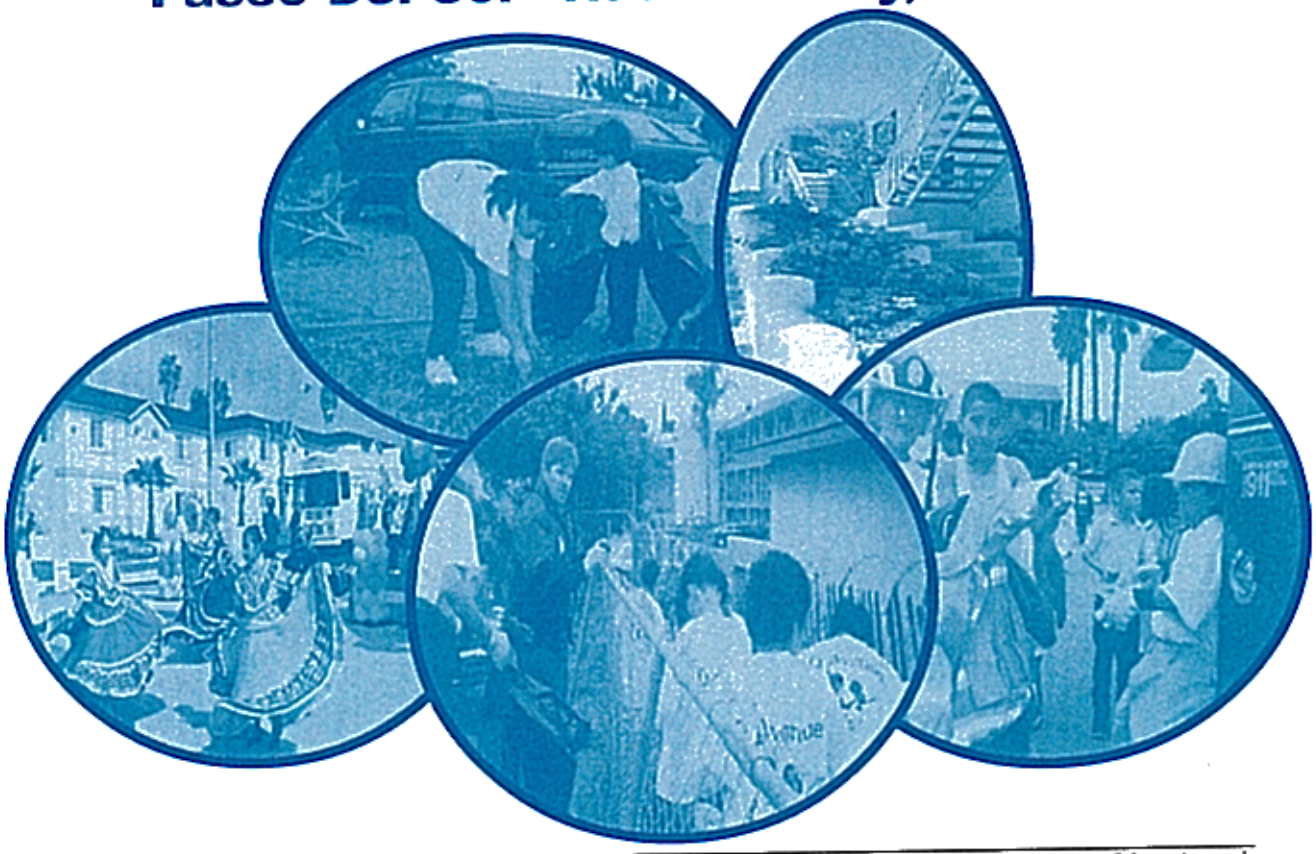
How can an agency regulate land use?

The redevelopment plan must describe how land uses will be controlled within the project area. However, most redevelopment plans simply state that the land use controls in the redevelopment plan are subject to the community's governing general plan or any relevant specific plan(s).

How can an agency preserve, rehabilitate and produce affordable housing?

An agency has unique powers to preserve, rehabilitate and produce affordable housing within its community. An agency is required to put 20 percent of the tax increment it receives into a special fund called the Low- and Moderate-Income Housing Fund. Monies in this fund may only be used to rehabilitate and produce affordable housing. These powers are described in greater detail in Chapters 7 and 8.

Paseo Del Sol—National City, California



The Q Avenue community learned to trust their local redevelopment practitioners after a very successful, and much needed, clean-up day.

Neighborhood Cleans Up the "Path to the Sun"

The National City Police Neighborhood Team once counted Q Avenue as the worst area in the city due to extensive gang violence, graffiti, drug activity, prostitution and violent crime. National City tax dollars were being drained from the more than 200 annual police calls being made to Q Avenue. Anxious to revitalize the area, the Community Development Commission (CDC) of National City teamed with Southern California Housing Development Corporation to rehabilitate the property and revitalize the community.

The first step was "Q Clean-Up Day" an event designed to physically clean up the neighborhood. Residents were offered free trash service; trash pick-up from parking lots and streets; dumping assistance; graffiti removal; and yard work. Local businesses sponsored free clean-up supplies, trash removal, t-shirts, and an event barbeque. More than 12 tons of debris were removed from the two-block cul-de-sac. And the 200 participating residents were both impressed and empowered.

The CDC of National City rehabilitated all the buildings to a new 30-year life. The 132-unit, $12.5 million new community once plagued with vermin, leaks and mildew now boasts new roofs, paint, appliances, flooring, central heat and air, architectural treatments, stucco, increased parking and security gates.

A local church has also provided the project with volunteer tutor support for community programs and the police have increased their patrols of the area, thus discouraging crime and reducing calls from over 200 a year to virtually none.

Since then, the Q Avenue neighborhood has experienced a physical and spiritual rebirth. "Paseo Del Sol" (Path to the Sun) is now an affordable housing and crime-free community.

Chapter 4— How is a project area chosen?

The local governing body first designates a survey area. Then the redevelopment advisory committee (RAC), made up of members of the community, provides the agency with input on the kinds of changes they would like to see made in the area. The survey area must then be evaluated to determine if it qualifies for redevelopment. Based upon this evaluation, the planning commission selects a project area and indicates how the purpose of the Community Redevelopment Law can be attained by redevelopment of this area. A project area can be reduced in size prior to adoption of the redevelopment plan, but cannot be enlarged without amending the survey area. A project area can also include non-adjacent properties.

All substantial activities and actions of the agency require consideration and approval by elected representatives at a public meeting or public hearing with notice duly given, as appropriate. In addition, activities of the agency are first approved at a public meeting during the adoption of the annual budget. At this time the agency also establishes its goals for the coming year and analyzes its achievements toward goals set in the previous year. Additionally, the law requires that the agency prepare an annual report and have an independent audit prepared of its redevelopment activities. The audit must be submitted to the governing body and to the State Controller. These are available for public inspection and comment.

