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*Executive Officer*

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October 13, 2010 (Agenda)

October 13, 2010  
 Agenda Item 8

Contra Costa Local Agency Formation Commission (LAFCo)  
 651 Pine Street, Sixth Floor  
 Martinez, CA 94553

**Fire Service Report**

Dear Commissioners:

**SUMMARY**

On September 15, the Commission received information regarding the effects of property tax decline and redevelopment funding on fire and emergency medical service revenues.

Following a discussion of these issues, the Commission requested additional information and clarification to some of the information presented.

In response, the attached tables have been revised (in red) to reflect revisions. Also, LAFCO staff has invited Bob Campbell, the County’s Chief Accountant, and Jim Kennedy, the County’s Redevelopment Director, to attend the LAFCO meeting on October 13. Both have graciously agreed to attend and provide information and respond to questions relating to property tax and redevelopment issues.

**DISCUSSION**

The ability of all local fire service agencies in Contra Costa County is constrained by available revenues and legal limitations on revenue increases. Fire service providers rely on various revenue sources to fund operating costs, including property taxes, service charges, development impact fees, and contributions from city general funds. Fire service funding sources differ markedly among special districts and cities. Among cities, general fund financing sources—sales tax, vehicle license fees and property taxes—tend to be the primary sources of fire service funding. A portion of the general fund contribution is composed of property tax revenues, but most of it is composed of other sources, such as sales and utility tax revenues. Several of the fire service providers have imposed voter-approved special benefit assessments on parcels or dwelling units or special taxes to fund services, including Rodeo Hercules Fire District (RHFD), Kensington FPD (KFPD), Moraga Orinda FD (MOFD) and City of Pinole.

Among fire districts, property taxes are the single most important source of revenues, comprising 85 percent of revenues on average. As a funding source, property taxes are constrained by statewide initiatives that have been passed by voters over the years, including Proposition 13, which limits the ad

valorem property tax rate and growth of the assessed value of property, and requires voter approval of certain local taxes; and Assembly Bill 8 (AB8), which establishes property tax allocation formulas.

As previously reported, the County Assessor notes that there was a \$4.9 billion decrease in the total tax base for 2010-11, and that Contra Costa County real estate continues its lackluster movement due to the decline in the economy. Some cities have been particularly hard hit over the past three years, as shown in Attachment 1 **(revised to include gross values, numbers relating to the unincorporated county, and reference information)**.

The decline in property tax revenue has forced fire service providers to take severe measures, including closing/browning out fire stations, eliminating positions, modifying service delivery, reallocating staff, deferring expenses (e.g., capital outlay), increasing fees and depleting reserves. For example, on September 28, the Board of Supervisors adopted a Corrective Action Plan for Contra Costa County FPD to address the District's fiscal deficit, which included many of these measures (Attachment 2).

As discussed in the LAFCO *Fire and Emergency Services Municipal Service Review* (MSR) report, fire district property tax shares vary significantly, with some agencies receiving above average shares (KFPD, MOFD), and others receiving below average shares (East Contra Costa FPD, RHFPD) as shown in Attachment 3 **(revised to include details regarding the table and reference information)**. Property tax shares accruing to some districts (i.e., ECCFPD and RHFD) are relatively low due to the historically low-cost (volunteer) providers in these areas at the time Prop 13 was implemented. By contrast, property tax shares accruing to KFPD and MOFD are relatively high as higher-cost fire departments were operating in these communities at the time Prop 13 was adopted.

Also, Proposition 98, which California voters approved in 1988, requires the State to maintain a minimum level of school funding. In 1992 and 1993, the Legislature began shifting billions of local property taxes to schools in response to State budget deficits. Local property taxes were diverted from local governments into the Educational Revenue Augmentation Fund (ERAF) and transferred to school districts to reduce the amount paid by the State general fund. Local agencies throughout the State lost significant property tax revenue due to this shift.

In addition to State impacts, further fluctuations in revenue are a result of redevelopment. In some areas, cities and the County have implemented extensive redevelopment projects, and growth in property taxes has accrued over the years to the redevelopment agency rather than the fire district. For this reason, property tax shares are substantially lower in some areas, and do not cover operating costs.

Redevelopment agencies accumulate their funds by freezing the property tax base within a project area that has been designated as "blighted." With the property tax base frozen, all the affected taxing entities that receive property tax - such as schools, libraries, fire districts and special districts - continue to receive the same share of property tax that they received in the year when the redevelopment plan took effect. Any additional property tax generated above the base year goes to the redevelopment agency. This is generally referred to as "tax-increment financing." The agency does not keep all of the tax-increment. For redevelopment plans adopted or amended after January 1, 1994, a statutory formula requires certain percentages of funds to be passed through to the affected taxing entities. This statutory formula replaced the so-called "pass-through agreements" with taxing agencies whereby the agency agreed to pay an affected taxing agency a portion of the tax increment it received in order to alleviate any fiscal burden or detriment.

In response to the Commission's request, and with assistance from the County Auditor's Office, LAFCO staff prepared a summary of the "calculated" impacts of redevelopment on property tax by fire district and city (Attachment 4). **This table has been updated to include source information and note that there are no redevelopment areas (RDAs) within the Crockett Carquinez FPD, KFPD and MOFD boundaries.** County staff will be in attendance at the LAFCO meeting to respond to questions relating to property tax and redevelopment funding.

In brief, Attachment 4 shows the gross and net AB8 funding by district and city, and the gross and net (i.e., less redevelopment pass-through) effects of redevelopment on fire service revenue. As explained by the County Auditor, there are three types of pass-throughs: 1) AB 1290 - statutory or the required form of pass-through for new or amended RDAs as of 1/1/94, as amended; 2) 33401 - contractual pass-through, prior to 1/1/94, and 3) 2% - pursuant to the Health and Safety Code Section 33676 that allows for a pass-through of up to 2% of the growth on the RDA's base year value annually.

This analysis confirms the conclusions contained in the LAFCO MSR report, whereby property tax shares in those cities that have implemented extensive redevelopment (e.g., Pittsburg, San Pablo) are substantially lower than in other areas; and fire district revenues in these areas do not cover operating costs.

The financial ability of agencies to provide service is affected by available funding sources and financing constraints, as well as management practices. The information contained in this report provides a limited analysis of one source of revenue. The expenditure side is equally as important. As noted in the MSR report, employee compensation composes approximately 80 percent of expenditures in the median fire department. For a comprehensive overview of agency expenditures (e.g., operating and capital costs, compensation costs, etc.) and revenues, please refer to the LAFCO Fire and Emergency Services MSR report, which is available online at [www.contracostalafco.org](http://www.contracostalafco.org).

## RECOMMENDATION

1. Receive report;
2. Discuss goals and next steps; and
3. Provide direction as desired.

Please contact the LAFCO office if you have any questions.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

## Attachments

1. Multi-Year Comparison – Contra Costa County Assessed Values (Cities)
2. September 28, 2010 Report to the Board of Supervisors – CCCFPD Corrective Action Plan
3. Excerpt from LAFCO Fire and Emergency Services MSR – Fire District Property Tax Shares
4. Fire District Revenue (Loss) by City and Redevelopment Area
5. Community Guide to Redevelopment

# Multi-Year Comparison – Contra Costa County Assessed Value (Cities)

<u>City</u>	<b>2008-09 Gross Value (Secured and Unsecured)</b>	<b>2008-09 \$ Gain/Loss in Assessed Value</b>	<b>% Change</b>	<b>2009-10 Gross Value (Secured and Unsecured)</b>	<b>2009-10 \$ Gain/Loss in Assessed Value</b>	<b>% Change</b>	<b>2010-11 Gross Value (Secured and Unsecured)</b>	<b>2010-11 \$ Gain/Loss in Assessed Value</b>	<b>% Change</b>
Antioch	10,329,704,664	(936,699,521)	(8.84)	8,244,500,852	(2,098,386,652)	(21.73)	7,878,632,659	(369,387,010)	(4.88)
Brentwood	7,494,637,520	(713,097,055)	(8.84)	6,206,403,722	(1,296,014,384)	(17.50)	5,958,178,654	(250,532,965)	(4.10)
Clayton	1,795,029,076	21,242,854	1.20	1,718,960,595	(77,371,910)	(4.35)	1,701,588,565	(16,370,792)	(0.96)
Concord	13,963,832,861	(7,707,537)	(0.05)	12,909,846,032	(1,135,426,629)	(8.37)	12,713,065,333	(237,710,092)	(1.91)
Danville	9,553,771,129	302,386,454	3.29	9,487,774,527	(67,575,663)	(0.71)	9,292,292,133	(198,050,248)	(2.10)
El Cerrito	2,998,050,313	111,658,361	3.93	3,004,315,193	(19,262,237)	(0.65)	3,035,222,417	32,092,851	1.09
Hercules	3,359,505,908	(106,807,099)	(3.12)	2,880,092,228	(485,009,945)	(14.63)	2,729,278,980	(149,642,807)	(5.28)
Lafayette	5,474,796,049	310,182,918	6.07	5,660,264,196	179,544,291	3.31	5,721,365,175	54,323,119	0.97
Martinez	4,708,950,402	74,623,032	1.65	4,521,667,973	(188,631,120)	(4.11)	4,456,804,775	(64,275,004)	(1.46)
Moraga	3,117,895,341	97,096,630	3.42	3,176,856,752	54,425,099	1.85	3,126,746,914	(51,561,618)	(1.72)
Oakley	3,419,045,638	(187,081,620)	(5.24)	2,721,657,735	(740,687,728)	(21.93)	2,644,704,660	(74,778,670)	(2.83)
Orinda	4,592,919,666	209,923,750	4.81	4,839,938,591	246,326,332	5.39	4,834,739,044	(17,078,127)	(0.45)
Pinole	2,020,856,467	16,184,505	0.82	1,876,451,390	(142,158,824)	(7.15)	1,849,572,702	(31,521,009)	(1.70)
Pittsburg	6,236,902,026	(163,849,722)	(2.61)	5,307,519,762	(939,648,924)	(15.40)	5,248,243,945	(85,395,860)	(1.65)
Pleasant Hill	4,815,001,708	108,973,836	2.36	4,666,010,146	(152,383,411)	(3.23)	4,588,284,602	(77,599,929)	(1.70)
Richmond	14,116,762,145	83,275,215	0.60	12,287,621,182	(1,896,750,455)	(13.79)	10,809,330,474	(1,520,091,899)	(12.82)
San Pablo	1,809,437,102	(49,798,917)	(2.80)	1,378,784,048	(413,302,417)	(23.95)	1,305,342,977	(77,516,631)	(5.90)
San Ramon	15,177,423,609	656,383,017	4.54	14,783,468,560	(399,786,457)	(2.64)	14,570,380,647	(214,033,390)	(1.45)
Walnut Creek	13,612,017,011	256,229,859	2.03	13,557,681,809	(145,385,375)	(1.13)	13,696,023,952	(106,633,121)	(0.83)
Unincorporated	32,077,954,193	253,519,250	0.80	30,519,139,662	(1,592,959,451)	(5.02)	29,041,964,934	(1,480,059,428)	(4.91)

