

# **1999 - 2000 Ventura County Grand Jury Report**

## **Redevelopment Agencies in Ventura County**



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## Background

More than 40 years ago, the California Legislature delegated to cities and counties two extraordinary powers to be used by local redevelopment agencies (RDAs) to eliminate blight from designated urban areas in their communities. These powers are:

### **Tax-Increment Financing:**

After a community establishes a redevelopment project area, the amount of property tax flowing to taxing agencies serving the area generally is frozen. Cities, counties, schools and special districts continue to receive all of the property taxes they had received up to that point. All of the *growth* in property taxes in the project area, however, is allocated to the redevelopment agency as “tax-increment” revenue. Redevelopment agencies use tax-increment revenues to finance a broad array of urban renewal programs and to construct affordable housing. In order to partially offset the loss of “growth” in property taxes and other fiscal losses associated with redevelopment, the redevelopment agencies are required to “pass through” to other taxing agencies a specified portion of their tax-increment revenues.

### **Property Management:**

RDAs have broad property management powers, including the authority to acquire property by eminent domain and to sell, lease, clear or develop real property in the project area. Over the decades, many cities and counties have used these delegated redevelopment powers to rejuvenate depressed downtown areas, restore historical districts and construct affordable housing. Some local agencies, however, have been criticized for using their redevelopment powers to undertake activities inconsistent with the legislation’s objectives (such as the development of large tracts of vacant and agricultural lands in areas remote from the urban center or the subsidizing of large retail businesses). In addition, some local agencies have been criticized for failing to spend 20 percent of their tax-increment funds for low- and moderate-income housing, as required by the law.

## Methodology

The Grand Jury, as part of its oversight responsibilities for all aspects of County government, conducted the following activities relative to RDAs within the County:

1. Reviewed the California code sections governing the formation and powers of RDAs, and the definition of “blight.”
2. Conducted protocol visits to the planning departments of three cities within the County.
3. Reviewed the web sites of all city planning departments within the County to evaluate public information available on RDA activity and scope.
4. Received a detailed briefing from the City of Ventura RDA covering:
  - A. The redevelopment process.
  - B. A historical view of redevelopment in the city.

## Findings

The Grand Jury during the course of the above outlined procedure established the following findings:

- F-1 Blight can be defined as:
- A. Physical blight
    1. Substandard or dilapidated buildings
    2. Substandard or irregular parcels
    3. Inadequate parking
    4. Outmoded buildings
    5. Incompatible uses
  - B. Economic blight
    1. Depressed or stagnant property values
    2. Abnormally high vacancy rates
    3. Abnormally low lease rates
    4. Inadequate commercial facilities
    5. High crime rates
- F-2 Redevelopment Agencies have broad and far reaching powers which, in the *Redevelopment Plan for the Merged San Buenaventura Redevelopment Project*, include:
- A. A strict set of rules for existing owners who want to “participate” in the “project.”
    1. An owner “may be required to rehabilitate or demolish all or part of his/her existing buildings.”

2. An owner may be offered only an opportunity to relocate his displaced business in “an adjacent constituent project.”
  3. An owner may be limited in his options by “elimination or changing of some land uses, ... alteration or elimination of public rights-of-way, ... removal, relocation, and/or installation of public utilities, (his) ability ... to finance, ... experience, ... reduction in the total number of parcels, ... requirements of the plan, ... applicable rules, ... design guidelines, ... feasibility of (his) proposal, ...”
    - B. The power to acquire real property in the project by “gift, devise, exchange, lease, purchase, eminent domain or any other lawful method.”
    - C. The power to “acquire structures without acquiring the land upon which those structures are located.”
- F-3 Redevelopment project areas are formed by:
- A. Identification of a proposed project area by survey to determine presence of physical and economic blight.
  - B. Preparation of a proposed Redevelopment Plan describing purposes, goals and objectives for elimination of blight.
  - C. Preparation of an environmental document to address any potentially significant environmental impacts.
  - D. A report to the City Council on the content and the basis of the proposed plan.
  - E. Conducting of public hearings before the Planning Commission, City Council and the Redevelopment Agency.
  - F. Vote of the City Council.
- F-4 In the City of Ventura:
- A. The City Council also serves as the RDA.
  - B. The City Manager also serves as the RDA Executive Director.
  - C. The RDA is administered by the City’s Revitalization Division.

- F-5 Redevelopment Agency oversight includes:
- A. The filing of an annual Statement of Indebtedness with the County Auditor.
  - B. An annual independent audit by an outside auditing firm.
  - C. The filing of an annual report with the State Controller's Office identifying indebtedness, revenues, expenditures and housing activities.
  - D. Adoption/update of an Implementation Plan every five years that includes:
    - 1. Agency goals and objectives
    - 2. Proposed expenditures
    - 3. A housing production plan addressing affordable housing requirements.
- F-6 Redevelopment project history in the City of Ventura includes:
- A. Beachfront Project Area – established in 1966
    - 1. Promenade improvements
    - 2. Paseo de Playa condominiums
    - 3. Pier restaurant platform
    - 4. California Plaza
  - B. Mission Plaza Project Area – established in 1972
    - 1. Clocktower Inn and Restaurant
    - 2. Ventura County Museum of History & Art
    - 3. Mission Plaza condominiums
  - C. Downtown Project Area – established in 1978, amended in 1990 & 1995, with a merger of project areas adopted in 1997
    - 1. Mission Plaza Shopping Center
    - 2. 2nd District Court of Appeals (State)
    - 3. Amtrak train platform
    - 4. California/Main Street improvements
    - 5. Downtown parking structure
    - 6. Figueroa Street improvements
    - 7. Rose Garden Senior Housing project
    - 8. Peirano/Wilson Studio rehabilitation
    - 9. Downtown Theatre/retail

## Conclusions

The Grand Jury concludes as a result of its analysis of the above findings that:

- C-1 The effectiveness of RDA activity within Ventura County is difficult to evaluate, whether from an economic or social perspective.
- C-2 The RDA does seem to be able to manage projects that would be impossible to address without its rather extensive powers of financing and property acquisition.
- C-3 Project data is not readily accessible by the public and RDAs seem to prefer a “low profile” approach to doing business.

## Recommendation

As a result of these conclusions, the Grand Jury makes the following recommendation:

Each RDA in the County should develop and maintain a web site that includes and/or details:

1. The Project Plan
2. Land acquisitions
3. Project accomplishments
4. Current project status
5. Financial data including:
  - A. Auditor reports
  - B. Data provided to the State Controller

## **Responses Required**

City of Ventura Redevelopment Agency  
City of Simi Valley Redevelopment Agency  
City of Thousand Oaks Redevelopment Agency  
City of Oxnard Redevelopment Agency  
City of Ojai Redevelopment Agency  
City of Moorpark Redevelopment Agency  
City of Camarillo Redevelopment Agency  
City of Fillmore Redevelopment Agency  
City of Port Hueneme Redevelopment Agency  
City of Santa Paula Redevelopment Agency