What is a project area committee (PAC)?

A PAC is a group of community members from the project area who both provide input on the project and inform the community of the progress of the project. In this way, PACs are very important. They play a key role in forming the direction of the project. They also help bridge the communication gap between the community and the agency. In fact, they are so important that in many instances where a PAC has not been required by law, agencies have created redevelopment advisory committees to provide the agency with input on the community needs for redevelopment.

A PAC is required if a redevelopment plan authorizes the use of eminent domain over private property that houses a substantial number of residential units, moderate-income persons and families that might be displaced. In this case, the agency must consult with, and obtain the advice of, residents, property owners, business owners, and community organizations on those policy matters which deal with the planning and provision of replacement residential facilities, relocations, and other policy matters which affect the residents of the project area. The PAC also reviews the draft redevelopment plan and makes recommendations to the agency board regarding whether the board should adopt the redevelopment plan.

How does a project area qualify for redevelopment?

A project area must be characterized by conditions that cause a reduction of proper use of the area. In other words, the area must be deteriorated to such an extent that it constitutes a serious physical or economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

A project area may include lands, buildings, businesses, or houses that are not physically or economically deteriorated. However, those aforementioned businesses, houses, etc. may be located in an area that suffers from general deterioration or blight and it may be necessary to include them for the effective redevelopment of the project area at large.

It is important to note, however, that these successful areas may not be included in a redevelopment project area for the sole purpose of the agency obtaining the allocation of tax increment revenues. Their inclusion in the area must be substantially justified.

Do project area properties need to be adjacent?

No. The project area may include adjacent or non-adjacent properties, which means that the deteriorated areas may not have to be directly next to each other. Non-adjacent areas of a project area must either exhibit deteriorated economic and physical conditions or be necessary for effective redevelopment of the overall area, as mentioned above. As well, a non-adjacent area can also be included if it will be predominantly used for the relocation of owners or tenants from other project areas in the community or for low-, moderate- or very low-income housing construction.

What is a redevelopment plan?

A redevelopment plan provides a legal framework for planning and implementing revitalization activities in a redevelopment project area. It also can establish a financing method to fund these initiatives, called tax increment financing. A redevelopment plan:

- Describes the purposes and objectives of eliminating deteriorated conditions;
- Sets the basic goals, powers and limitations within which the redevelopment agency must conduct its activities over the life of the project; and
- Is broad and flexible. The plan should set forth basic powers, limitations and should provide a general statement of redevelopment objectives and techniques that clearly establishes how the agency intends to remove deterioration from the project area.

The redevelopment plan must also be in harmony with the city or county general plan. A redevelopment plan generally contains the following components:

- A legal description of the project area in written and graphic form and a description of land uses;
- Descriptions of the proposed actions to be taken to carry out redevelopment. These descriptions cover the duties, powers, and authorities of the redevelopment agency and describe the rights of owners and tenants;
- Descriptions of the authority and limitations for financing the activities necessary to implement the plan; and
- Plans for how the agency will implement redevelopment projects to remove the deterioration.

Who adopts the redevelopment plan?

A redevelopment plan is adopted by ordinance of the governing body of the community. Adoption of the plan is based on the recommendations of the agency, the planning commission, and the project area or redevelopment advisory committee (if formed). Public hearings are required so that community input can be considered before the plan is adopted.

What is the process for adopting a redevelopment plan?

The redevelopment process involves a series of legally mandated steps. The following basic steps must be followed:

- The local governing body adopts a survey area encompassing portions of the community that might benefit from redevelopment;
- After the survey area is adopted, the planning commission selects a redevelopment project area that is coterminous with or smaller than the survey area;
- The planning commission also adopts a preliminary plan that outlines the basic goals and objectives of the proposed redevelopment project and contains a legal description of the project area. The preliminary plan is then accepted by the redevelopment agency board and transmitted to all taxing entities that receive property taxes from the project area;
- After the preliminary plan is adopted, the redevelopment agency begins to prepare a series of technical documents required by State law, such as the preliminary report and environmental documentation;
- The agency also develops a draft redevelopment plan;
- The agency then circulates the preliminary report, draft redevelopment plan and draft environmental impact report;
- The agency consults with affected taxing entities and the community;
- The local governing body/agency calls for a public hearing on the proposed redevelopment plan;
- The environmental documentation is completed and approved; and
- The redevelopment plan and the 5-year implementation plan are adopted.

After the redevelopment plan is adopted, how is our community assured that the agency will carry out the plan?

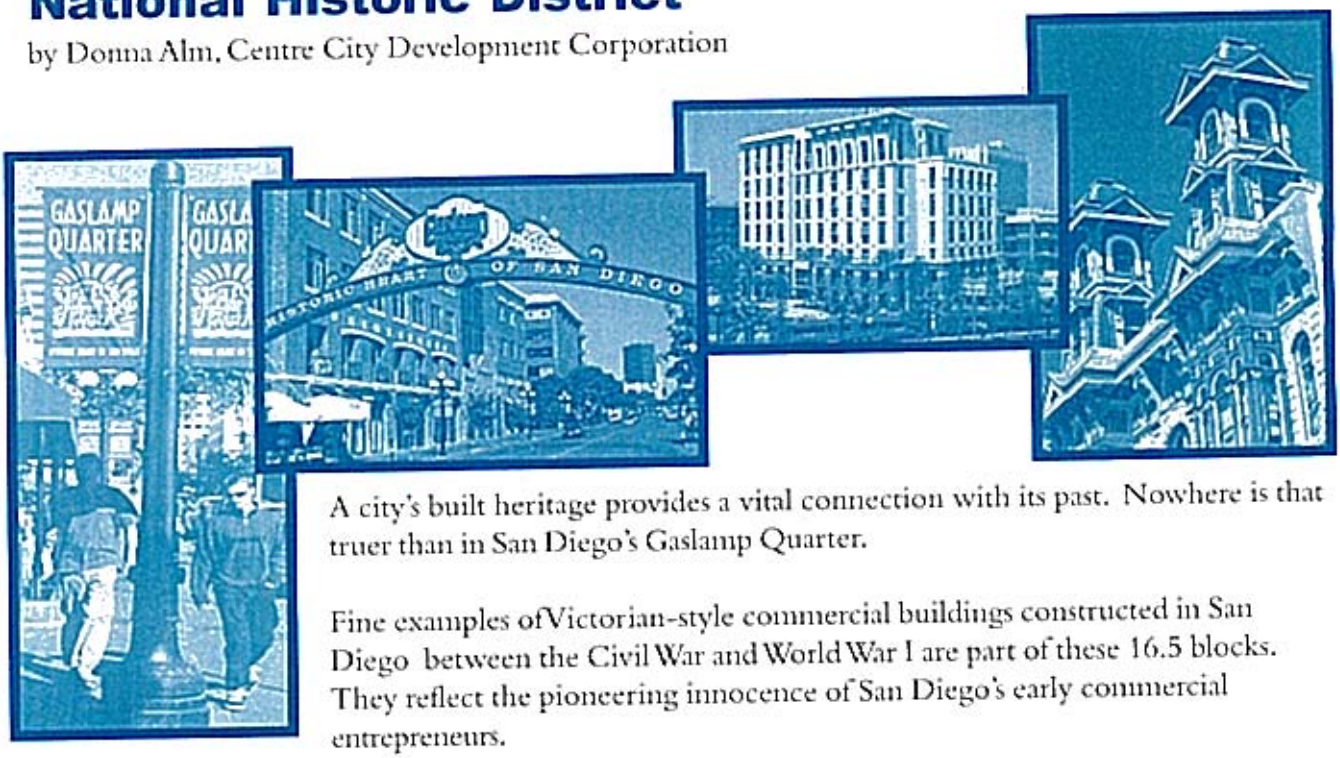
All substantial activities and actions of the agency require consideration and approval by elected representatives at a public meeting or public hearing with notice duly given, as appropriate. In addition, activities of the agency are first approved at a public meeting during the adoption of the annual budget. At that time the agency also establishes its goals for the coming year and analyzes its achievements toward goals set in the previous year.

