

REDEVELOPMENT AGENCY FACT SHEET

California has 408 community redevelopment agencies, 380 of which are active. Together they encompass 775 project areas. Local officials have created over 200 new agencies and over 525 project areas since 1980. They have dissolved about 2 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 477 cities, 377 (80%) have redevelopment agencies, although 21 are inactive. Twenty-seven of California's 57 counties (47%) have redevelopment agencies; seven are inactive. Of the 151 cities with populations over 50,000, 92% have active redevelopment agencies. Los Angeles County has 74 redevelopment agencies within its borders. Riverside and San Bernardino Counties have 26 each. Six counties (Alpine, Colusa, Mariposa, Modoc, Sierra, and Trinity) have no redevelopment agencies within their borders.

➤ **Project Area Sizes**

About 40% of project areas are between 500 and 2,500 acres in size. Another 30% are between 100 and 500 acres in size. Twenty-eight project areas cover over 6,000 acres each. Seventy-one are less than 50 acres in size.

The largest project area is George AFB of the Victor Valley Economic Development Authority (San Bernardino County) – 46,200 acres, followed by the Desert Communities Project Area in Riverside County at 27,590 acres.

The smallest project area is the Ranch Center Project Area in Azusa (Los Angeles County) which covers only one acre, followed by a few 2-acre project areas.

Redevelopment Agency Fact Sheet Continued

➤ Governance

According to state law, each community has a redevelopment agency which becomes active when the local legislative body 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 boards of supervisors that created them.** In the remaining communities, an appointed body governs the redevelopment agency.

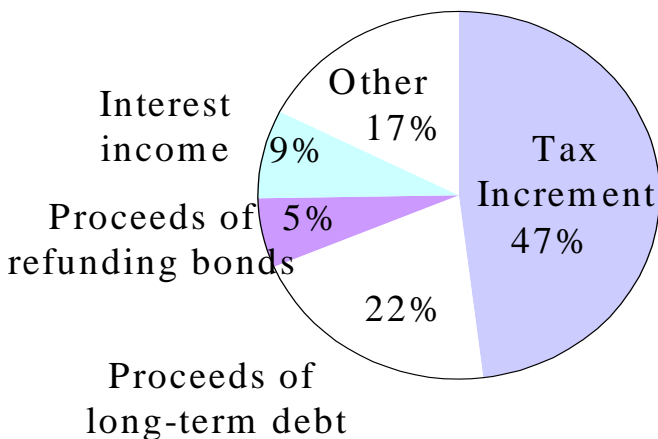
2000-01 Agency Revenue Sources

(Source: State Controller)

Total agency revenues = \$4.6B

Major revenue sources:

- **Tax increment financing** = \$2.2B
- **Proceeds of long-term debt** = \$1.0B
- **Interest income** = \$392M
- **Proceeds of refunding bonds** = \$253M



2000-01 Agency Expenditures

(Source: State Controller)

Total expenditures = \$4.3B

Major expenditures:

- **Interest expense** = \$893M
- **Long-term debt prin.** = \$673M
- **Project improvements** = \$804M
- **Administration** = \$343M