Source: Contra Costa County Assessor's Office

To: Board of Supervisors  
From: David Twa, County Administrator  
Date: September 14, 2010



Contra  
Costa  
County

Subject: Contra Costa County Fire Protection District - Corrective Action Plan

**RECOMMENDATION(S):**

CONSIDER the Corrective Action Plan prepared by the County Administrator and the Contra Costa County Fire Chief on recommended changes to the Contra Costa County Fire Protection District's operation and FY 2010/11 Budget; and ADOPT associated appropriation adjustment.

**FISCAL IMPACT:**

As described in the Board Order of September 14, 2010 and the background information below, this report makes recommendations to adjust appropriations and revenues to reduce reliance on fund balance and begin to re-balance District expenses with revenue projections. Because the Proposed Budget included the closure of four stations for twelve months and the Corrective Action Plan includes service delivery modifications and reallocation of suppression staff, the fiscal impact of the plan, although a decrease from current operations, is actually an increase in budgeted expenses of \$764,173; however, the plan also increases revenues in the amount of \$851,750 resulting in a decreased reliance on reserves of \$87,577.

APPROVE                       OTHER  
 RECOMMENDATION OF CNTY ADMINISTRATOR     RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **09/28/2010**     APPROVED AS RECOMMENDED     OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYES                       NOES   
ABSENT                       ABSTAIN   
RECUSE

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

**ATTESTED:**  
**September 28, 2010**  
David J. Twa, County Administrator and Clerk of the Board of

**Contact: Lisa Driscoll, County Finance Director 925-335-1023**

Supervisors

By: , Deputy

**cc:** Chief Louder, Rich Seithel, County Administration

## **BACKGROUND:**

As was reported on September 14, 2010, the Board of Supervisors adopted a FY 2010-11 Proposed Budget on April 20 for the Contra Costa County Fire Protection District that included significant reductions to the District's operations. The reductions were needed to offset the impact of expenditure and revenue forecasts that projected a reliance on reserves of over \$16 million (see Recommended Budget pages 336-337). The Proposed Budget included a \$7.4 million expenditure decrease, which incorporated the elimination of approximately eight positions and "browning-out" four stations on a rotating basis. Even with these proposed reductions the District anticipated the utilization of \$8.8 million from reserves. With property taxes continuing to drop and personnel contracts in place with pending cost-of-living increases, the District's utilization of reserve funds was not only already high but projected to grow, making it increasingly difficult to balance its budget in the future.

Understanding that the reliance on reserves was increasing, that the fiscal problem was structural, that the District must remain fiscally solvent, and that the District must prudently plan for FY 2011-12 and beyond in an uncertain and challenging economic environment, the District had no choice but to make plans to reduce its budget along with accompanying service level reductions. The District evaluated staffing models, the effectiveness of overtime versus relief staffing for positions required due to contractual minimum staffing requirements, and the equipment replacement program. It is important to note that the District has not made a capital expenditures since FY 2008-09 and have no expenditures planned for capital in FY 2009-10 and 2010-11. Capital expenditures are primarily needed to replace aging fire engines, fire trucks and other fire apparatus as well as light vehicles; and to make significant repairs to some 40 buildings including 30 fire stations. Continuing to reduce capital funding to zero will ultimately result in a pent-up capital demand that will eventually have to be addressed – likely at a higher expense.

The Contra Costa County Fire Protection District's operations are funded over 88% by property taxes; therefore, it has been particularly hard hit by the housing market decline's impact on property tax revenue. The County Administrator's Recommended Budget for the District described a \$7.4 million gap between projected revenues and expenses for FY 2010-11. The Board of Supervisors asked the Acting Chief to answer specific questions regarding the gap including workers' compensation expenses and appropriations. The Board requested the County Administrator to work with the Fire District to review recommendations regarding reductions. The Board stated that it was not opposed to changing some of the budget recommendations to soften the impact of cuts so long as a fiscally prudent plan was in place to correct the structural problem and that the changes and delay did not impact the County General Fund.

Since that original direction, the Board named a permanent Fire Chief and directed the County Administrator's Office to delay adoption of the District's budget to give the new Chief an opportunity to review the operation and budget and present a corrective action plan to the Board.

Attached is the Contra Costa County Fire Protection District's Corrective Action Plan as recommended by the County Administrator on September 14. The Plan is a work in progress and does not include projections for several key items that may decrease or increase costs in the future such as:

- The Pending Chevron Refinery Property Tax reassessment. This item will be a fixed non-ongoing cost.
- Contra Costa County Employees' Retirement Association (CCCERA) Board's recent decision to Depool Safety employers. This item will increase retirement expenses in FY 2011-12.
- The impact of CCCERA 2008 market losses. This item will increase retirement expenses in FY 2011-12.
- The impact of CCCERA 2009 market gains. This item will decrease retirement expenses in FY 2011-12.
- Future CCCERA market changes.
- Future statewide and local pension reform such as AB 1987.

The Contra Costa County Fire Protection District will continue to work with the County Administrator's Office to explore further expenditure reductions and revenue enhancements. The District will return to the Board of Supervisors with an Action Plan specific to new revenues in the near future.

## **CONSEQUENCE OF NEGATIVE ACTION:**

Not taking action on this item will delay implementation of reductions. Delay will further reduce reserves and consequently will require more service reductions in the future.

## **CHILDREN'S IMPACT STATEMENT:**

None.

# Contra Costa County Fire Protection District

Corrective Action Plan  
September 28, 2010



# Structural Imbalance

- Current expenditures far exceed current revenues
- Capital expenditures have not been made since FY 2008-09
- Contracted wage increases go into effect July 1, 2011
- Retirement expenses increase significantly in FY 2011-12
- Reserve use in FY 2009-10 was \$2.3 million
- Reserve use in FY 2010-11 is projected to be \$8.7 million
- Property taxes, which funded 88% of operations in FY 2009-10 are expected to be flat in FY 2011-12 and then grow approximately 1% in FY 2012-13
- Reserves are projected to be completely depleted in FY 2011-12

# Correction Measures to Replace those Originally Proposed

- Expenditure Reductions (\$2.18 million)
  - Service Delivery Modifications and/or Reallocation of Suppression Staff
  - 8 positions eliminated on June 1 (\$600,000)
- Deferring \$4 million in transfers to the Workers Compensation Trust Fund (\$4 million)
- Revenue Increases (\$1.5 million)
  - Property Taxes drop of 2.44% rather than 5% originally projected (\$1.2 million)
  - Increased Fee Revenue (\$834,000) - weed abatement, dispatching services, licenses, permits, plan review, and inspections
  - Decreased primarily prior year property tax revenues (revenue reduction of \$527,000)
- Reserve use \$8.7 million
- Explore additional Revenue Options

# CCCFPD 4-Year Forecast

## Including Proposed Reductions

8.5% workers comp thru FY 11/12 and 16% in 12/13 and 13/14

	<b>09/10 Actual</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>
<b>Salaries</b>	49,276,088	50,973,000	52,707,101	53,266,784	53,799,453
<b>Benefits</b>	16,212,854	17,556,289	18,047,852	18,909,129	19,635,097
<b>Workers Compensation</b>	4,203,774	4,332,705	4,480,104	8,522,686	8,607,912
<b>Services &amp; Supplies/Other</b>	21,465,532	22,074,852	22,500,000	23,175,000	23,638,500
<b>Capital Outlay</b>	0	0	0		0
<b>Chevron Payment</b>	0	307,000	614,000	0	0
<b>Total Expenditures</b>	<b>91,158,248</b>	<b>95,243,846</b>	<b>98,349,057</b>	<b>103,873,599</b>	<b>105,680,962</b>
<b>Current Property Tax</b>	80,624,945	78,833,443	78,833,443	79,621,777	80,816,104
<b>Other</b>	8,204,951	7,685,327	7,988,541	8,349,357	8,685,000
<b>Total Revenue</b>	<b>88,829,896</b>	<b>86,518,770</b>	<b>86,821,984</b>	<b>87,971,13</b>	<b>89,501,104</b>
<b><i>Fund Balance Needed</i></b>	<b>2,328,352</b>	<b>8,725,076</b>	<b>11,527,073</b>	<b>15,902,465</b>	<b>16,179,858</b>
<b><i>Fund Balance Available*</i></b>	<b>17,610,425</b>	<b>8,885,349</b>	<b>(2,641,724)</b>	<b>(18,544,189)</b>	<b>(34,724,047)</b>