The CRL also requires that the agency prepare an annual report and have several independent audits of its redevelopment activities prepared. The audits must be submitted to the governing body, to the Department of Housing and Community Development and to the State Controller. These reports are available for public inspection and comment.

As well, at least every five years, a redevelopment agency must adopt or update a plan that provides information about projects the agency plans to undertake within that 5-year implementation period. This plan is called the 5-year Implementation Plan.

San Diego's Gaslamp Quarter—The Revival of a National Historic District

by Donna Alm, Centre City Development Corporation



A city's built heritage provides a vital connection with its past. Nowhere is that truer than in San Diego's Gaslamp Quarter.

Fine examples of Victorian-style commercial buildings constructed in San Diego between the Civil War and World War I are part of these 16.5 blocks. They reflect the pioneering innocence of San Diego's early commercial entrepreneurs.

However, by the 1970s, many buildings had fallen into desrepair or had been insensitively altered in an effort to "modernize" them. Bars, adult bookstores, X-rated theaters, low-income residential hotels and rescue missions were also prevalent.

Preserving the distinctive character of the original architecture while providing for orderly change was behind the aim of the Gaslamp Quarter Planned District Regulations and the Gaslamp Quarter Urban Design and Development Manual, both adopted by the City Council in 1976. That year the city also adopted an ordinance that banned adult-entertainment uses from being located 100 feet from one another. The number of such businesses declined significantly.

The redevelopment agency adopted the Gaslamp Quarter Redevelopment Project in 1982, adding important leverage to the formation of a livable neighborhood. A business improvement district was created, later joined by a property-based improvement district in support of downtown's Clean & Safe Program.

The historic district has benefited greatly from its historic designation in 1980 and the tools of California's Community Redevelopment Law.

By 1990, over 90 structures had been rehabilitated through the efforts of private property owners who utilized historic tax credits and tax increment dollars, along with their own capital, to accomplish this expensive task. The Gaslamp Quarter is San Diego's entertainment district... but it's more. People live here and more than 300 merchants provide goods and services for residents and visitors alike.

Chapter 5— What does it mean to live in a project area?

Living in a project area means that as redevelopment of the area progresses, you will see gradual improvements. Keep in mind that redevelopment is not a hasty process. Each change to an area is made with consideration for the legal rights of the residents and for the economic development of the area.

Rest assured that as residents of the area you will not be immediately displaced from your home. And your favorite local store will not be immediately torn down and turned into a shopping center. You have a voice in what happens in your area. And if you play an active role in the process, as many community members do, you can help shape the direction of your own community.

How will my neighborhood be affected by redevelopment?

Redevelopment is a means of improving neighborhoods. The following examples are a partial list of improvements that could be made in your neighborhood:

- Streets landscaped with trees, shrubs, and flowers;
- Sidewalks, drainage facilities, gutters and curbs installed;
- Alleys paved, improved, and repaired;
- Through traffic on residential streets reduced;
- Street lighting improved;
- Loans and grants for rehabilitation of homes made available;
- Neighborhood parks, community centers, greenbelts and bike paths constructed; and
- Buffers created between conflicting land uses.

How long do I have to wait to see improvements from redevelopment?

Redevelopment will not occur overnight. It takes hard work and active citizen participation. Many people are anxious to see the first shovel full of dirt turned, the first decaying building cleared, and the first signs of new construction and rehabilitation of buildings take place. However, redevelopment agencies know that careful planning and proper phasing of development are critical to a successful plan. Hasty development or approval of ineffective projects can actually delay the full benefits of redevelopment and can hamper future efforts.

It is essential to make the right choices so that the objectives of the redevelopment plan and the community goals can be achieved. The implementation of the redevelopment program is an essential element of the agency's annual budget process. Therefore, only redevelopment projects that are approved as part of the annual budget will be undertaken during the budget year.

Many redevelopment projects are designed to be completed within one to two years. However, projects are typically broken down into phases. And each phase has its own nuances and challenges that can sometimes result in the projects taking much longer.

Will I have a voice in what happens to my neighborhood?

Yes. Because each neighborhood has different goals and needs, the people who reside, own property, or have a business should participate in decisions affecting their families and lifestyles. Without their participation, there can be no plan that will fit their needs and desires. Agencies encourage citizen participation in several ways including:

- Serving on neighborhood committees;
- Attending community forums;
- Speaking at public hearings;
- Writing letters to the governing body;
- Signing a petition; or
- Serving on a formal project area committee.

Citizen involvement in the PAC can be an important way to maintain support for the project and keep the residents informed about the progress of the project.

