



INVESTING IN COMMUNITIES

RESPONSE TO THE GOVERNOR'S BUDGET PROPOSAL TO ELIMINATE REDEVELOPMENT

Eliminating redevelopment won't just stall Sacramento's most effective economic engine, it will effectively kill it.

Tax Increment Financing is a tool for cities and urban counties to further redevelopment and affordable housing activities. This includes the ability to issue debt to finance capital projects. Since 1990, the Redevelopment Agency has leveraged \$660M in bonds to finance capital projects throughout the City and County of Sacramento.

For the region to prosper, the core must be strong. Sacramento has invested significantly in its Downtown to provide jobs, housing and cultural amenities. However, much of the local media has focused on funding for "swanky" entertainment venues.

In Sacramento, we're facing high unemployment and a weak real estate market which has a detrimental impact on our local economy. Redevelopment is our best job creation tool to get Sacramento on track.

- Redevelopment in Sacramento has created thousands of jobs.
- Beyond construction jobs, redevelopment results in permanent employment opportunities which sustain the local economy. For example, McClellan Business Park has created 14,000 jobs through redevelopment, replacing 11,600 lost when the base closed.

Redevelopment grows both local and State revenue by increasing the entire tax base

- Redevelopment investment pumps revenue to the local and state economy through a variety of sources, such as sales tax, property tax, payroll tax and transit occupancy tax.
- On average, each \$1 in redevelopment funding increases State income by \$7 thus growing overall State revenue.

Without Redevelopment Funding Sacramento will not have the resources needed to finance or preserve affordable housing. All State and local housing resources have decreased or have been committed in recent years

- Redevelopment is the largest mechanism for affordable units in Sacramento after the federal government. **20% of property tax revenues generated from redevelopment activities must be spent for affordable housing.**
- Since 2004 Sacramento has invested over **\$81 million** in low-moderate tax increment funding which leveraged over **\$1.08 billion** in private and public capital.
- Over the last six years tax-increment funding has resulted in the production of **7,329** units, including **3,189** units for very-low income and homeless families
- Sacramento requires after school and educational programs in all multi-family complexes receiving financial assistance helping those students most in need.

- State of California assigns housing goals by jurisdiction. **If no low-moderate tax increments are available Sacramento will not be able to implement Housing Element Activities.**

The tools of redevelopment have improved the Quality of Life in distressed Sacramento communities and reduced the impact on municipal budgets

Redevelopment has been used to assist the most vulnerable members of our population, the homeless. In an era of diminishing resources, redevelopment is the tool to leverage significant federal resources to support our local homeless delivery system. For example, \$800,000 in tax increment/local redevelopment funding provides the required match to receive \$14 million in Federal funds which support homeless services.

By eliminating blight and tackling public nuisances, redevelopment reduces the impact to code enforcement and police services

In Sacramento, redevelopment funded the acquisition and demolition of two liquor stores in Oak Park which were magnets for crime in the neighborhood. These vacant lots will be sites for affordable, single family homes. In addition, redevelopment eliminated troubled motels on older commercial corridors which had plagued the neighborhoods for decades.

Redevelopment brings Federal, State, and private resources to Sacramento

Examples include:

- Neighborhood Stabilization Program
- Del Paso Nuevo
- Continuum of Care
- Economic Development Assistance Grants
- Railyards
- Township 9
- Avondale/Glen Elder and Oak Park Weed & Seed
- Child Care facilities

Redevelopment supports local schools by creating safe, livable communities for children in distressed communities

For students to succeed in school they need stable lives with accessible housing, safe, well-lit streets, attractive places to play with after care programs, access to healthy foods, and uplifting communities free of liquor stores, billboards and blighted buildings. Redevelopment provides the capital resources to build great places.

Specific examples include:

- Alkali Flat and Lemon Hill Boys & Girls Clubs
- Sacramento Urban League
- Del Paso Medical Center
- Food Source grocery store
- Safe Routes to School
- Phoenix Park Resident Activities Center computer resources and after school programs

Redevelopment is helping to meet the State and region's goals to achieve Smart Growth and Sustainability: Redevelopment

- Supports **Infill Centered** Growth promoted through SB 375, Sacramento's SACOG Blue Print and Federal place based initiatives.
- Provides needed investment to transform the largest infill site in the country (the 400 acre Railyards community), Del Paso Nuevo homeownership zone and thousands of mixed use and mixed income housing within the City.
- Promotes **green sustainable development** including complete green streets, LEED certified buildings, transit-oriented development.
- Repurposes **Brownfield** sites such as the Railyards and La Valentina for new housing communities and access to transit assets.
- **Historic renovation and adaptive reuse** of buildings including the Elliot Building, Citizen Hotel, Hotel Berry, Maydestone, Railyard Shop Buildings, Elks Lodge and Globe Mills.

The elimination of redevelopment in Sacramento would have significant unintended consequences

- Inability to meet federal and state obligations
- No mechanism to monitor affordable housing developments
- No funding to recapitalize affordable housing projects
- Inability to preserve existing affordable housing
- Inability to enforce regulatory agreements
- Direct and indirect job losses
- Loss of federal resources and leveraging
- Non-competitiveness as a State and region for Federal and private capital

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