\* Does not include \$1.4 million in outstanding encumbrances

# Conclusion

- Without an influx of significant new/ increased revenues, contract concessions, and/or additional service reductions the Contra Costa County Fire Protection District will have depleted its reserves in 2011
- A formal, long-range solution to the structural problem must be implemented in the current fiscal year

# Recommendation

- CONSIDER the Corrective Action Plan described above;
- ADOPT adjustments to the FY 2010/11 Budget;
- RETURN to the Board of Supervisors with Action Plan for additional revenues

CONTRA COSTA COUNTY  
 APPROPRIATION ADJUSTMENT /  
 ALLOCATION ADJUSTMENT  
**TIC 27**

AUDITOR-CONTROLLER USE ONLY

FINAL APPROVAL NEEDED BY:

- BOARD OF SUPERVISORS  
 COUNTY ADMINISTRATOR  
 AUDITOR-CONTROLLER

ACCOUNT CODING		DEPARTMENT : 7300 Contra Costa Fire Protection District			
ORGANIZATION	EXPENDITURE SUB-ACCOUNT	EXPENDITURE ACCOUNT DESCRIPTION	<DECREASE>		INCREASE
7300	1011	Permanent Salaries	1,223,000	00	
7300	1014	Permanent Overtime			4,732,000 00
7300	1015	Deferred Comp	690	00	
7300	1042	FICA/Medicare			42,000 00
7300	1044	Retirement Expense			51,295 00
7300	1070	Workers Comp Insurance	2,813,295	00	
7300	2100	Office Expense	19,000	00	
7300	2102	Books-Periodicals	5,500	00	
7300	2110	Communications	105,130	00	
7300	2120	Utilities	49,310	00	
7300	2130	Small Tools & Instruments	1,900	00	
7300	2131	Minor Furniture/Equipment			17,080 00
7300	2140	Medical & Lab Supplies	64,788	00	
7300	2150	Food	2,950	00	
7300	2160	Clothing & Personal Supplies	32,900	00	
7300	2170	Household Expense	126,850	00	
7300	2190	Publications & Legal Notices	3,000	00	
7300	2200	Memberships			100 00
7300	2250	Rents & Leases of Equipment	11,500	00	
7300	2251	Computer Software Costs	500	00	
7300	2270	Mtce Equipment	3,450	00	
7300	2271	Vehicle Repairs	7,000	00	
7300	2281	Mtce of Bldgs	8,700	00	
SUBTOTAL			4,479,463	00	4,842,475 00

**APPROVED**

AUDITOR-CONTROLLER:

BY: Marie Pullocka DATE 9/21/10

COUNTY ADMINISTRATOR:

BY: \_\_\_\_\_ DATE \_\_\_\_\_

BOARD OF SUPERVISORS:

YES:

NO:

BY: \_\_\_\_\_ DATE \_\_\_\_\_

EXPLANATION OF REQUEST:

Adjustments reflecting the Corrective Action Plan presented to the Board of Supervisors on September 14, 2010. These changes include service delivery modifications and/or reallocation of suppression staff; a decrease in worker compensation charges, and addition expense curtailing by the District.

Page 1 of 2

Sr. Deputy Cty Admin                      9/20/2010

SIGNATURE                      TITLE                      DATE

APPROPRIATION    APOO    500i

ADJ. JOURNAL NO.

CONTRA COSTA COUNTY  
 APPROPRIATION ADJUSTMENT /  
 ALLOCATION ADJUSTMENT  
**T/C 27**

AUDITOR-CONTROLLER USE ONLY

FINAL APPROVAL NEEDED BY:

- BOARD OF SUPERVISORS  
 COUNTY ADMINISTRATOR  
 AUDITOR-CONTROLLER

ACCOUNT CODING		DEPARTMENT : 7300 Contra Costa County Fire Protection District		
ORGANIZATION	EXPENDITURE SUB-ACCOUNT	EXPENDITURE ACCOUNT DESCRIPTION	<DECREASE>	INCREASE
7300	2303	Other Travel Employees	11,700 00	
7300	2310	Non County Prof/Splcd Svcs		72,850 00
7300	2360	Insurance	375 00	
7300	2474	Firefighting Supplies	65,414 00	
7300	2477	Ed Supplies and Courses	20,150 00	
7300	2479	Other Specl Departmental Expenses	1,850 00	
7300	2490	Misc Servcs & Supplies	2,200 00	
7300	3611	Interfund Exp Gov/Gov		123,000 00
SUBTOTAL pg. 1			4,479,463 00	4,842,475 00
GRANDTOTAL			4,581,152 00	5,038,325 00

**APPROVED**

AUDITOR-CONTROLLER:

BY: Mani Rullo DATE 9/21/10

COUNTY ADMINISTRATOR:

BY: \_\_\_\_\_ DATE \_\_\_\_\_

BOARD OF SUPERVISORS:

YES:

NO:

BY: \_\_\_\_\_ DATE \_\_\_\_\_

EXPLANATION OF REQUEST:

Adjustments reflecting the Corrective Action Plan presented to the Board of Supervisors on September 14, 2010. These changes include restaffing three of the four crews (stations) that were originally recommended to "brown-out", a decrease in worker compensation charges, and addition expense curtailing by the District.


Page 2 of 2

Sr. Deputy Cty Admin 9/20/2010  
 SIGNATURE TITLE DATE

APPROPRIATION APOO 5001  
 ADJ. JOURNAL NO.

CONTRA COSTA COUNTY  
ESTIMATED REVENUE ADJUSTMENT  
T/C 24

ACCOUNT CODING		BUDGET UNIT: Contra Costa County Fire Protection District - 7300			
ORGANIZATION	REVENUE ACCOUNT	REVENUE ACCOUNT DESCRIPTION	INCREASE		<DECREASE>
7300	8981	Fund Balance Available			87,577 00
7300	9010	Prop Taxes Cur Secd	1,649,561	00	
7300	9030	Prop Taxes - Prior Secured (Chevron)			307,000 00
7300	9011	Prop Tax Supplemental			735,333 00
7300	9020	Prop Taxes-Curr Unsecured	143,171	00	
7300	9031	Prop Tax-Prior Supplmnt			776,901 00
7300	9035	Prop Taxes-Prior Unsecured	6,399	00	
7300	9140	Other Licenses & Permits	348,560	00	
7300	9385	H/O Prop Tax Relief			16,423 00
7300	9591	RDA Nonprop-Tax Pass Thru			253,350 00
7300	9741	Fire Prevention Plan Review	314,200	00	
7300	9742	Fire Prevention Inspections	133,540	00	
7300	9851	Interfund Rev Gov/Gov	21,826	00	
7300	9891	Weed Abatement Charges	16,500	00	
<b>TOTALS</b>			<b>2,633,757</b>	<b>00</b>	<b>2,176,584 00</b>

<p style="text-align: center;">APPROVED</p> <p>AUDITOR-CONTROLLER: BY: <u>Marie Rulloca</u> DATE <u>9/22/10</u></p> <p>COUNTY ADMINISTRATOR: BY: <u>Dorey Santos</u> DATE <u>9/22/10</u></p> <p>BOARD OF SUPERVISORS:</p> <p>YES: _____</p> <p>NO: _____</p> <p>BY: _____ DATE _____</p>	<p>EXPLANATION OF REQUEST</p> <p>Adjustments as identified at the September 14, 2010 Board of Supervisors meeting where the Corrective Action Plan for CCCFPD was approved. These adjustments include increased current property taxes, the Chevron tax-intercept payment of \$307K, and increases in fire prevention bureau fees.</p> <p style="text-align: center;">               Sr. Deputy City Admin              SIGNATURE TITLE DATE         </p> <p style="text-align: right;">9/20/2010</p> <p>REVENUE ADJ. RA00 <u>5001</u> JOURNAL NO.</p>
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## EXCERPT FROM LAFCO MUNICIPAL SERVICE REVIEW – FIRE AND EMERGENCY MEDICAL SERVICES – AUGUST 12, 2009

*Table 3-10 Fire District Property Tax Shares, FY 2007-08*

District/City	Gross	Net	District/City	Gross	Net
ConFire	14%	12%	East Contra Costa FPD	8%	7%
Antioch	15%	14%	Brentwood	8%	7%
Clayton	15%	10%	Oakley	6%	5%
Concord	13%	12%	Unincorporated	9%	9%
Lafayette	14%	13%	Crockett-Carquinez FPD	12%	12%
Martinez	13%	13%	Kensington FPD	30%	30%
Pittsburg	16%	5%	Moraga-Orinda FPD	21%	21%
San Pablo	20%	4%	Moraga	19%	19%
Pleasant Hill	13%	12%	Orinda	23%	23%
Walnut Creek	13%	13%	Unincorporated	21%	21%
Unincorporated	15%	13%	San Ramon Valley FPD	15%	14%
Rodeo-Hercules FPD	9%	6%	Danville	16%	16%
Hercules	9%	6%	San Ramon	13%	12%
Unincorporated	8%	6%	Unincorporated	17%	17%

Source: Contra Costa County Fire & Emergency Medical Services Municipal Service Review Final Report – August 2009

Note: The property tax shares of the various fire districts vary significantly, as shown in Table 3-10. The gross share indicates the proportion allocated to a district before considering redevelopment, and the net share indicates the proportion allocated after taking into account redevelopment agencies. The average fire district net property tax share countywide was 12 percent in cities served by fire districts and 13 percent in unincorporated areas.