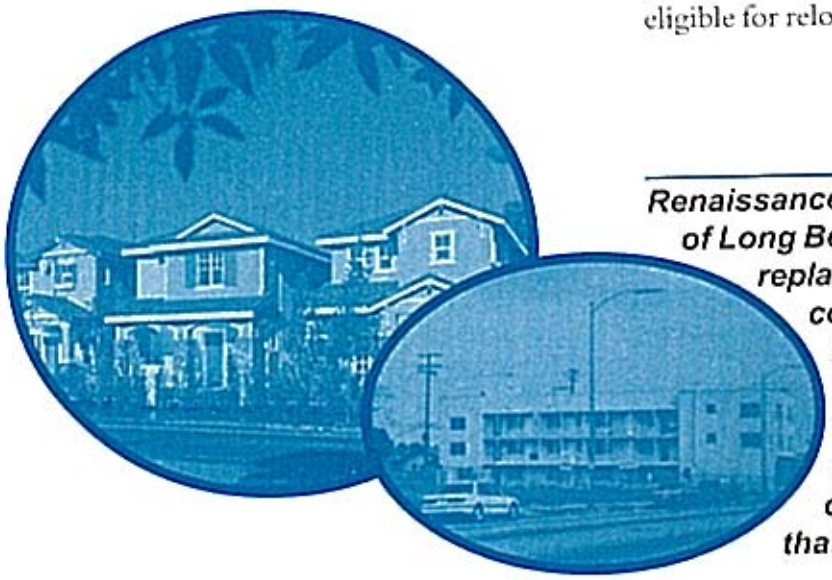
Active participation by interested citizens will ensure that:

- Community and neighborhood interests and needs are considered;
- The residents and property owners will share in the benefits flowing from redevelopment activities;
- The residents and property owners will participate in the decision-making process affecting their neighborhood; and
- The residents and owners are aware of, and informed about, the redevelopment process and activities.

If I live in a redevelopment project area, does that mean that I will lose my home and have to leave?

No. Simply living in a redevelopment project area does not mean that you will be forced to move. Typically, redevelopment improves an area so that you and your neighbors will enjoy your neighborhood more.

Agencies rarely acquire homes through eminent domain. However, any property that is acquired through eminent domain is paid for at a fair price, which is typically the current appraised rate for the property. Rest assured that if your home were to be redeveloped, the agency would have to go through a set of rigorous procedures designed to protect your interests. You would also likely be eligible for relocation benefits.



Renaissance Walk (developed by the City of Long Beach Redevelopment Agency) replaced blocks of deteriorating conditions, vacant lots and substandard housing(below). Now the area boasts 40 three- and four-bedroom single family homes and a community child care center that supports up to 65 children.

Chapter 6— What happens if I have to temporarily or permanently relocate?

There are numerous benefits available to people who are temporarily or permanently displaced by redevelopment or eminent domain. If a household or business is displaced due to property acquisition by the agency, owners are entitled to certain moving and relocation assistance benefits. Agencies must notify property owners and any tenants of relocation benefits and payments that are available. Both state and federal laws provide relocation benefits to guarantee that no person will be displaced from his/her dwelling until comparable decent, safe and sanitary replacement housing is accessible.

Review the sections listed below that address relocation for business owners, home owners and renters. Any questions about your specific situation can be answered by your local redevelopment agency relocation representative or project area manager.

Relocation for Business Owners

What relocation benefits are available for business owners like myself?

Redevelopment agencies must make every effort to accommodate property owners and ensure that you are compensated for the costs involved in relocating your business and reasonable moving expenses. In summary, you may be eligible to receive the following relocation and moving assistance:

- Costs involved in relocating your business, including loss of business goodwill;
- Costs for a replacement site up to $1,000;
- Small business re-establishment costs up to $10,000; and
- Value of losses to personal property.

Relocation for Home Owners

What relocation benefits are available for home owners like myself?

The law also protects homeowners displaced by eminent domain. You must be fully compensated for the fair market value of your property. In addition, local agencies must provide relocation benefits and replacement housing payments. Local agencies condemning properties must furnish a relocation advisor to assist homeowners who are displaced.

If you must leave your home, a relocation specialist will help you find decent and safe replacement homes that are comparable to your present homes in terms of price, size, and neighborhood conveniences. You are eligible to receive moving expenses and a replacement housing payment.

Relocation Benefits for Renters

What relocation benefits are available for renters like myself?

If you must leave your apartment, a relocation specialist will work with you and your landlord to find decent and safe replacement apartments that are comparable to your present apartment in terms of price, size, and neighborhood conveniences. You are eligible to receive moving expenses and replacement housing payments.

What if I don't qualify for relocation?

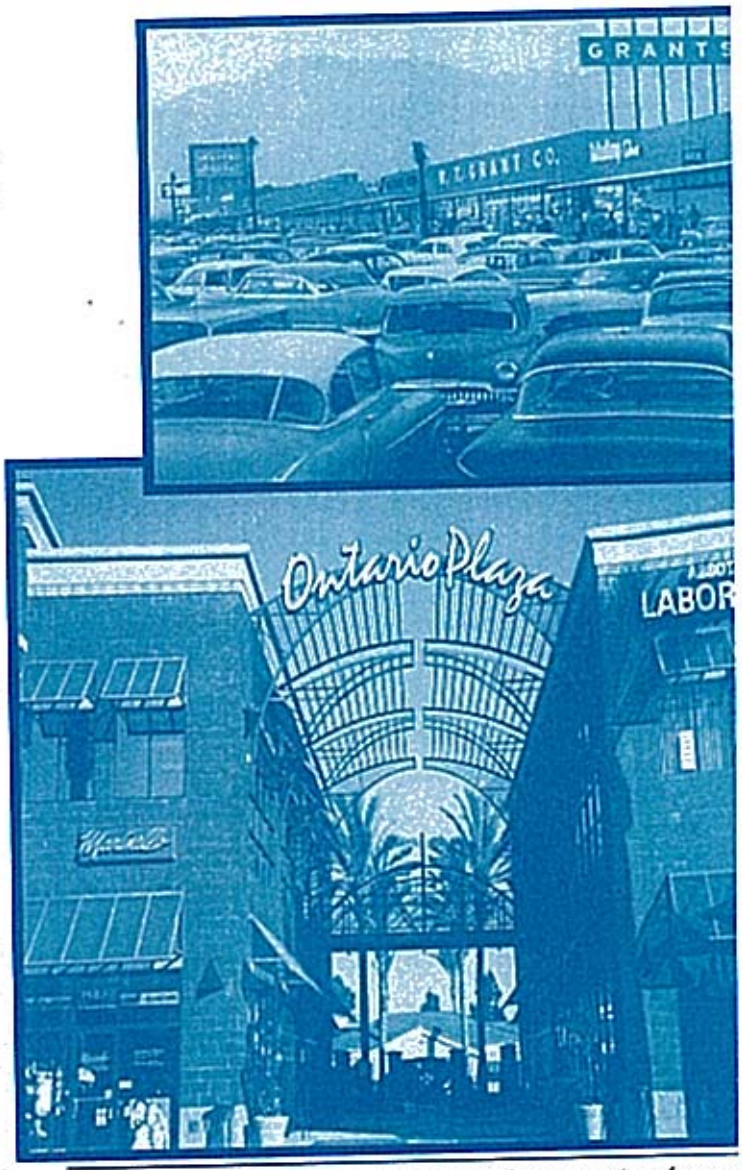
You'll qualify. Relocation housing is available to persons of all races, religions, and nationalities.

How will relocation affect my child's ability to attend school?

Redevelopment agencies try to make the transistion of relocation as easy as possible on the residents. To that end, agencies typically make every effort to relocate people to nearby vacant properties or already renovated properties within the project.

