

# WHAT IS REDEVELOPMENT?

## Frequently Asked Questions

- **What is the Redevelopment Agency?**

Redevelopment is a process created to assist city and county governments to eliminate blight from a designated area, and to achieve desired development, reconstruction, and rehabilitation including, but not limited to: residential, commercial and industrial uses, and retail. In this county, the board of supervisor members serve as the governing board for the redevelopment agency, however, the board of supervisors and the agency are two separate, distinct legal entities. The County's Local Reuse Authority's (LRA) staff carries out the day-to-day operations of implementing the various redevelopment plans.

- **What is Blight?**

Blight is defined as an economic or physical condition that causes an area to suffer from negative environmental conditions, or negative impacts to the health, safety, or welfare of people in the area. Examples of blight include inadequate streets or sidewalks, lack of parking, excessive vacant or abandoned residential or commercial properties, and dilapidated properties.

- **What is a Redevelopment Plan?**

A Redevelopment Plan represents a basic framework for which projects will be undertaken. The plan provides the LRA with tools to take certain actions such as improving public facilities and infrastructure.

- **How do Redevelopment Agencies Secure Funds?**

The state law makes available to redevelopment agencies a method of obtaining funds called "tax increment financing." On the date the Board of Supervisors approves a redevelopment plan, the property within the boundaries of the plan has a certain total property tax value. If this total assessed valuation increases, most of the taxes that are derived from the increase go to the LRA. These funds are called "tax increment revenue." Tax increment revenue can typically be used only in the same project areas that generate them, except for residential projects that benefit low-and moderate-income households.

- **Will Property Taxes be Raised?**

It is important to note that a higher tax from the sale, development, or rehabilitation of property reflects a rise in property value and not an increase in tax rate. Until a property is improved or sold, assessed values and tax rates in redevelopment areas are restricted by Proposition 13 limitations.

- **Does redevelopment affect my property value?**

Redevelopment does not directly affect property values. However, since the purpose of redevelopment is to provide adequate public facilities and to eliminate blight in an area,

this activity can lead to increased property values as an area is improved. The construction of new sidewalks, remodeling of buildings, and abatement of nuisance and dilapidated properties by the agency will not affect your tax bill. The value of property near these abatement activities generally go up when undesirable blight conditions are eliminated, because people are willing to pay higher prices when dilapidated, vacant, and abandoned buildings are no longer present and when public improvements such as parks, safe bike ways and sidewalks are available.

- **How will this affect the city/county and other taxing agencies in regard to tax revenue loss?**

Other taxing agencies will lose part of the new property taxes generated by redevelopment, but will continue receiving the base revenues. In most blighted areas, property values would not increase without redevelopment activities. Other taxing agencies will receive non-property tax revenues and revenues generated outside the project area as a direct result of redevelopment activities, i.e. sales taxes, hotel room taxes, and property taxes.

For more information on Redevelopment, please visit the California Redevelopment Association website at [www.calredevelop.org](http://www.calredevelop.org).