## 2009-10 Fire District Revenue by City and Redevelopment Area Loss

City/Fire District	Gross AB8 (1)	Gross RDA Loss	Net AB8 Revenue	% of District's Gross AB8	% of District's Net AB8	Pass-Through Total	Net RDA Loss
Antioch	\$ 12,008,554	\$ 1,279,592	\$ 10,728,962	12.67%	13.55%	\$ 430,235	\$ 849,357
Concord	16,188,254	2,134,301	14,053,953	17.08%	17.75%	127,418	2,006,883
Clayton	2,457,157	729,641	1,727,516	2.59%	2.18%	97,697	631,944
Lafayette	7,769,428	556,134	7,213,294	8.20%	9.11%	165,248	390,886
Martinez	5,679,802	0	5,679,802	5.99%	7.17%	0	0
Oakley	-	0	-	0.00%	0.00%	0	0
Pleasant Hill	5,934,523	617,743	5,316,780	6.26%	6.72%	103,719	514,024
Pinole	15,407		15,407	0.02%	0.02%		
Pittsburg	8,721,593	5,878,606	2,842,987	9.20%	3.59%	2,054,455	3,824,151
San Pablo	2,699,731	2,039,519	660,212	2.85%	0.83%	158,866	1,880,653
Walnut Creek	16,398,337	465,748	15,932,589	17.30%	20.12%	0	465,748
Unincorporated	16,921,403	1,918,943	15,002,460	17.85%	18.95%	576,874	1,342,069
<b>Total CCCFPD</b>	<b>\$ 94,794,189</b>	<b>\$ 15,620,227</b>	<b>\$ 79,173,962</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 3,714,512</b>	<b>\$ 11,905,715</b>
Antioch	18,603	0	18,603	0.20%	0.22%	0	0
Brentwood	4,406,935	408,368	3,998,567	48.32%	46.70%	313,059	95,310
Oakley	1,560,357	150,407	1,409,950	17.11%	16.47%	142,862	7,546
Unincorporated	3,135,184	0	3,135,184	34.37%	36.62%	0	0
<b>Total ECCFPD</b>	<b>\$ 9,121,079</b>	<b>\$ 558,775</b>	<b>\$ 8,562,304</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 455,921</b>	<b>\$ 102,856</b>
Hercules	2,483,195	841,688	1,641,507	65.18%	60.33%	129,287	712,401
Unincorporated	1,326,815	247,599	1,079,216	34.82%	39.67%	258,156	(10,558)
<b>Total RHFPD</b>	<b>\$ 3,810,010</b>	<b>\$ 1,089,287</b>	<b>\$ 2,720,723</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 387,443</b>	<b>\$ 701,843</b>
Danville	15,187,896	476,568	14,711,328	29.67%	29.73%	83,370	393,198
San Ramon	18,491,625	1,218,994	17,272,631	36.13%	34.90%	216,747	1,002,247
Walnut Creek	0.01	0	0	0.00%	0.00%	0	0
Unincorporated	17,504,807	0	17,504,807	34.20%	35.37%	0	0
<b>Total SRVFPD</b>	<b>\$ 51,184,328</b>	<b>\$ 1,695,562</b>	<b>\$ 49,488,766</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 300,117</b>	<b>\$ 1,395,445</b>

No RDAs: Crockett Carquinez FPD (unincorporated), Kensington FPD (unincorporated), and Moraga Orinda FD (Town of Moraga, City of Orinda, unincorporated)

Source: Contra Costa County Auditor's Office

ATTACHMENT 4

# Community Guide to Redevelopment



Redevelopment. Building Better Communities



Courtesy of Your Local Redevelopment Agency and the  
California Redevelopment Association

# Project Team



**More than 500 teachers have become homeowners as a result of San Jose's Teacher Homebuyer Program.**



**The Hotel Redding is a beautifully renovated development providing affordable housing to seniors who live in downtown Redding.**

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## **Mosaic on Alhambra's Main Street**

During the 1970s-1980s, downtown Alhambra experienced increased vacancies, a decline in commercial rental rates, inadequate parking and substandard buildings. Its redevelopment has created a more livable, pedestrian-oriented district with 43 new businesses and more than 1,500 new jobs.

# Foreword

We have written this guide to help anyone who lives or works in California understand how redevelopment builds better communities.

Redevelopment focuses resources in areas within our cities and counties that need help to grow and prosper. It helps reverse the effects of urban decay by expanding local businesses, creating jobs, building affordable housing, renovating buildings, upgrading public infrastructure, and encouraging new development in almost 400 California communities.

Redevelopment produces tangible results. Without a redevelopment agency's initial investment, many community projects simply would not happen. Redevelopment breathes new life into communities in need of revitalization and new opportunities.

We hope that this guide will eliminate the mystery surrounding the redevelopment process, answer your questions about how it works, and help you understand the benefits of redevelopment for your community. We also hope that this guide will inspire you to become involved in your neighborhood and renew your commitment to making it better for you, your family and your neighbors.

John F. Shirey  
 Executive Director  
 California Redevelopment Association

## **About the California Redevelopment Association**

Established as a nonprofit organization in 1979, the California Redevelopment Association (CRA) represents redevelopment agencies and allied organizations throughout the state of California in responding to legislative proposals and administrative regulations, providing member services, conducting training and professional development events, and distributing public information regarding redevelopment law and activities.

CRA's members include more than 350 local redevelopment agencies and 315 associate members, including financial institutions, consultants, nonprofits, government agencies and law firms involved in the redevelopment process.

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# Redevelopment Builds Better Communities

*"Our Redevelopment Agency brought the community together and... Our dream became a reality."*

Barbara and Robert Maxon, Eureka



***"Forty-five years ago our family invested in Eureka's historic district with the dream of revitalization. Our Redevelopment Agency brought the community together and turned ideas into achievements."***

Barbara and Robert Maxon,  
Globe Properties

If you have ever seen a once-thriving neighborhood fall into disrepair with empty storefronts and abandoned homes, you have seen an opportunity for redevelopment. Redevelopment was established by California state law to help areas like these recover and thrive. Almost 400 California cities and counties have successfully used redevelopment to breathe life back into aging neighborhoods and downtown areas. This guide is designed to help Californians understand how redevelopment works and why it is so important to our future.

## Redevelopment Keeps Communities Healthy

The goal of redevelopment is to rebuild and improve neighborhoods that already exist, rather than build new ones further away from our cities and towns. This reduces traffic on our roads, improves the quality of our air and benefits the overall environment. Redevelopment makes housing more affordable and has also been shown to reduce crime. By revitalizing urban areas, redevelopment allows us to improve developed areas rather than create more sprawl.

## Redevelopment Is a Local Effort

Each community has its own unique rebuilding challenges. That's why California law requires every community to develop long-term planning goals, programs and funding strategies that are just right for them. Every redevelopment project is created, adopted and carried out locally. Often, communities use a unique redevelopment funding tool called tax increment. Redevelopment generates new property tax income that cities and counties can invest in local improvements within a redevelopment project area.

***Redevelopment has revitalized downtown San Diego.***





**Escondido**

### ***Via Roble – A Place to Live, Shop and Play***

Via Roble is a mixed-use, mixed-income development on a five-acre site in Escondido. The winner of several awards for planning and housing, Via Roble was once a crime-ridden trailer park in a state of disrepair. Today the site is home to 72 affordable apartments, 10 single-family homes and 9 shopkeeper units that run along one of the city's main corridors.

### **How Redevelopment Begins**

The redevelopment process begins when your local elected officials – the City Council or Board of Supervisors – form a redevelopment agency. In all but a few cases, these officials also serve on the agency board. Once a redevelopment agency is formed, it can begin a public process to adopt and/or amend one or more redevelopment plans. The agency then informs the public about its redevelopment plan, explains each step of the process and establishes the rights and responsibilities of residents, property owners and business owners to participate in the planning process and the new project. The local governing body and the redevelopment agency operate as two separate entities. The agency has distinct legal authority to enhance a community's rebuilding efforts and may have its own staff and advisors.

***“I think this whole area is really going to pop... when you put a lot of people living and working downtown.”***

Charles Weston,  
Owner of the Granary

### **You Have a Voice in Redevelopment**

You have an important voice in the redevelopment of your community. As a person who lives or works in your neighborhood, you have unique insights into what makes it special, and what changes will be positive for its future. You can participate in redevelopment by presenting your ideas at public meetings, joining a local association or being appointed or elected to a committee. You can also share your viewpoints by writing letters, sending emails or meeting with local elected officials and their staff.

### ***Historic Granary – Preserving the Past, Transforming the Future***

Located at the northeast edge of downtown Morgan Hill, the historic Granary has been transformed from a drafty, dark industrial structure into an energy-efficient building used for retail businesses and professional offices. The Granary was the first major new construction in downtown Morgan Hill in more than a decade and has been a catalyst for reinvestment in the area.



**Before**



**After**

**Morgan Hill**

# How Communities Benefit From Redevelopment

*"It's so nice to put down your roots somewhere and be able to have ownership, not just of my home, but of the community."*

Barbie Shrier, Poway



**Barbie Shrier, an administrative assistant for the Poway Unified School District, can finally call Poway home. Barbie is the recipient of a "Supporting Homeownership in Poway" loan administered by the Poway Redevelopment Agency.**

**R**edevelopment provides many tools that help to improve the quality of our neighborhoods and our lives. In this guidebook, local residents and business owners share their own stories about how redevelopment has helped their communities, from reclaiming run-down buildings and creating new jobs, to making their neighborhoods stronger, safer and more beautiful.

## How Does Redevelopment Improve Our Neighborhoods?

Just as a well-tended seed grows into a strong and deeply rooted tree, redevelopment lays the groundwork for stronger, safer neighborhoods. As federal and state funds for community improvements have declined, redevelopment has become a vital source of funding in cities and counties throughout California.

By encouraging ongoing investment of human and financial capital, redevelopment prevents neglect and creates a positive environment where residents want to live, work and play.