Agencies understand that children can be greatly impacted if they are relocated outside their current school district so they try not to relocate families with children whenever possible. If family relocation is unavoidable however, agencies will try to relocate familes to property within the appropriate school district. If that isn't possible and the family does end up at a property outside their school district, bussing is sometimes an option.

Ontario Gateway Plaza and SEASONS, Ontario Senior Apartments—Ontario Redevelopment Agency and LINC Housing.



The Mountain Avenue shopping center (seer at its heyday in the early 1960s in the top photo) had become a deteriorated and vacan shell. After its redevelopment into a successf low-income senior apartment complex and adjacent shopping center, (see above) the ar is thriving and has achieved 90 to 100 percen occupancy in both areas.

Chapter 7— How is redevelopment financed?

Redevelopment is financed in numerous ways including loans, grants, the issuance of tax allocation bonds, and tax increment financing. Typically, agencies use tax increment funds to leverage financial assistance from various agencies of the state and federal governments, and private sources.

As mentioned in Chapter 1 redevelopment agencies are not designed to make money in the same way the private industry does. They are designed to facilitate the elimination of blighted or deteriorated areas in their communities. The financing process they participate in is one that only pays for the redevelopment activities they accomplish. Once blight is removed from a community, many communities choose to dissolve their redevelopment agencies because they no longer need them.

In order to better explain the redevelopment financing process, answers to frequently asked questions about redevelopment financing are included below. These questions are accompanied by a quick overview of the property tax process and a more detailed description of how tax increment and bonds work.

Any further questions you have about redevelopment financing can be answered by the staff of your local redevelopment agency. Don't hesitate to contact them, especially if you live in a project area and want clarification on how the financing process works.

A review of property taxes

Simply being in a redevelopment area will not increase your property taxes. Property taxes can only be changed as a result of a reassessment value by the county. Reassessment typically occurs upon the sale of a home or upon significant improvements made by the owner. So, if your house is in a redevelopment area and there are improvements made within that area, but not specifically to your house, the property tax you pay will not change. However, your property taxes will increase if your house has been significantly rehabilitated through a redevelopment project, though as an owner you would be fully aware of the potential of a property tax increase before the project even began. There are no surprises in redevelopment.

How are property taxes determined?

Voters approved Proposition 13 in 1978 as the formula for establishing property taxes. Proposition 13 determined that property taxes would be approximately one percent of the market value of the property. In addition, properties may be taxed to repay voter-approved bond debt or special assessments.

What is "assessed value"?

Proposition 13 requires that the assessed value of property be based on its market value at the time

the property is sold to a new owner. The county assessors reassess property under the following circumstances:

- The assessor adds up to two percent of the assessed value to the property each year during which a property remains in the same ownership;
- New improvements or rehabilitation of the property trigger a partial reassessment; and
- The sale or transfer of title in the property initiates a reassessment to market value.

For example, if your property has an assessed value of $100,000 today, the taxes you pay on that property may not exceed one percent ($1,000 per year) plus the amount of any voter-approved special taxes. Each year, the property can increase in assessed value by no more than two percent over the previous year. Therefore, the next year, the assessed value cannot exceed $102,000. And taxes at one percent would not exceed $1,020.

Redevelopment has no effect on the assessment or tax levy process because redevelopment agencies do not themselves levy a property tax.

Will the redevelopment agency increase my taxes to pay for this project?

No. The redevelopment agency has no power to set tax rates or levy property taxes. As discussed above, property tax on properties within a redevelopment project area are governed by the same laws as properties outside redevelopment project areas.

Will being in a redevelopment project area increase my property taxes?

No. When redevelopment activities are successful, the property values within and around the redevelopment project area increase over time due to the sale of property, or the rehabilitation and new construction of buildings. Thus, property tax increment revenues are the result of the rise in property values, not an increase in tax rates. The changed image and improved economic base increase the marketability of property in the area. Redevelopment activities enhance the marketability of properties.

Do taxing entities serving the project area lose tax revenue?

No. Taxing entities such as the county, school districts, and special districts that serve the project area, continue to receive all the tax revenues they were receiving the year the redevelopment project was formed (the base year). In addition, taxing entities receive a portion of the incremental increase in property tax revenues from a redevelopment project area.

Over the long term, entities will benefit from the redevelopment project and the tax increment financing process because at the end of the redevelopment project life (typically 40 to 45 years), the taxing agencies receive property tax revenues based on the increased value in the redevelopment project area. The tax increment that was flowing to the redevelopment agency, to repay their debt, then flows to all of the taxing agencies. Ultimately, other taxing agencies reap the revenue benefits of the redeveloped and revitalized project area when the project is completed.

Some people say that school revenues are adversely affected by redevelopment. Is that true?

No. In fact, schools benefit from the extra funds they receive from the agency during the financial

life of the project. Schools also will benefit from the area having increased property values. Here's how:

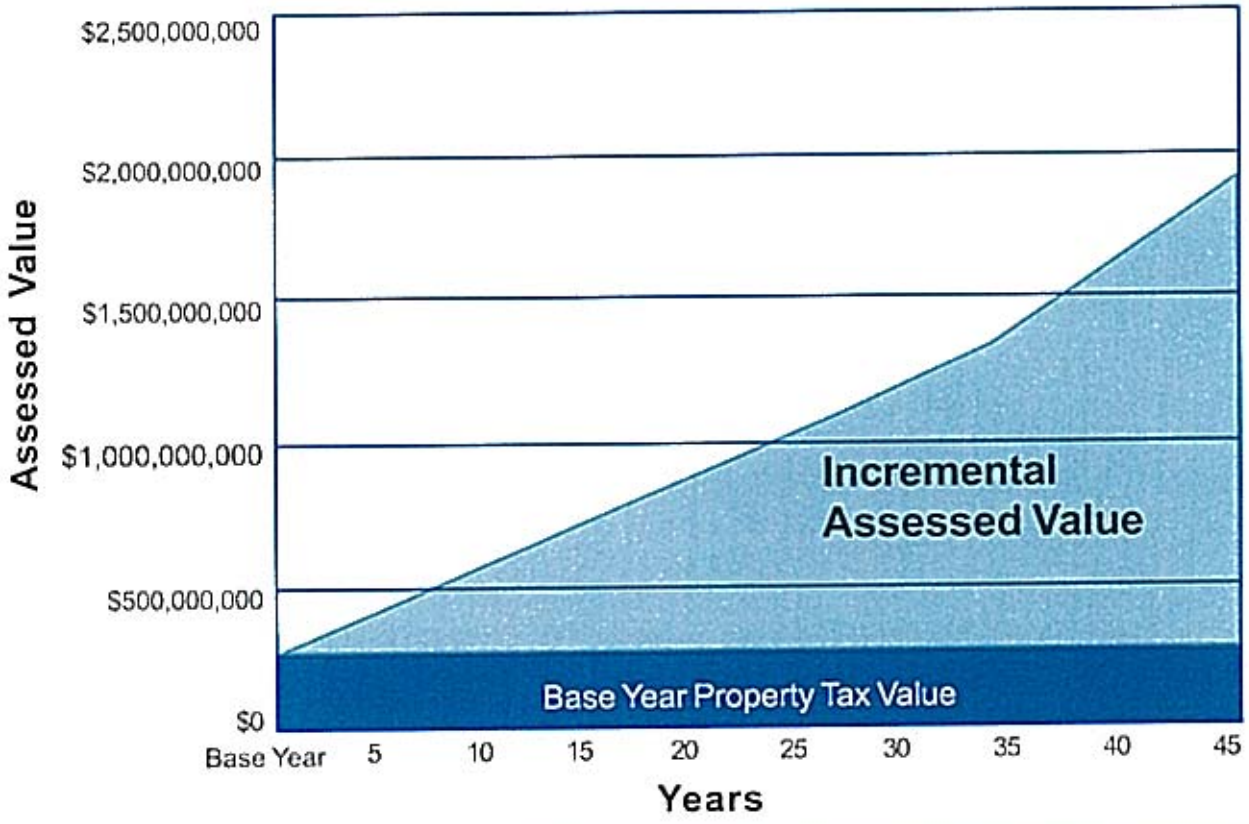
Tax increment financing does not reduce revenue allocated to school districts. Existing state school funding formulas offset any gain or loss in property tax revenue. In this way, the state maintains a school's funding level, no matter what happens to the area's property taxes.
In a redeveloped area, school districts and community college districts receive a portion of the tax increment revenue (called a "pass-through") during the years when the agency is using the tax increment to pay back the debt they accrued from financing the redevelopment project. After the agency pays off their debt, school districts still receive portions of that tax increment revenue.

