



Steven Greenhut

Proving the Redevelopment Rule

Evidence from Southern California that RDAs don't work

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Doug Tessitor is the mayor of Glendora, a city in Los Angeles County. He's a self-described conservative and dead certain that preserving California's redevelopment agencies (RDAs) is essential to his city's fiscal health. In a pair of recent [online columns](#), Tessitor mounted an impassioned defense of redevelopment in response to my *City Journal* [article](#) depicting the agencies as a "secret government" that runs up debt, abuses eminent domain, and doles out subsidies to favored developers. Tessitor's response is worth rebutting, not because his arguments are exceptional but because they echo those of other California Republicans who defend redevelopment.

One of Democratic governor Jerry Brown's few good ideas so far has been his proposal to shut down the RDAs as part of an effort to close a massive budget gap. Democrats in the state assembly tend to favor redevelopment, with its big-government, central-planning tools, but they backed Brown in order to shave about \$1.7 billion from the budget. Republicans often complain about redevelopment's abuses of property rights, but they blocked Brown's plan, with only one Republican—longtime redevelopment foe Chris Norby of Fullerton—joining Democrats in April to support the measure, which fell one vote shy of passage. It might return for another vote. When I confronted several of the Republicans about their votes, I kept hearing the same rationale: they don't like central planning, these Republicans say, but redevelopment works in their communities. (The abuses I described take place only in other cities, apparently.)

Tessitor makes essentially the same argument when he says that I make claims that don't apply to Glendora. "For example," he writes, my article "makes it sound like all Redevelopment Areas (RDAs) use eminent domain to benefit 'favored developers.' Glendora's RDA does not have eminent domain powers, let alone favored developers!" It's true that eminent domain is not currently available in any of Glendora's redevelopment project areas. But if you look at Glendora's attempts to *acquire* eminent-domain powers, you'll realize just how thin an excuse that is.

First, understand that redevelopment agencies need to declare an area blighted before they're allowed to begin their routine of floating debt, subsidizing developers, and using eminent domain to clear away recalcitrant property owners. But the definition of blight is very broad: it can include not just unsafe buildings but also "incompatible land uses," stagnant property values, either excessive urbanization or insufficient urbanization, and lack of modern infrastructure. If a redevelopment agency wants to redevelop a particular area, it can usually find a reason.

Redevelopment agencies' eminent-domain powers automatically sunset after 12 years, but in 2006, the Glendora RDA tried to reestablish those powers as part of a redevelopment plan—which Tessitor had a hand in shaping, since he was elected to Glendora's city council in 2003. To support its attempt to

create and merge project areas and restore its eminent-domain powers, the RDA used blight findings even more preposterous than usual. It declared large sections of the city blighted because they were urbanized, because of code violations, and because of defective design elements, such as the failure of many buildings to meet current state seismic standards. It also claimed that areas were blighted because of missing curbs and gutters on some houses, as well as deteriorated oak trees, and it tried to label some older properties unsafe because they failed to conform to the federal Americans with Disabilities Act. Other reasons for “blight”: many of the city’s buildings have asbestos-containing materials and lead-based paint. Given Glendora’s standards, virtually any property not recently built could be called blighted and thus subject to eminent domain.

The result of Glendora’s efforts was an unusual lawsuit launched by Los Angeles County, which successfully challenged the city’s blight findings. “Glendora fails to distinguish between serious and minor code violations, and it fails to demonstrate the requisite connection between code violations and unsafe buildings,” the state court decided. “There is no showing how violations involving antenna, signs, or landscaping impact safety and health.” The court found that most of the city’s blight findings rested not on evidence but on “assumptions based on building age.” Declaring that old buildings don’t necessarily create safety and health risks that result in blight, the court mocked the city’s claims that “incompatible uses” in some neighborhoods (small businesses near homes, for example) resulted in problems that could only be addressed through a blight designation and the use of eminent domain. An appeals court upheld the lower court’s ruling. So yes, Glendora doesn’t currently wield eminent-domain powers—but it has gone to such lengths to regain them that state and appeals courts had to chastise it.

Tessitor’s argument that Glendora’s redevelopment agency doesn’t provide corporate welfare to favored businesses is dubious as well. He admitted in a phone conversation that the agency had given special financing deals to car dealerships. The city has also provided infrastructure improvements to a large shopping center containing big-box and other retail chain stores. Tessitor further admitted that while the city doesn’t use eminent domain, he supports its use as a redevelopment tool: “The fact that you have an eminent domain power will provide an incentive, I guess, for a property owner to negotiate.” He added that “eminent domain is fine so long as you have a reasonable public purpose—people a lot smarter than I am came up with the policy. It’s a tool to accomplish a purpose.” Chris Sutton, an attorney in nearby Pasadena who battles eminent-domain proceedings on behalf of property owners, points out that most cities don’t need to use eminent domain, any more than most muggers need to use the handgun pointed at their victims’ heads. Brandishing it usually is enough to convince an owner to give in.

What’s more, Tessitor’s column recycles the California Redevelopment Association’s false claims that RDAs “support more than 300,000 private sector jobs in a typical year.” The state’s nonpartisan Legislative Analyst’s Office has found that the CRA’s job claims do not “carefully distinguish” between construction activity spurred by redevelopment and construction activity that would occur in the area anyway.

When I spoke to Tessitor, I finally got to the heart of his redevelopment defense. The city relies on RDA funding for 15 percent of its budget, he said, and assuring the city’s financial future is “all I care about.” Individual cities have indeed become dependent on redevelopment money, but that doesn’t mean that the current system works. Nor does it change the reality of how these abusive agencies operate. I

sympathize with the mayor's budget worries, but if Glendora is an example of redevelopment done right—as he argues—then the situation is even worse than I thought.

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