The very process of redevelopment brings people together around the common goal of improving the neighborhood they all share. While residents create positive momentum with their time and energy, the redevelopment project area receives a portion of local property tax revenues. As the area includes more new construction, upgrades and other improvements, these tax revenues increase and are invested in other improvements. This investment can generate other sources of public revenue that can be used to improve public safety and services for the entire community.

### Redevelopment Is a Tool to Build Better Communities

When residents and business owners join forces with local government to establish a redevelopment area, they can help the community to:

- Encourage new investment in neighborhoods, businesses and downtowns
- Create more housing that is affordable to residents
- Rehabilitate existing homes and businesses
- Build or improve roads, utilities and public facilities
- Attract new jobs and businesses
- Clean up toxic sites (brownfields) so they can be used productively
- Preserve and restore historic buildings and landmarks
- Preserve open space and build new recreational facilities
- Revitalize surplus military bases and declining waterfront areas





## MainPlace Breathes New Life Into Downtown Merced

Until MainPlace was built in downtown Merced, it had been more than 30 years since a national retail tenant had come to town. Now the national retailers are back, and thousands of people come to MainPlace to shop, stroll and attend movies. MainPlace has not only revitalized downtown Merced, it has stimulated new private investment in surrounding areas.

Merced



## Public/Private Partnerships Strengthen Our Communities

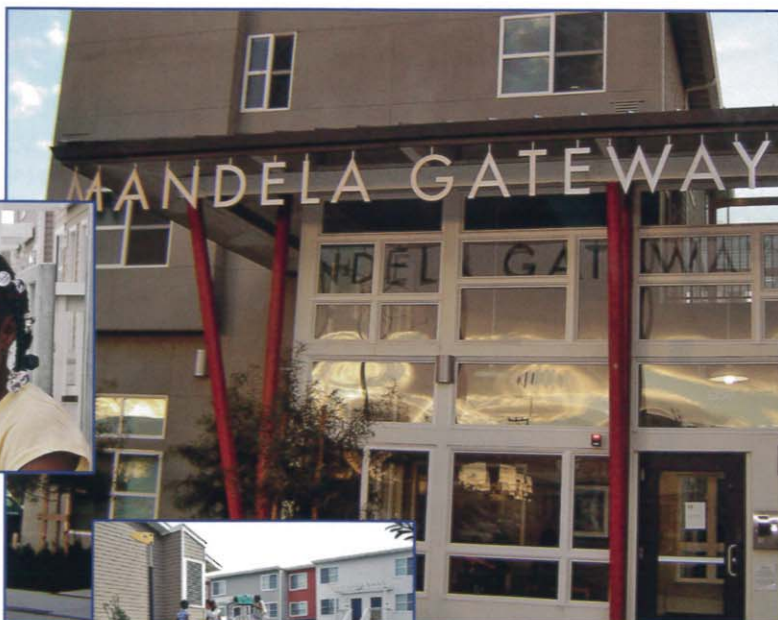
Partnerships among local governments, residents, businesses, property owners and developers play a vital role in improving neighborhoods and downtowns. Redevelopment has a much better chance of succeeding when all of these partners invest time and money in the rebuilding efforts. Over the long term, many of these stakeholders make personal and financial commitments to the ongoing improvement of their community.

By allowing the community to partner with private businesses and property owners, redevelopment provides special tools to undertake needed improvements. For example, redevelopment funds can be used to improve streets, utilities and landscaping; to upgrade buildings; to construct new housing; and to prepare property for new development. Improvements such as these help businesses expand while encouraging property owners to invest in upgrades and new construction projects.



**The Mondo Building is a historic bank building that now houses offices for the new University of California Merced. The Merced Redevelopment Agency assisted a private developer with this magnificent restoration, and the building is now on the National Register of Historic Places.**

Oakland



## A Gathering Place for Children and Families

Mandela Gateway in Oakland occupies land that was once filled with underutilized lots and a distressed public housing project. Thanks to the hard work of the community, developer and Redevelopment Agency, it has been transformed into a 168-unit, mixed-income housing project with 20,000 square feet of commercial space. With its open courtyards and playgrounds, it is a lively gathering place for families and their children.



# Adding to a Community's Toolbox

*"I'm so happy to finally own a home."*

Deborah Nagelin, Fairfield



**Deborah Nagelin and her children, Samantha and Nicholas, were relocated from the formerly blighted Ellsworth Court property. Deborah later became one of the first people to buy and move into Fairfield's affordable Providence Walk development.**

**R**edevlopment agencies are a bit like carpenters. Instead of using hammers and nails, they have eight special tools in their "toolbox" designed to help restore and rebuild neighborhoods. Before adopting a redevelopment plan, an agency must outline how it plans to use these tools, which allow it to:

1. **Receive and spend taxes:** Once a redevelopment project area begins improving and property values increase, more property taxes are collected. A redevelopment agency can then collect and spend this additional money ("tax increment") to fund planned activities within a project area. *Read more about tax increment in Chapter 6.*
2. **Improve public facilities:** An agency can use tax increment and other funding sources to improve public facilities and road systems that serve the area, such as:
  - Roads, curbs, gutters, sidewalks, lighting and landscaping
  - Sewer, water and storm drainage systems
  - Parks, public plazas and recreational facilities
  - Community facilities such as police and fire stations, libraries and public parking
3. **Prepare sites for improvement:** An agency can assist private property owners and developers or act on its own to prepare sites for improvement. This may include ground cleanup, public utility improvements and relocation assistance to residents or business owners.
4. **Combine properties:** Sometimes, several small parcels of land must be combined into a larger property to make way for public improvements or new development. In these cases, an agency will negotiate with individual owners to buy the land at market value. Very rarely, an agency will have to use "eminent domain" to acquire property. California law is very restrictive as to how and when an agency may use eminent domain. *Read more about eminent domain in Chapter 7.*
5. **Sell or lease property:** An agency may work with a property owner or developer to sell or improve a property. In these cases, an agency will generally enter into one of three types of agreements:
  - **An Owner Participation Agreement** specifies how a property is to be improved and outlines any changes that are the responsibility of the private property owner.
  - **A Disposition and Development Agreement** describes the business terms of a property sale or lease, specifies how the property is to be improved and resolves any remaining issues prior to the property transfer.
  - **An Exclusive Negotiation Agreement** outlines a timeline and context for the agency and owner or developer to negotiate the details of either agreement listed above.



## Redevelopment: A Critical Tool in Our City's Toolbox

As a new city, Rancho Cordova needs many tools to achieve its goals. For a full year, residents, business owners and public officials met to share ideas about how redevelopment could help achieve their common vision for their city's neighborhoods and commercial areas. As a result, the redevelopment plan was adopted without opposition.

6. **Assist private development:** An agency may also encourage development or rehabilitation by providing:
  - Payment for up-front costs such as architectural or engineering work, appraisals or market studies
  - Loans for commercial upgrades
  - Assistance with manufacturing facilities
  - Construction upgrades to conform with earthquake standards
  - Removal or treatment of toxic materials
  - Removal of graffiti
  - Transfer of property when improvement is ready to proceed
  - Sale of land at a low price ("land write-down")
  - Financing for public facilities, roads and utilities
7. **Regulate land use:** In California, a redevelopment plan must describe how land uses will be controlled within the project area and will conform with the community's General Plan or any specific plan that affects the project area.
8. **Preserve, upgrade and produce housing:** An agency has a unique responsibility to preserve, upgrade and produce housing that is affordable to people who live in the communities it serves. In California, every redevelopment agency is required to put 20 percent of the tax increment it receives into a Housing Fund that may be used only for housing, as further described in Chapter 8.

## Using the Right Tools

Every carpenter knows that the best way to build a strong, durable structure is to use the right tools. Redevelopment agencies also know they need to use the right tools to get their job done well.



San Diego



## A Community Transformed

Starting in the 1960s, San Diego's City Heights neighborhood began to decline. The area was plagued by the city's highest incidence of violent crime and lowest rate of homeownership. Today, City Heights has a new elementary school, library, community center, shopping center and much more. Public safety is greatly improved, and residents have better choices for housing, education, recreation and shopping.

## California Law Governs Redevelopment

California Community Redevelopment Law, contained in the California Health and Safety Code (Section 33000 et seq.), governs the creation and activities of redevelopment agencies. It also provides the authority and implementation provisions ("the toolbox"). In 1952, California voters approved Article XIII, Section 19 (later renamed Article XVI, Section 16) of the California Constitution, allowing redevelopment agencies in the state to use tax increment financing to revitalize project areas.

# From Vision to Realization

*“Vernon Street has come alive with redevelopment.”*

Janette Moynier, Roseville



*“Vernon Street has come alive with redevelopment. Local merchants, the community and the city are creating and preserving an environment full of history, dining, shopping and entertainment for the entire family.”*

Janette Moynier  
Vice President, First Bank

**R**edevelopment agencies understand how important it is to listen to the concerns and respect the goals of the people who live and work in a project area. As residents and property owners ask questions, provide input and share ideas, a redevelopment plan takes shape and the community can realize its vision.

## Redevelopment Begins When People Work Together

Successful rebuilding begins when community members are encouraged to ask the right questions: What would we like to change about our community? What types of businesses would we like to have nearby? What are the best qualities of our community and how can we keep them? How can we make our streets safer, housing more affordable, shopping centers busier, and create jobs?

Questions like these stimulate vital conversations between a redevelopment agency and the people who live and work in a community. Neighborhood residents and business owners can participate in many ways. Some agencies form a Project Area Committee (PAC), an elected group of community members who work with the agency and keep others informed about decisions and progress. In certain cases, the law requires an agency to initiate formation of a PAC. In other cases, agencies appoint a Citizen Advisory Committee. Agencies also work closely with existing neighborhood and business associations.