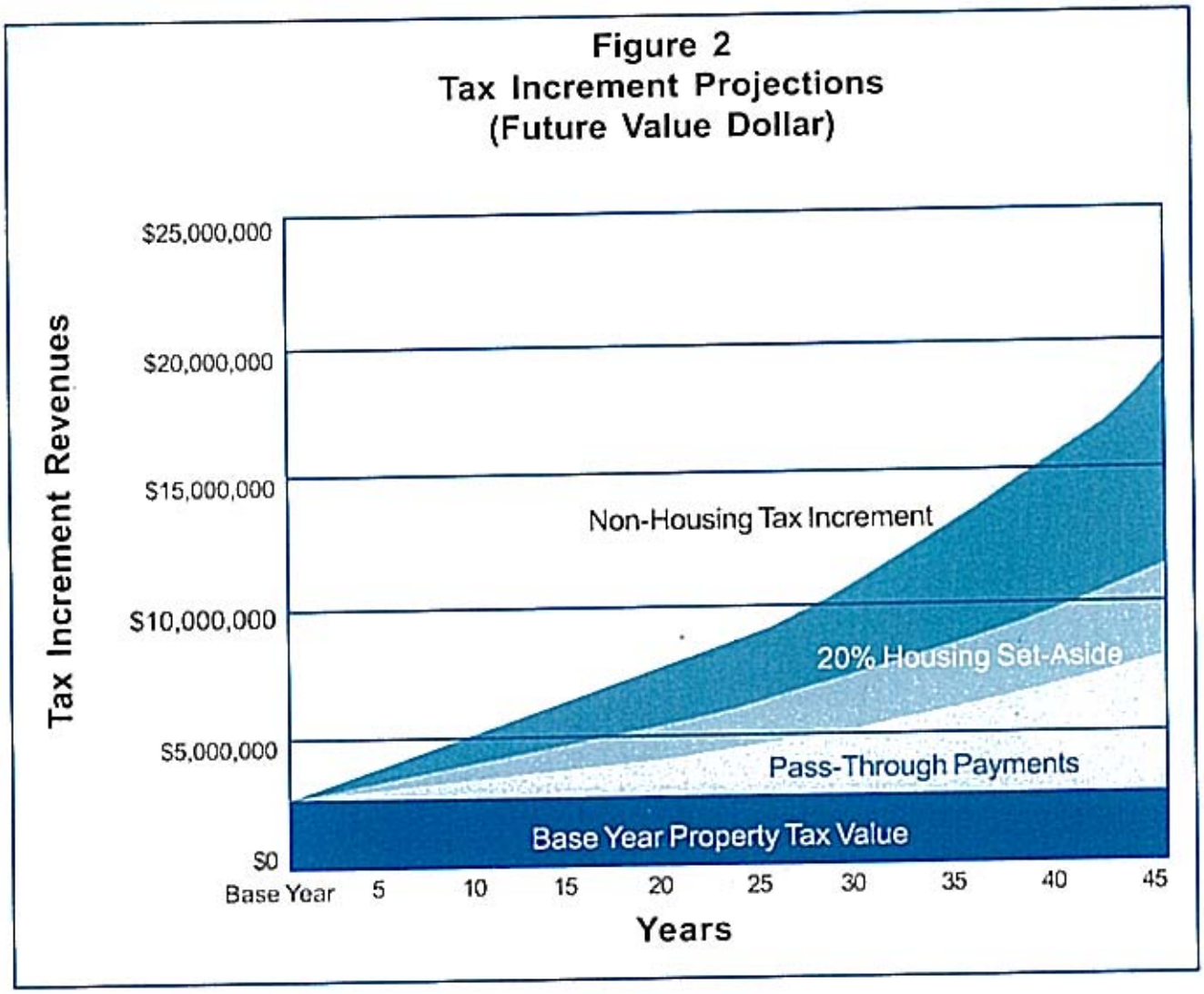
Tax Increment Financing

What is Tax Increment?

When a redevelopment agency implements a redevelopment plan, the improvements result in an increase in property values within the project area. However, individual property owners will not pay increased taxes unless there is a change in ownership, rehabilitation, or new construction to their property. Increase in value due to change in ownership or new construction increases the tax revenues generated by the property. This increase in tax revenue is known as "tax increment." Please refer to the accompanying graphics below and on page 30 for a visual representation of the way tax increment works.

Figure 1
Projected Assessed Valuation Growth





For example, a property owner pays $1,000 (the standard property tax rate of one percent) on land assessed at $100,000 this year, pursuant to Proposition 13. If, as a result of new construction on the property, the property increases in assessed valuation to $500,000, the property owner would pay $5,000 at the same standard tax rate. The $4,000 increase is called "tax increment." Redevelopment agencies are entitled to collect this increase in property tax revenues, or tax increment, on the acreage they redeveloped to repay the debt involved in the project, and to reinvest these dollars in redevelopment activities within the project area. As well, 20 percent of that tax increment money goes into a housing fund set aside specifically to finance low- to moderate-income housing.

