



REDEVELOPMENT AGENCY FACT SHEET

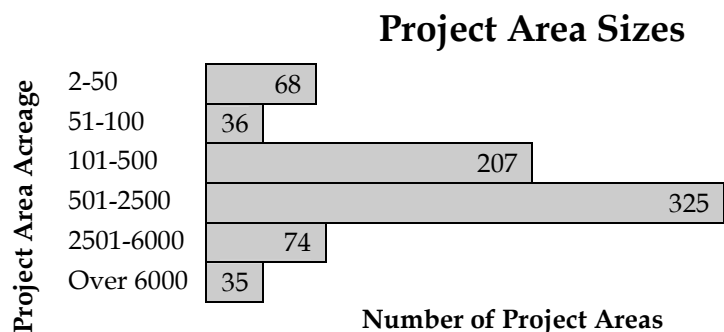
-- Senate Local Government Committee, August 2009 --



California has 425 community redevelopment agencies, 397 of which are active. Together they encompass 745 project areas. Local officials have created over 200 new agencies and over 500 project areas since 1980. They have dissolved about two dozen since 1952, when redevelopment started.

Purpose and Powers - Local officials establish redevelopment agencies to **eliminate economic and physical blight**. To accomplish this task, state law gives redevelopment agencies **two extraordinary powers: property tax increment financing and property management powers (eminent domain)**. Tax increment financing works by transferring increased property tax revenue, generated by rising property values in the project area, from other local governments to the redevelopment agency. **Agencies must set-aside 20% of their tax increment revenue for affordable housing.**

Number of Agencies - Of California's 480 cities, 388 (81%) have redevelopment agencies, although 22 are inactive. Of California's 58 counties, 32 (55%) have redevelopment agencies; six are inactive. Of the 164 cities with populations over 50,000, 95% have active redevelopment agencies. Los Angeles County has 74 redevelopment agencies within its borders. San Bernardino County has 27 agencies and Riverside has 26. Seven counties (Alpine, Colusa, Mariposa, Modoc, Mono, Sierra, and Trinity) have no redevelopment agencies within their borders.



	Project Area	Acres
Largest	George AFB (Victor Valley)	85,128
	Sierra Army Depot (Lassen County)	32,188
Smallest	Freeway 99 - Golden State Blvd. (City of Fresno)	1
	Ranch Center (City of Azusa)	1

Governance - Under state law, every community has a redevelopment agency which becomes active when the city council or county board of supervisors adopts an ordinance declaring a need for the agency. **Once established, the agency is a separate government agency, although more than 97% of the redevelopment agencies are governed by the city councils or county supervisors that created them.** In the remaining communities, an appointed body governs the redevelopment agency.

Redevelopment Agency Fact Sheet Continued

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2006-07 Redevelopment Revenues and Expenditures

(Source: State Controller)

Total agency revenues and other financing = \$10.6B

- Tax increment financing = \$4.6 billion
- Proceeds of long-term debt = \$2.9 billion
- Proceeds of refunding bonds = \$1.5 billion
- Interest income = \$582.6 million
- Other = \$1 billion

Tax increment 43.7%
Proceeds of long-term debt 27.4%
Proceeds of refunding bonds 14.4%
Interest income 5.5%
Other 9.0%

Total agency expenditures = \$8.0B

- Project improvements = \$1.3 billion
- Interest = \$1.2 billion
- Long-term debt principal = \$967 million
- Administration = \$588 million
- Other = \$3.9 billion

Project improvements 16.3%
Interest 14.5%
Long-term debt principal 12.1%
Administration 7.4%
Other 49.7%