## What Is a Redevelopment Plan?

Once a community qualifies for redevelopment, the agency must adopt a written plan that describes the tools and processes that will be used to reach the plan's goals. A redevelopment plan must conform with the community's General Plan (land use plan). It must also be broad and flexible, because redevelopment plans stay in place for a long time. It generally includes the following:

- Project area boundaries
- A map showing designated land uses
- Redevelopment goals for the project area
- Specific improvements the agency plans to accomplish
- Duties and powers of the agency
- Rights of property owners and tenants
- Financial and legal tools for putting the plan into action

### How You Can Participate in Redevelopment

People who live, work or own property in a community naturally have a stake in its well-being. As a stakeholder, it makes sense to get involved, and you can participate in the following ways:

- Serve on a neighborhood committee
- Serve on a Project Area or Citizens Advisory Committee
- Attend community meetings
- Speak at public hearings
- Write letters to the agency board
- Sign petitions

## Improvements Make a Difference at Cornerstone Village

In Santa Ana, the Cornerstone Village Improvement Program rehabilitated 527 apartment units and upgraded common areas. The Redevelopment Agency responded to neighborhood needs by establishing a police substation, learning center and family support program. Since the police substation opened, arrests and service calls are down by 40 percent. Improvements to Cornerstone Village improved the overall quality of life for residents.



Before

Santa Ana



After

## How Does a Redevelopment Plan Move Forward?

California law ensures that people in a project area are informed and engaged during the planning process, which takes about one year. During this time, the agency board, legislative body and planning commission meet to discuss the plan and receive community input. Written information is sent to all parties involved, as well as to all property owners and residents. In addition, the agency holds at least one community workshop to gather comments from residents and businesses.

The last step in the process is a public hearing on the redevelopment plan. At least 30 days before this hearing, all parties involved receive a written document describing the agency's proposed actions and an invitation to attend and participate in the public hearing. The agency must also place an ad with this information in a local newspaper every week for the four weeks leading up to the hearing date.

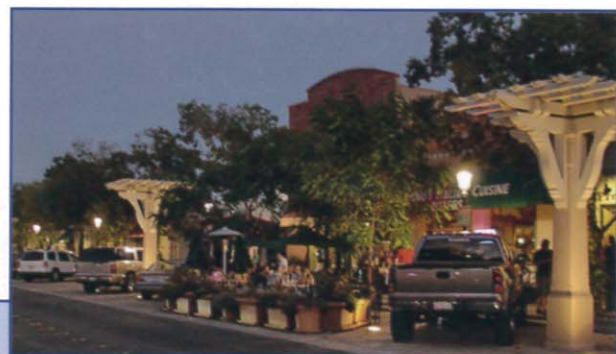
When the plan is adopted, the agency prepares and adopts an Implementation Plan, a detailed "blueprint" of how the redevelopment plan will be carried out over the first five years. This blueprint is also presented at a public hearing to give community residents and business owners an opportunity to provide input.

## Will the Community Be Informed of Plan Progress?

After a plan is approved and redevelopment gets underway, all major agency activities and decisions are presented to elected officials at advertised public meetings or public hearings. Agencies must also prepare an annual report of project activities and expenditures. This includes an independent audit by a certified public accountant who makes sure that redevelopment funds are used according to the plan. The audit must be submitted to the elected officials and to the State Controller. These reports are available for public review and comment.

The agency must also update the Implementation Plan every five years, and it must prepare a progress report midway through each five-year period. These reports serve as the guiding documents for agency activities designed to meet the goals of the community's improvement efforts.

Livermore



*The Livermore Redevelopment Agency has transformed First Street from a former state highway into a thriving downtown corridor. Redevelopment of First Street has brought a new spirit of vitality to Livermore and once again made downtown the heart of the community.*

# Living in a Redevelopment Project Area

*"A problem is a chance for you to do your best."*

Duke Ellington



**Thanks to the partnership between the Community Redevelopment Agency of the City of Los Angeles and the Hollywood Community Housing Corporation, 78-year-old Julia Myers has a home. "I think it's perfect here," she says. Julia lives in one of the 28 affordable units in Hollywood's Palomar Apartments set aside for people 55 and older.**

**J**ust as Apollo 13 Commander James Lovell was able to avoid disaster after saying those five famous words to NASA's Mission Control – "Houston, we have a problem" – redevelopment is a way to identify and address problems within a community before it is too late.

Everyone who lives or works in a redevelopment area has a timely opportunity to make a difference in their neighborhood. By knowing what changes to expect, how long the process will take and how your community will benefit, you can help the redevelopment plan succeed.

## How Does an Area Qualify for Redevelopment?

The mission of redevelopment is to improve properties that have become abandoned, neglected or unsafe. When they are improved, local businesses can grow and be more successful, and residents can enjoy a safer, more livable neighborhood.

To qualify for redevelopment, an area must show signs of wear and tear, or "blight" as defined by California law. (See the next page for a summary of legal definitions of blight.) Sometimes, an area qualifies as blighted even when some properties are in good shape and others in the same block are not. When an area is described as having blight, the term does not refer to the people who live and work there, or to all the properties in a

neighborhood. It only means that the area suffers from conditions that are too difficult to overcome without assistance.

## How Long Do Improvements Take?

When a redevelopment agency makes plans to improve a community, results are not seen overnight. Redevelopment is a thoughtful process with careful steps and a series of improvements designed to make sure that community goals are achieved.

Many improvements are completed within a few years. Larger and more complex projects are often divided into phases that can go on for many years. If unexpected issues come up during a certain phase, it can take longer for improvements to be completed.

## The Welcome Return of Main Street

Before the Contra Costa County Redevelopment Agency got involved, this area of North Richmond was known for its substandard and illegal structures and unsafe streets. Now, it is a vital, affordable and sustainable community. North Richmond Town Center is a redevelopment project that includes an apartment community for low-income seniors, a commercial facility and a health care facility.



Richmond



After



## The Renaissance of Las Brisas

The vibrant neighborhood of Las Brisas now thrives where conditions once made any notion of improvement difficult to envision. Las Brisas was originally developed in the 1960s, but by the 1980s, it was overwhelmed by problems of neglect, decay, rampant crime, abandoned buildings and mismanagement by absentee landlords. Today, the Signal Hill Redevelopment Agency has transformed Las Brisas into a welcoming neighborhood of 90 affordable residential units with courtyards, a public park and a community center. Las Brisas is a shining example of how one community can turn a blighted, crime-ridden area into a safe, attractive neighborhood.

Signal Hill

## What Kinds of Improvements Are Made?

Every redevelopment plan is unique to its community, but many plans include similar improvements, all designed to create a safer, more livable neighborhood. These may include:

- Upgrades to buildings and storefronts
- Improved or expanded water and sewer lines
- New sidewalks, curbs, gutters and other drainage facilities
- Improved street lighting
- Landscaped streets with new trees and benches
- New neighborhood parks, public plazas, community centers and bike paths

In some instances, new traffic routes are established and traffic regulations are changed to reduce traffic on residential streets while making it easier to access shops and businesses. Often, existing businesses are encouraged to expand and improve by applying for rehabilitation loans or grants.



As public areas are upgraded through redevelopment, homeowners and business owners are more likely to make their own investments to improve their existing homes and businesses. Over time, this gradual process of building and improving homes, shops and businesses can help to attract new jobs and more people to previously troubled neighborhoods. In some cases, existing homes or businesses need to be upgraded or moved, but such changes only occur after careful planning and community input. The bottom line? Redevelopment works best when everyone works together toward a common goal.

## Definition of Blight

California Redevelopment Law uses the term "blight" to describe the following conditions:

### Adverse Physical Conditions

- *Unsafe or unhealthy buildings*
- *Factors hindering economic viability of property*
- *Adjacent or nearby incompatible land uses*
- *Irregular lots in multiple ownership*

### Adverse Economic Conditions

- *Depreciated or stagnant property values*
- *Impaired property values due to hazardous waste*
- *Poor business conditions*
- *Serious lack of commercial facilities*
- *Serious residential overcrowding*
- *Problem businesses and high crime rates*

In addition to the conditions described above, an area may also require improvements to community facilities, water and sewer systems, roads and other public infrastructure.

# Understanding Redevelopment Finance

*"We shape our buildings and thereafter they shape us."*

Winston Churchill



**Thanks to Casa de la Providencia, 18 adults with developmental disabilities can live a full and independent life. Built through a partnership between United Cerebral Palsy and the Burbank Redevelopment Agency, this fully accessible development provides on-site services that help each resident live on his or her own.**

**When asked to describe his favorite aspect of his new surroundings, resident Nick Klein's response was brief but powerful: "The freedom."**

If you have ever owned property in California, you have probably paid property taxes. These taxes are based on the value of your home, building or land and are used by cities and counties to pay for the public services and facilities that we all use.

When a redevelopment agency implements a redevelopment plan, property values typically increase over time due to new construction, rehabilitation of older structures and property sales. As property values increase, so do property taxes. This growth, known as "tax increment," generates income that is used to revitalize neighborhoods, clean up the environment, make public improvements and build more affordable housing.

## How Tax Increment Financing Works

Tax increment financing is the primary tool in California for paying the public costs of redeveloping areas that otherwise would not be improved without agency assistance.

When a new redevelopment area is formed, the county government determines the total assessed value of all properties within the project area. This amount is commonly called the "base assessed value" or "frozen base." Much of the tax money generated from the increase in value above this frozen base each year is transferred to the redevelopment agency so it can invest these public funds in the project area for up to 45 years.