How does the redevelopment agency receive financing from tax increment?

Before an agency begins work on a redevelopment project, the county tax assessor designates the current assessed property values for the project as the "base year" property tax value. This value includes the assessed value of all land and improvements within the boundaries of the project area.

After the redevelopment plan is adopted and construction has begun, the city, county, school districts, and other taxing entities will continue to receive the same amount of revenues generated for the project area as they did before the project started from the taxes paid on this original "base year".

Any revenue the redevelopment agency receives derives only from increases in the assessed value above the previously established base year value from properties within the boundaries of the project area.

Does the agency automatically receive the tax increment?

Yes. The state and local taxing entities automatically pay the redevelopment agency. The agency annually collects tax increment revenues in order to repay the agency's existing debt obligations that result from redevelopment. Before a project begins, an agency creates debt by selling bonds, entering into loans or advances by paying the cost of a project, or paying other legal obligations connected to the project. The agency's unpaid debt is called indebtedness and is strictly the agency's obligation.

Tax Allocation Bonds and Loans

Can a redevelopment agency issue bonds?

Yes. In many cases redevelopment agencies' share of tax increment revenues and other funds may not be sufficient to finance the full realm of redevelopment activities on a pay-as-you-go basis. As a result, the agency may issue tax allocation bonds. The agency uses the bond funds to implement the redevelopment plan. In effect, the bonds are a loan of money to the agency.

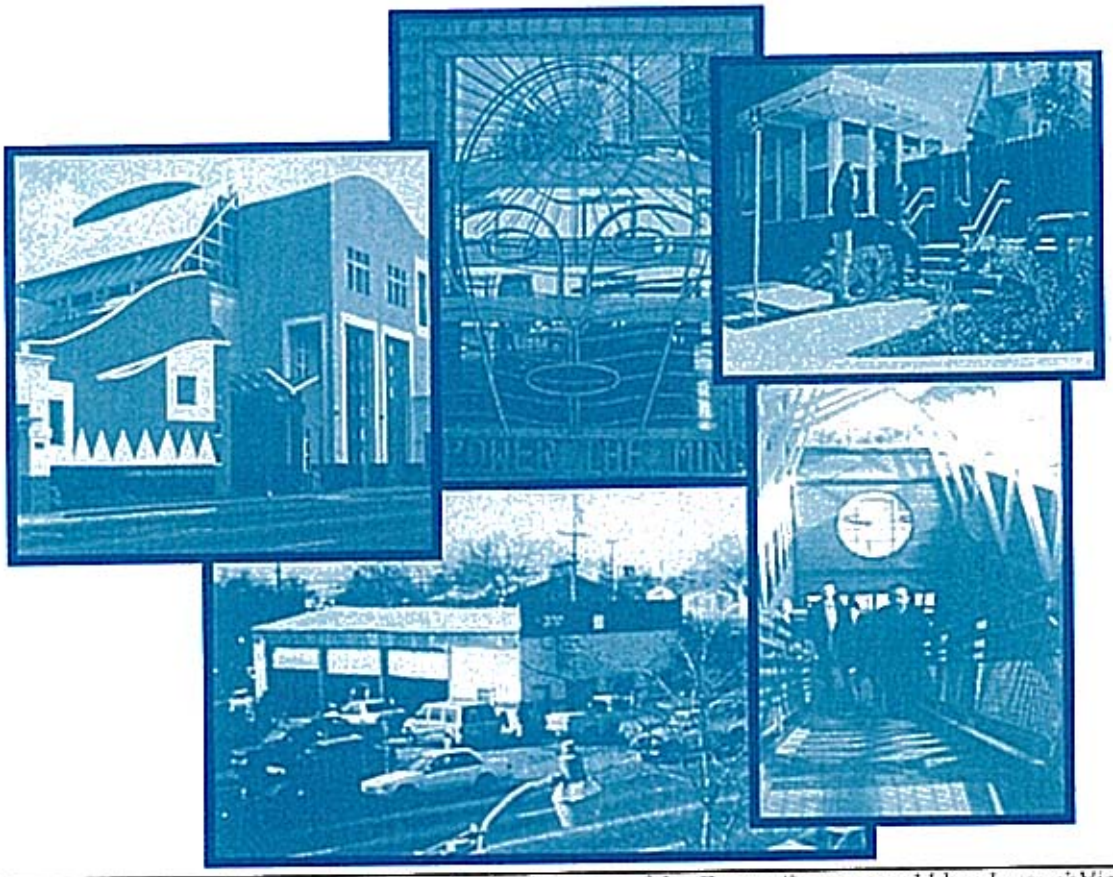
How are the tax allocation bonds and loans repaid?

The redevelopment agency, not the city or county, bears sole financial responsibility for tax allocation bonds and loans. The agency repays the bonds or loans from the tax increment revenues. In other words, tax revenues generated by redevelopment activities are funneled back into the project area to stimulate additional development and to pay the costs involved.

Riverwalk Park—
West Sacramento Redevelopment Agency

Previous to the development of Riverwalk Park, the West Sacramento waterfront was severely deteriorated and underutilized. Since the creation of the park, people congregate for music festivals or just enjoy the beautiful surroundings and the relaxing sound of the river (above).

Vic Fazio Workforce Development Center—Sacramento, California



The Del Paso Heights community was integral in the development of the Greater Sacramento Urban League's Vic Fazio Workforce Development Center, which offers job training programs to area residents.

Sacramento Finds a Voice for Change

A pattern of economic disinvestment and the absence of even basic infrastructure to support modern development left Del Paso Heights, Sacramento in dire need of revitalization from the ground up.

The Sacramento Housing and Redevelopment Agency (SHRA) stepped in and began a vigorous community participation process that led to the development of the Greater Sacramento Urban League's (GSUL) Vic Fazio Workforce Development Center—the first Town Center redevelopment project in the area. In every step of its development, the input of the community, led by the redevelopment advisory committee, was solicited by SHRA and integrated into the project.

The Center's construction required the demolition of a largely vacant, burned structure and the replacement of several dilapidated structures near the historically important intersection of Marysville Boulevard and Grand Avenue.

Now, this dynamic building sits in the heart of Town Center and is a catalyst for renewed investment in a commercial corridor that focuses on major streetscape improvements, public art and new commercial development. Its innovative architecture and the mission of the GSUL recognize and celebrate the neighborhood's cultural diversity and community pride.

The GSUL provides job opportunities, workforce development training, childcare for students, and the only bank in the area as part of meeting broader community revitalization goals.

Chapter 8— What is eminent domain?

The California State Constitution provides that local governing bodies, including redevelopment agencies, have the authority to assemble private property for the sole purpose of accomplishing a necessary public benefit project. The law of eminent domain (condemnation) may only be used for a public purpose and requires that the private property owner be justly compensated for their property, meaning that he or she must be paid fair market price for the property.

