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# Dan Walters: Redevelopment officials are offering pig in a poke

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When Gov. Jerry Brown proposed to abolish more than 400 local redevelopment agencies and redirect billions of dollars in property taxes, the state's redevelopment industry shifted into political overdrive.

Redevelopment officials claimed that abolition would devastate efforts to improve local economies and cost hundreds of thousands of jobs.

However, independent analysts agree that redevelopment, while lucrative to subsidy-seeking developers, provides no substantial improvement to the state's overall economy.

The agencies skim more than \$5 billion a year off the top of the property tax pot each year, and the state must make up about \$2 billion of that hefty diversion in extra payments to schools.

Brown is saying, in effect, that the state can't afford to subsidize local development schemes and wants the money back.

His proposal is a major issue in the budget stalemate and fell barely short of passing the Assembly. That has redevelopment officials worried, and they've conjured up an alternative – allowing redevelopment agencies to voluntarily shift some funds into schools in return for being allowed to extend redevelopment projects that are expiring.

John Shirey, who runs the California Redevelopment Association and is the field general of the war against Brown's plan, calls it "a reasonable compromise for all involved" that would give the state about \$2.7 billion in budget relief over the next decade.

The CRA plan would provide only a small fraction of the money that Brown envisions, but the real clinker is giving redevelopment projects an automatic extension, a variation of a scheme that some redevelopment groups have floated for several years.

The key word is "blight."

Cleaning up urban blight was the rationale for the state's authorizing redevelopment agencies six decades ago. But over the years, redevelopment agencies adopted very creative definitions of "blight" to justify subsidies to private developers of hotels, auto malls, big box

stores and other commercial ventures.

One city, for instance, declared land blighted because it was "subject to periodic flooding," thereby justifying its redevelopment. The land in question was a marshy reach of San Francisco Bay that was home to birds and other wildlife.

The use of redevelopment became so far-fetched that the Legislature tightened up state law, eventually decreeing that for projects to be extended, local authorities had to prove the continued existence of real blight, not the imaginary kind.

That requirement put many projects in peril, and redevelopment officials have been desperately seeking ways to change or repeal it. Now they hope to make a silk purse from a sow's ear by offering, in effect, a bribe to the state to allow extension of marginal projects.

It is, however, merely a pig in a poke.

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