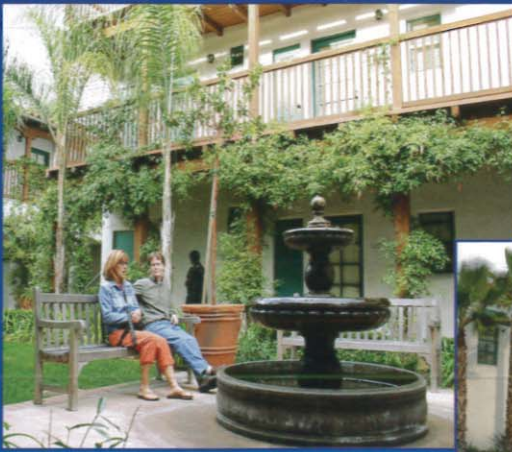
An agency cannot receive or spend tax increment funds until it has adopted a redevelopment plan and established debt. Debt is like a mortgage on a house. Entering into debt allows the agency to finance its activities to improve the project area. The debt is the agency's sole responsibility to repay.

## Will Redevelopment Increase My Property Taxes?

In 1978, California voters approved Proposition 13, which established our state's method for calculating property taxes. As a property owner, your annual tax is about one percent of the assessed value of your property based on what you paid for it. It's important to understand that your property taxes will not go up just because you own property in a redevelopment area. They will be raised only when the assessed value of your property increases in one of the following three ways:

- The value of your property increases up to two percent a year based on a statewide inflation factor;
- You undertake major rehabilitation or new construction and your property taxes increase in proportion to the added value created by those improvements;
- Your property is sold or the title is transferred under certain circumstances and the property taxes change based on the purchase price or the property's market value at the time of sale.





**Santa Barbara**

### ***A Peaceful Place to Live Near Work***

The City of Santa Barbara Redevelopment Agency created Casa de las Fuentes to provide housing for low- and moderate-income downtown workers. The location allows residents to walk, bike or take a bus to work and shop, increasing pedestrian traffic so vital to downtown businesses.



An agency may use a variety of strategies to help finance the cost of redevelopment. The most common type of redevelopment financing relies on Tax Allocation Bonds (TABs). An agency can borrow funds by issuing TABs to be repaid with future tax increment.

When a redevelopment agency is first established, it will sometimes borrow money from other public sources to help fund the redevelopment plan. To provide incentives for private investment in a redevelopment area, an agency may directly fund public infrastructure or reimburse a private developer or property owner who makes certain improvements.

### **Redevelopment Increases Property Values**

A central premise of redevelopment is that property values increase while a redevelopment project is underway and after it is completed. Increased property values generate increased property taxes. As more businesses and property owners invest in the redevelopment area, tax revenues continue to increase to help fund vital public services. Without this steady stream of public and private investment, many areas would continue to decline.

### **Redevelopment Benefits the Community**

During the life of the redevelopment project, public entities (such as school districts and special districts) continue to receive the same amount of tax revenues that they received during the year the project began. They also receive a specified portion of the additional tax revenues generated from a project area formed after December 31, 1993 and, in several cases, from a project area formed before that date. These additional revenues are called “pass-throughs.” Over the long term, public entities benefit because once a project is complete and tax increment is no longer needed to pay for the improvements, the community receives more revenues from property taxes than it would without redevelopment.

### ***From Invisible Asset to Crowning Achievement***

Located in the heart of downtown San Jose, Guadalupe River Park is surrounded by modern high-rises, historic districts and an expanding downtown. Before redevelopment, the Guadalupe River was an unrecognized community asset, surrounded by blighted residential neighborhoods and obsolete industrial sites that contained contaminated soil. Today, the park comprises more than 130 developed acres that wind through the heart of downtown with walking trails, public plazas and open spaces.



**San Jose**



# Buying Property for Redevelopment

*“People stop us on the street and say how nice our building looks.”*

Patti Kraaekvik, Los Angeles



***“The entire eminent domain process was handled in an equitable and reasonable manner that left my tenants and me feeling we had been treated fairly. I also felt appropriately compensated for my property.”***

Lin Martin  
property owner, downtown  
San Diego

Sometimes redevelopment agencies need to buy property in order to reverse economic decline and physical neglect in a project area. This may be the only way to build public improvements and attract the private investment required to create safer, healthier and more family-friendly neighborhoods.

## Why Would an Agency Need to Buy Property?

When a redevelopment agency buys property, it clears the way to upgrade properties, construct public buildings or improve roads, sewers and other infrastructure. In some cases, an agency will buy a property that has been neglected for many years because its current owner does not have the resources or desire to improve it. In other cases, an agency will contact multiple owners who each own property in a project area, then help buy all the property so that improvements can be made to benefit the entire neighborhood.

## What Happens When an Agency Wants to Buy My Property?

As a property owner, you have specific legal rights that protect your interests. If an agency wants to buy your property, you will first be notified in writing. Then, the agency will pay for an independent appraiser to determine the fair market value of the property, and will offer to purchase your property at this price. You will have the right to accept that price or continue negotiations. If you believe that the value of your property is greater than indicated by the independent appraiser, you may hire your own appraiser and submit a counter-offer. The agency must pay the cost of your appraisal up to a maximum of \$5,000. The main objective is to reach a settlement that both parties agree is fair.

## What Is Eminent Domain and When Is it Used?

In rare cases and only as a last resort, redevelopment agencies may exercise eminent domain, which means *“the right to take private property for public use in exchange for payment of fair market value.”*

Local governing bodies in California, such as cities, counties and redevelopment agencies, have the authority to buy property only when it accomplishes a specific public benefit, such as building public improvements or, in the unique case of redevelopment, eliminating physical and economic blight. An agency may never exercise eminent domain in California purely for economic development purposes. All redevelopment plans must indicate whether eminent domain may be used in the project area and first give property owners the opportunity to participate in the redevelopment of their own property.



Los Angeles

## Hope Village Spurs Private Development in Downtown Los Angeles

Just south of downtown Los Angeles sits a row of attractive four-story townhouses called Hope Village. This 66-unit complex is part of an effort by the Community Redevelopment Agency of the City of Los Angeles to create more housing and spur private investment in the South Park neighborhood. Since its completion, private developers have shown renewed interest in the area, and new housing communities are being built. Hope Village has created a new era of revitalization and improvement in one neighborhood.

### How Does the Eminent Domain Process Work?

When a redevelopment plan is adopted, agencies must notify all property owners within the project area and let them know whether eminent domain may be used by the agency. In many cases, the use of eminent domain is restricted. For example, some plans don't allow its use for acquiring residential property. In any case, eminent domain may only be exercised for 12 years following initial plan adoption. If the agency wants an extension, it must initiate a public process similar to the plan adoption process described in Chapter 4.

During the first stage of the eminent domain process, public meetings are held to review what will happen before and after the agency buys the property. These meetings are advertised and open to the public. During this period, the agency carefully considers and responds to community input.

When a property is being acquired, the agency board may also consult in private with its legal counsel and/or negotiator. This type of consultation is called an "executive session" and must be conducted under the strict rules of California's open meeting law, also known as the "Brown Act." Actions to use eminent domain must be approved by a two-thirds majority of the local governing body.

### A "Phoenix" Rises From Ashes of Neglect

Phoenix Park, formerly known as Franklin Villa, used to be one of the most crime-ridden and neglected neighborhoods in Sacramento. When the Sacramento Housing and Redevelopment Agency decided to restore the area, eminent domain was required to acquire property from several absentee landlords. Today, the community is family-friendly, crime has been reduced by 37 percent, and children can play safely outside at one of the nearby "tot lots."

### Does Property Purchase Include Relocation Benefits?

If a property you own or occupy is purchased by a redevelopment agency, you may be eligible for relocation assistance. All redevelopment agencies must adopt a detailed relocation plan. If you are a resident who has to move out of your current home, the agency will help you find and pay for another place to live. If you are a business owner who has to move, the agency will help you find and pay for a new location and the loss of "business goodwill." Goodwill is the value of the business beyond its hard assets, such as its reputation or unique product offering.

### How Does Redevelopment Assist and Protect Property Owners?

Both state and federal laws offer tax advantages to owners whose property is acquired by a redevelopment agency under eminent domain. These help to provide financial benefits that reduce the negative tax effects that may arise from selling a property. Redevelopment is designed to benefit people who live and work in redevelopment areas by improving neighborhood conditions. Although eminent domain is sometimes used to achieve these goals, property owners' rights are guaranteed and protected by California law.



# Preserving and Developing Affordable Housing

*"Living here lets us be a family again."*

Leilani Luia, Stockton



*"Living here lets us be a family again. We don't have to squeeze by furniture or go outside to do the laundry anymore," says Leilani Luia, a resident of Diamond Cove in Stockton. "Now I feel safe in my neighborhood. I don't worry about my kids playing at the park."*

Leilani Luia  
Stockton resident,  
Diamond Cove

One of the most important roles of a redevelopment agency is to make sure housing is available for people from all walks of life. Since 1993, agencies across California have helped to build or improve more than 83,000 high-quality housing units that are priced within the budget of people who live and work in their communities.

## The Role of Housing Plans

Each agency works with city, county, state, and federal departments to prepare housing plans that address their community's unique housing needs. The agency is required to have a Five-Year Implementation Plan. It outlines how the agency will create and preserve housing for community residents with modest incomes. It also specifically describes how the agency will meet its three basic housing responsibilities:

- **Housing Fund** Twenty percent of tax increment must be set aside in a Housing Fund and spent to increase, improve and maintain the supply of housing that is affordable to residents at or below moderate income. *(See the box below for details.)*
- **Housing Production** A specific percentage, defined by law, of housing developed within a project area must be available and affordable to households within certain income ranges.
- **Replacement Housing** Housing units that are removed as a result of agency activities must be replaced within four years.

## How the Housing Fund Works

California law requires that 20 percent of new property taxes collected in a project area be set aside in a Housing Fund. These funds can be used only to preserve, upgrade and create housing that is affordable to very low-, low- and moderate-income households. Next to federal funds, tax increment is currently the largest source of funding for affordable housing in California.