Redevelopment agencies very rarely use eminent domain. This is because eminent domain may only be utilized after negotiations between the agency and the private property owner fail. In most cases, the benefits and profits to be gained by the private property owner are clear. When eminent domain is used, it is typically because the well being of the residents or businesses in the project area are in jeopardy. Occasionally redevelopment agencies might also use eminent domain to condemn hazardous and dilapidated structures located in economically weak areas.

Why is eminent domain so rarely used?

Because no redevelopment agency wants to acquire someone's home or business by condemnation. Many redevelopment agencies place additional restrictions on their eminent domain powers in their redevelopment plans. Some exclude all residential properties; others limit their use to a small part of a project area.

In all cases, negotiated settlements for property assembly that are acceptable and fair to both the agency and the seller are the primary goal.

Why do redevelopment agencies have the ability to condemn and assemble private property?

Condemnation is sometimes necessary to revitalize a dilapidated area. At times, the public good must take precedence over private property rights, so long as property owners receive just compensation for their land.

A redevelopment agency only uses eminent domain when necessary to accomplish projects that would not be feasible for the private market or to accomplish public infrastructure or buildings. The public agency must hold public hearings, pay the owner fair market value, and provide relocation benefits and assistance.

Are redevelopment agencies restricted in their use of eminent domain?

Yes. Redevelopment agencies' use of condemnation powers is subject to strict restrictions above those applied to other government entities.

The CRL requires notice and hearings if an agency is considering condemnation, as well as

owner participation under conditions. In general, redevelopment agencies' ability to use eminent domain is restricted to 12 years. Agencies must notify and explain to all property owners about eminent domain, and what it would entail if used in the project area.

What are a property owner's rights? And how soon will a property owner know what is happening?

State laws safeguard the property rights of private citizens. In granting the ability for local government agencies to use eminent domain, the state legislature balanced the needs of the government and property owners by incorporating procedural and substantive rights in the condemnation law. In order to exercise the power of eminent domain, government agencies must:

- Provide property owners with notice of the government's need to acquire the property;
- Hire an expert appraiser; and
- Make a written offer to the owner.

In addition, redevelopment agencies regularly send notices to businesses and residents who are directly affected by redevelopment activities as part of their dedication to keeping interested parties informed. And project area committees or redevelopment advisory committees are also used to facilitate communication between citizens and the redevelopment agency.

How much would I be paid if my property was acquired by eminent domain?

If a redevelopment agency must acquire property within the project area, the agency must pay fair market value for the land and improvements, as the law requires. Independent and neutral private appraisers determine fair market value or the prices your property would sell for if you were to sell your house or business. In addition to getting a fair price for the property, the agency must offer relocation assistance and allowances to defray certain costs and alleviate the inconvenience of the move. If the parties cannot agree on fair market value, a judge or jury looks at all of the evidence, including appraisals, and makes the final determination regarding the value of the property.

Many agencies go above and beyond statutory relocation provisions, to provide even more for the property owner with the goal of putting him or her in a better place than before the redevelopment was needed.

What are the unique tax advantages to me, as a property owner, if eminent domain is used?

Both state and federal law offer tax advantages if you convey your property to a public agency due to condemnation or, under federal tax law, the threat of condemnation.

Glossary of Terms

Absentee Owner: Property owner who owns property at one location but lives or operates a business at another location.

Assessed Value (AV): The amount used by the county tax assessor to value real property for tax purposes.

Assessed value is generally the market value of property. Assessed value multiplied by the tax rate determines property tax.

Base Year: The year in which the redevelopment plan is adopted.

Base Value: The total assessed value of property within a project area in the year in which the redevelopment project is approved.

Blighted Areas: Areas and/or structures of a community which constitute either physical, social, or economic liabilities requiring redevelopment in the interest of the health, safety, and general welfare of the people of the community and the state.

California Community Redevelopment Law: Redevelopment law of the state contained in California Health and Safety Code. Division 24, Part 1 (Section 33000 et seq.).

Demolition: Clearance or removal of a structure in order to carry out the redevelopment plan.

Eminent Domain: Authority of a government agency to acquire property for public purposes (not to be confused with meaning public buildings and improvements only). Also know as condemnation.

Infrastructure: Public improvements which support development, including street lighting, sewers, flood control facilities, water lines, gaslines, telephone lines, etc.

Market Value: What a willing seller could reasonably expect to receive if he/she were to sell the property on the open market to a willing buyer.

Negotiated Sale: When the price to be paid for land and improvements is mutually agreed upon by the buyer and seller.

Project Area: The area which is designated in the redevelopment plan for redevelopment and revitalization.

Project Area Committee (PAC): Elected committee composed of project area residents, businesspersons, and representatives of organizations to consult with and advise the agency.

Property Tax: The amount of tax which a property owner pays on the value of his/her property. The tax is calculated by multiplying the assessed value of the property by the tax rate, which is one percent plus any voter approved increase.

Redevelopment: Planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of all or part of a project area.

Redevelopment Agency: The governing body created to designate redevelopment project areas, supervise and coordinate planning for a project area, and implement the revitalization program.

Redevelopment Plan: Plan for revitalization and redevelopment of land within the project area in order to eliminate blight and remedy the conditions which caused it.

Rehabilitation: To improve, alter, modernize or modify an existing structure to make it safe, sanitary, and decent and/or bring it up to building code standards.

Relocation: The effort to assist and facilitate rehousing of families and single persons, businesses or organizations who are displaced due to redevelopment activities.

Relocation Assistance: Relocation payments help to assist families, individuals, businesses, and non-profit organizations which are displaced as a result of

Glossary of Terms

redevelopment activities. This includes aid in finding a new location, payments to help cover moving costs, and additional payments for certain other costs.

Tax Allocation Bond: A bond or financial obligation issued by the agency in order to generate funds to implement the redevelopment plan. The bond is repaid with tax increments flowing to the agency as a result of the agency's revitalizion of the project area.

Tax Increment: The increase in property taxes within the redevelopment project area that result from increases in the project area assessed value that exceeds the base year assessed value.

Redevelopment enables communities to grow inward, not just outward.

Redevelopment helps encourage new housing and businesses to locate within already developed areas. It helps reduce crime, promote affordable housing, reduce long commutes and preserve the environment.

Redevelopment enhances and expands local businesses, renovates declining housing stock and improves public infrastructure systems and facilities.

Redevelopment plans are locally created and adopted so they can respond to your community's unique needs and vision.

CALIFORNIA REDEVELOPMENT ASSOCIATION
1400 "K" Street, Suite 204, Sacramento, CA 95814-3916
Phone 916.448.8760 ■ FAX 916.448.9397
website: www.ca-redevelopment.org
email: info@ca-redevelopment.org