



INVESTING IN COMMUNITIES

## **BENEFITS OF REDEVELOPMENT IN SACRAMENTO**

**Redevelopment is a flexible tool for local governments to leverage other funding which:**

- Spurs local economy
- Creates and sustains jobs
- Forges public/private partnerships
- Revitalizes blighted communities

**What's at Risk in Sacramento?**

- **19,000 local jobs at risk through elimination of redevelopment construction projects**
- **\$170 million in redevelopment project funds at risk**
- **\$1.3 billion in economic activity lost**
- **\$129 million in State Prop 1C funds leveraged with redevelopment dollars**
- **Millions of dollars de-funded from approved affordable housing projects**

**Three primary benefits of redevelopment:**

1. Redevelopment creates jobs that support the local economy.

- Redevelopment contributes \$40 billion annually to California's economy and generates more than \$2 billion in state and local taxes.
- Redevelopment investment supports projects that private investment will not or cannot do on its own.

***In Sacramento:***

### **McClellan Business Park**

Sacramento has invested more than \$33 million in tax increment and public funds leveraging over half a billion dollars in total investment to assist the development of McClellan Business Park which has a current lease up of 75 percent. The development has attracted 225 companies with 14,000 jobs replacing all of 11,600 that were lost when the base closed in 2001 and attracts over 15,000 daily visitors.

### **Army Depot**

Since its closure in 1994, more than \$1 million in Sacramento's tax increment has assisted in the conversion of the former Sacramento Army Depot to Depot Park, a fully secured industrial complex supporting over 70 commercial and industrial tenants.

## 2. Redevelopment strengthens communities.

- Redevelopment investment goes to the heart of the community where it has the greatest impact and serves the greatest need.
- The tools of redevelopment provide enormous savings to local government in resources that address the impact of blight, crime and unmet community services and programs.

### ***In Sacramento:***

#### **Boys and Girls Clubs of Sacramento**

The construction of public facilities for Sacramento's neighborhoods such as the Boys and Girls Club and Outdoor Play Area in Alkali Flat, completed with \$1.8 million in tax increment, help to fill an unmet need for programs and activities that serve thousands of children and families in the communities where they live.

#### **Del Paso Medical Center**

Redevelopment investment helped build the \$2.3 million award-winning Del Paso Medical Clinic enabling patients to receive quality primary care services close to where they live with jobs that support the local economy.

#### **Mutual Assistance Network**

Redevelopment investment supports a community partnership with Mutual Assistance Network offering programs to support the revitalization of Del Paso Heights, build opportunity for local residents through youth and family services, and provide jobs for neighborhood residents who comprise almost 75 percent of MAN's workforce.

## 3. Redevelopment investment provides affordable housing

- Since 1993, redevelopment agencies in California have built or rehabilitated over 98,000 units of affordable housing.
- Redevelopment creates a range of housing through leveraging of other funds to meet its regional housing needs allocation (RHNA) requirement.

### ***In Sacramento:***

#### **Globe Mills**

Redevelopment investment of \$14.9 million in historic preservation and adaptive reuse of the former grain storage and flour mill created 114 affordable senior apartments and 31 moderate-rate apartments and has spurred private development in the project area.

#### **Norden Terrace Apartments**

A 204-unit affordable rental apartment community for families built with \$23 million in redevelopment funding assistance (tax increment, bond and loan funding) and offers onsite resources and convenient access to retail services and public transit.

Redevelopment funds provide \$12 to \$1 return on the investment. Every \$1 of redevelopment spending generates \$12 in total economic activity.

- Redevelopment creates jobs. More than 19,000 jobs in Sacramento could be at stake if Redevelopment Agencies are eliminated.
- Local Example: Sheraton – an investment of \$8 million yielded \$108 million, created 400 permanent jobs and 406 construction jobs and generates \$ 2 million in annual tax revenues.
- Redevelopment helps generate significant sales tax for the State of California. For every \$1 in local sales tax generated, \$7 is generated for the State.
- Downtown Example – from 2005 to 2009, sales increased in the K street corridor from 7th to 13th from \$15.5 million to \$25.5 million, translating to an increase in revenue of 57%. This significant increase during a recession can be largely accredited to redevelopment funds with the completion of such projects as the Cathedral Building, Ellas Restaurant, Cosmopolitan, and the Cabaret. In 2009 alone, sales from K Street (7th to 13th) generated \$245,584 in sales tax for the City and \$1.8M for the State of California.
- Redevelopment has been a major factor in turning around neighborhoods and creating affordable housing , examples, Del Paso Nuevo, Phoenix Park
- It is critical to keep redevelopment housing funds as a resource to provide the dollars necessary to deliver the housing obligations in the Prop 1C awards of the Railyards and Township 9.
- Redevelopment protects and preserves Sacramento’s historic fabric through building reuse. Projects in Sacramento including the Pyramid Brewery building, the Maydestone Apartments, the Sheraton Hotel, the Elks Building, the Elliott, and the Citizen Hotel, as well as numerous projects in Old Sacramento that have been revitalized as a result of these funds.
- Redevelopment is sustainable. It helps implement the SACOG Blueprint and other sustainable planning efforts through infill development and rehabilitation of existing buildings.
- Redevelopment keeps local money local. Money paid by Sacramentans in property taxes is spent on Sacramento projects.
- Redevelopment funding provides “last resort” funding to make projects viable. It fills financial gaps for projects enabling development that would not otherwise be undertaken.
- Redevelopment invests in important community assets and amenities like the Crocker Museum, Memorial Auditorium, Music Circus, Promenade, Old Sacramento, Community centers, streetscape and infrastructure.
- Redevelopment eliminates blight and reduces crime. It implements the latest Crime Prevention through Environmental Design techniques employing landscaping, lighting and “eyes on the street.”

###