### Income Levels for Affordable Housing

Each year, the U.S. Department of Housing and Urban Development and the California Department of Housing and Community Development publish Area Median Income (AMI) levels for each county in California. These income levels are typically described for three levels:

- Very Low Income: At or below 50 percent of AMI
- Low Income: At or below 80 percent of AMI
- Moderate Income: At or below 120 percent of AMI

The Housing Fund is used by redevelopment agencies to:

- Buy property
- Sell property at a low cost to developers who then build affordable housing
- Reduce the cost of rental and privately-owned housing
- Prevent the loss of government-sponsored housing that is currently affordable
- Meet replacement housing requirements
- Improve sites, roads and public utilities so that new affordable housing can be built

## Renewed Pride in a Neighborhood

Grisham Community Housing in Long Beach was previously known for its 26 apartment buildings plagued with absentee ownership, poor property management, illegal drug sales and gang activity. Now, every building has been upgraded, and all are well managed under one owner. Residents can afford to live there, and improvements made by redevelopment have created a sense of pride in this formerly blighted neighborhood.



After



After



Before

Long Beach

## Affordable Housing Is Required by Law

In redevelopment project areas adopted since 1975, a percentage of new and rehabilitated housing units must be made affordable to households living at or below moderate income levels. This “housing production” requirement makes it possible for housing to be affordable to people at all income levels. Here is a brief review:

- Fifteen percent of housing units developed by organizations other than the agency must be provided at an affordable cost to low- and moderate-income households. Of those units, at least 40 percent must be affordable to very low-income households.
- Thirty percent of housing units developed directly by an agency must be provided at an affordable cost to low- and moderate-income households. Of these units, at least half must be affordable to households with very low incomes.
- Agencies must ensure that this percentage of affordable housing is produced every ten years.
- Rental units assisted by the agency must remain affordable for at least 55 years and owner units for at least 45 years.

An agency can meet these requirements with units developed outside a project area, but units created outside the project area are counted differently. Two affordable units produced outside the project area count for one produced inside.

**“We can bring our friends here and they think our house is cool.”**

Michaela Luia



## What About Replacement Housing?

In the event that redevelopment activities remove housing units where people of modest incomes live, an agency is required to prepare a Replacement Housing Plan. This Plan must show how the agency will replace 100 percent of these units within four years. Replacement housing units can be built anywhere within the community.

Replacement housing units must be made available at a cost that is affordable for the people who most recently lived there. Residents who need to move must also receive financial assistance with moving and living expenses (relocation benefits). They will also receive first priority for housing units as they become available.



Before

Fremont



After

## Adams Avenue in Fremont: Yesterday and Today

Adams Avenue was once a one-block stretch of dirt and gravel where homes had fallen into severe disrepair. Today, it is home to 17 very

low- and low-income families. Run-down housing has been demolished, and residents now live in safe, decent and affordable housing. Adams Avenue is a model of how a redevelopment agency can create affordable homeownership opportunities for first-time homebuyers and turn around a neighborhood.

# Protecting the Environment

*“Perhaps it will be the city that reawakens our understanding and appreciation of nature in all its unpredictable complexity.”*

Jane Jacobs

**Urban visionary and author Jane Jacobs changed the way we think about cities, urban neighborhoods and nature.**

California is known for its stunning coastline, majestic mountains, towering redwoods and flowering deserts. Redevelopment helps to protect these precious natural resources by supporting growth in urban areas, cleaning up pollution and providing better infrastructure and buildings for residents and businesses.

## Public Improvements Prevent Urban Sprawl

By focusing improvement efforts on urban areas, agencies encourage “infill” development in areas where roads, utilities and other buildings already exist. This discourages urban sprawl – development that continually spreads outward from an urban core. When new construction is concentrated closer to main streets and transit systems, people are more likely to walk, ride bicycles or take public transit rather than drive their cars. This not only saves time and money, it is also healthier for people and for the environment.

### Emeryville



## From Rags to Riches: Mixed-Use Development in Emeryville

Once a hub for business and industry, the City of Emeryville suffered a decline in the 1980s. Areas previously used for manufacturing, warehousing and rail-related activities were left partially vacant, heavily contaminated and underutilized. In 1990, the Emeryville Redevelopment Agency initiated cleanup of these areas. The Bay Street Retail and Residential Project includes new public facilities, affordable housing, and new commercial and retail development in Emeryville.

## From Abandoned Lot to Gathering Spot: Dean DeCarli Waterfront Plaza

In the 1950s, a portion of the Stockton Channel was paved over for a parking lot and gas station. As decades passed, the lot deteriorated and the gas station’s underground storage tanks began to leak. The gas station was ultimately abandoned, and the parking lot was condemned. For the next two decades, this brownfields site symbolized the decline of downtown Stockton. In 2001, the Stockton Redevelopment Agency stepped in to create the Dean DeCarli Waterfront Plaza. This new landmark has transformed the downtown Stockton waterfront into a lively gathering place for the whole community.



Before Stockton



After

## **From Brownfields Site to College Campus: Education Village**

Thanks to efforts by the National City Community Development Commission, a blighted area in the heart of downtown has been reborn as a state-of-the-art urban college campus. The Commission led revitalization of a four-block brownfields site that was deteriorated and vandalized. Education Village has become a vital center providing affordable education, retail shops, cafes, outdoor patios and other community amenities for people who live and work in National City.



**National City**

## **Redevelopment Can Clean Up Brownfields**

The term “brownfields” refers to areas where the land has been contaminated with toxic materials from old gas stations, industrial manufacturing or other businesses. In some cases, owners cannot afford to clean up their property. Redevelopment can help to cover these costs so that neighborhoods can make use of their most important natural resource: the land. By cleaning up brownfields sites, agencies can take advantage of existing roads and utilities as they make improvements.

## **How Does Redevelopment Help?**

The Polanco Redevelopment Act, approved by the California Legislature in 1990, promotes the environmental cleanup of brownfields sites. The Act applies only to redevelopment project areas, and allows agencies to directly clean up toxic properties and then get the money back from those who caused the problem. Once a brownfields site is cleaned up based on an approved plan, the Act protects future buyers and lenders from being responsible for any future cleanup costs.

## **Green Buildings Are Good for Communities**

Redevelopment agencies often encourage the use of environmentally friendly – or “green” – building practices for design and construction. This not only helps improve an area, it also helps property owners save money on energy costs. Green buildings are often constructed using recycled materials and incorporate technologies that make more efficient use of energy.

## **Redevelopment Helps Create a Healthier Environment**

To successfully redevelop our communities, toxic problems must be eliminated and safeguards put in place. As agencies develop plans to create new jobs and provide better housing and businesses, they are also hard at work cleaning up polluted sites to make our neighborhoods safer, healthier places to live. By improving communities that already exist, we use less gas, create less pollution and gain the benefits of living closer to where we work and play.

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

**Adaptive Reuse:** The rehabilitation of older properties for a new purpose.

**Affordable Housing:** Housing that is affordable to households earning at or below 120% of area median income (AMI) as defined in California law. *(See Chapter 8 for agency obligations and definition of AMI.)*

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

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

**Base Year Assessed Value, Base Value or Frozen Base:** The total assessed value of property within a project area in the year in which the redevelopment plan is adopted.

**Blighted Areas:** Areas that exhibit substantial and prevalent adverse physical, and economic conditions requiring redevelopment assistance.

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

**Economic Development:** A general term indicating projects to stabilize and enhance an area's economy and create or maintain jobs.

**Eminent Domain:** Authority of a government agency to acquire property for public purposes, with payment of just compensation. "Public purposes" include the elimination of blight in the case of redevelopment agencies. Also known as condemnation. *(See Chapter 7 for limitations on use of eminent domain.)*

**Housing Production/Inclusionary Housing:** Within a redevelopment project, a specified percentage of housing units built or substantially rehabilitated, required by law to be available at an affordable housing cost to very low-, low- and moderate-income persons. Within cities or counties, a specified percentage of new housing that is required to be affordable pursuant to ordinance or policy.

**Infrastructure:** Public improvements which support development, including street improvements, lighting, sewers, flood control facilities, water lines and gas lines.

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

**Mixed-Use Project:** Developments that combine uses, such as retail on the ground floor and residential above.

**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 that 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 who consult with and advise the agency.

**Property Tax:** The amount of tax which a property owner pays on the assessed 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 rate.

**Redevelopment:** Planning, development, redesign, site preparation and improvement, reconstruction and/or rehabilitation of all or part of a project area.

**Redevelopment Agency Board:** 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 and/or modify an existing structure to make it safer and healthier, bring it up to building code standards and create more usable space.

**Relocation:** The provision of new housing and/or business locations for residents, businesses or organizations that must move as a result of redevelopment activities.

**Relocation Assistance:** Aid for those who relocate, including assistance in finding and paying for a new location, payments to 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 increment revenues flowing to the agency.

**Tax-Exempt Bond:** A bond on which the interest payments are not subject to federal taxation.

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





San Francisco



### **St. Regis Museum Tower/Museum of the African Diaspora**

The St. Regis Museum Tower Hotel and Residences and the Museum of the African Diaspora is a mixed-use development that has transformed a blighted area, with run-down buildings and open parking lots, into the new cultural heart of San Francisco. The 40-story tower is located in the Yerba Buena cultural district, adjacent to the Museum of Modern Art. It includes 260 hotel rooms, 102 residences, an underground garage and the Museum of the African Diaspora, which connects all people through the art, culture and history of people scattered from Africa.

### **Transit-Oriented Development**

Del Norte Place is a mixed-use development adjacent to the El Cerrito Del Norte BART station. Featuring an array of shops and restaurants on the ground floor, it has become a popular place for residents and neighbors to meet. Its 135 apartments are affordable to a broad range of residents who enjoy the well-designed one- and two-bedroom units.



El Cerrito

# Redevelopment. Building Better Communities



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