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BROWNFIELDS REDEVELOPMENT AFTER THE DEATH OF REDEVELOPMENT AGENCIES IN CALIFORNIA

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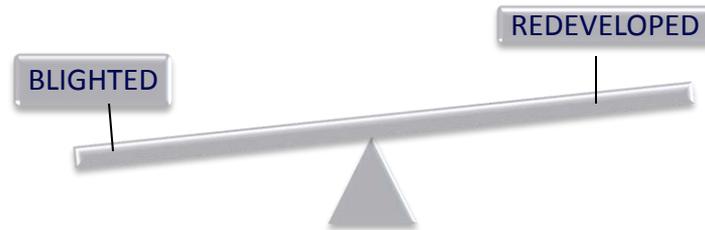


What Did Redevelopment Agencies Do?

- Identified blighted areas and sought to eliminate the blight (Redevelopment Plan)
- Tools
 - Tax Increment Financing
 - Polanco Act
 - Public Private Partnerships

What is Tax Increment?

- Differential between property tax from blighted property and redeveloped property



- 80% to Redevelopment projects
- 20% low and moderate income housing set aside

Quick History

- Post WWII – RDAs formed to revitalize blighted communities
- RDAs became the principle instrument of economic development in California
- In 2011, roughly 400 RDAs in California

California Has Always Struggled With Property Tax Issues and Funding Schools

- Equal Protection Lawsuits
- Prop 13
- Prop 98

Collision of State Obligations And Priorities



The Fight

- Voters approved Prop 1A, which prevented the State from statutorily reducing or altering existing property tax allocations
- Voters approved Prop 22 in November 2010, which prohibited the State from taking local funds
- Governor Schwarzenegger declared a state fiscal emergency in December 2010
- Incoming Governor Brown renewed the declaration (January 2011)

The Empire Falls

- AB IX 26
- AB IX 27
- California Redevelopment Association v. Matosantos
- Redevelopment Agencies shutter on January 31, 2012

The Wake

- California Lost an Important Catalyst for Brownfields Reuse
- RDAs facilitated brownfields reuse by:
 - 1) Securing funding
 - ❖ Tax Increment
 - ❖ Brownfields money
 - 2) Compelling Cleanup (Polanco Redevelopment Act)

Polanco Redevelopment Act

- Information gathering
- Immunities
- Cost recovery
- Injunctive relief
- Petroleum sites
- Holding property during cleanup
- Efficiently combining cleanup and redevelopment

What's Left in the Brownfields Toolbox?

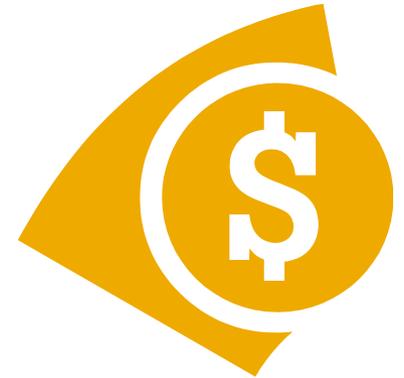
- Private Risk Allocation
- Regulatory Policies
- Statutory Liability Limiting Laws

Brownfield Tools

PRIVATE	REGULATORY	STATUTORY
Risk Shifting Provisions	Prospective Purchaser Agreements	Small Business Liability Relief and Brownfield's Revitalization Act of 2002
Insurance	Contiguous Property Owners	California Land Reuse and Revitalization Act of 2004
Fixed Price Remediation	Comfort Letters	Lead Agency Designation Process
		Polanco Redevelopment Act???

Show Me The Money

- Taxes
- Special Benefit Assessments
- General Fund
- Special Revenue (i.e. parking)
- Federal Brownfields Fund
 - HUD
 - EPA
 - DOT



Show Me the Money

- Bonding options
 - Mello Roos Community Facility Districts
 - Infrastructure Finance Districts

