

How to Use Redevelopment to Create Healthier Communities

Revitalizing distressed neighborhoods through the formal process known as redevelopment can transform entire communities, bringing an array of benefits that improve residents' health.

Redevelopment efforts are overseen by local agencies with the tools and expertise to plan and finance a range of projects that create stronger communities, from improving transit and street safety to developing space for retail, housing, and recreation. Public health officials and advocates can work with redevelopment agencies to ensure that plans prioritize and fund activities that improve access to healthy food and physical activity.

This fact sheet is designed to give advocates a general introduction to how redevelopment works and highlight ways for advocates to engage in the process.



Photo by Lydia Demiller

What Are Redevelopment Agencies (RDAs)?

RDAs were established after World War II to counteract the failures of traditional “market-driven” development. Cities historically have depended on the private sector to determine growth patterns and drive industry, jobs, and housing. Taxes generated from these sources would then pay for schools, roads, parks, and other public goods and services. But over the years, entire neighborhoods have been left out of this market-driven improvement process.

Most cities and many counties in California have established redevelopment agencies to address the gap by overseeing urban revitalization efforts. Though typically staffed by city or county personnel, RDAs are technically independent state agencies. Not only do they have access to financing mechanisms that are otherwise not available to cities and counties, they can leverage additional public and private investment to fully revitalize neighborhoods over time.

How Do Redevelopment Agencies Work?

Redevelopment agencies possess powerful tools for transforming the built environment. For more details on these and other strategies, see www.healthyplanning.org.

Redevelopment Bonds and Tax Increment Financing (TIF)

Redevelopment agencies have budgets and income streams that are separate from those of the city. They issue their own bonds and pay them back by collecting any increase (or increment) in property taxes generated in the redevelopment area over the life of the plan. These funds can be used to provide loans or grants, acquire or assemble land, and improve infrastructure. (California law requires 20 percent of TIF to be reserved for affordable housing development.) Redevelopment agency funds cannot be used to fund programs, but they can fund changes to the built environment to improve access to healthy food and physical activity opportunities.

Land Acquisition

RDAs can purchase land, assemble small parcels into large sites, and develop it with partners or sell it to others to develop. This tool is particularly important for large-scale projects such as full-service grocery stores or mixed-use developments combining housing with commercial property.

Eminent Domain

RDAs have the power to take land from private property owners in exchange for “just compensation”; the property must be used for the “public good” or a “legitimate governmental purpose.” Public good can be broadly defined to include hospitals, highways, and public transit. Laws around eminent domain have changed in recent years to limit the agency’s power, and this controversial tool is considered a last resort. Relationships between some communities and their RDAs are strained in part because of the legacy of eminent domain abuse.

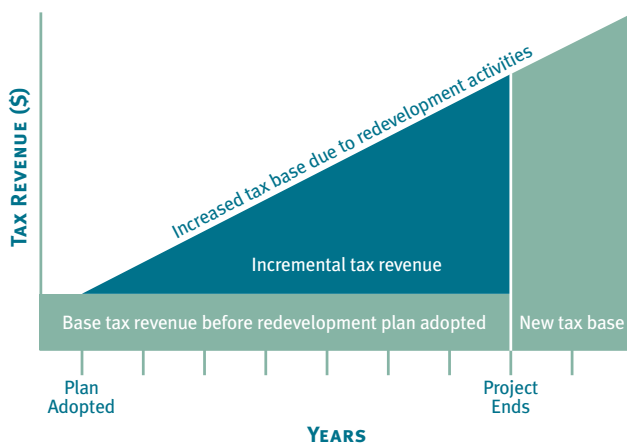
Federal Funds

While redevelopment is primarily financed by tax increment revenue, RDAs also use other, more flexible, economic development programs, such as Community Development Block Grants (CDBG).

The CDBG program allocates U.S. Department of Housing and Urban Development funds to state and local governments to revitalize low-income neighborhoods. CDBG funds are often bundled with redevelopment funds in targeted neighborhoods.

Each community must establish CDBG funding priorities every five years. Public health advocates can work with the community to build consensus on the need for healthy food and then organize stakeholders to participate in the community input process for the CDBG five-year plan. If attracting healthy food retail is prioritized in the plan, funds may then be used for that purpose.

Tax Increment Financing



For the life of a redevelopment project (typically 30 to 45 years), most of the tax revenues generated from increasing property values are allocated to the redevelopment agency.

How Are Redevelopment Areas Established?

A neighborhood must be officially designated a “redevelopment area” to be eligible for redevelopment financing and other tools. Redevelopment projects remain active until an area is no longer blighted, typically 30 to 45 years. Strict legal guidelines govern the process for establishing the area and creating and implementing redevelopment plans, and advocates have opportunities to influence the priorities with each step.

1. Establish a survey area



With input from elected officials, community groups, and city departments, the redevelopment agency defines the geographic boundary of the redevelopment area. *Advocates can lobby elected officials to establish a redevelopment area.*

2. Document “urbanization” and “blight”



To be designated a redevelopment area, a neighborhood must be urbanized (not rural), and it must feature the negative physical and economic conditions known as blight. The legal definition of blight includes many public health risks, including unsafe or unhealthy buildings, presence of hazardous waste, and lack of grocery stores. A consultant usually conducts this study.

3. Create the redevelopment plan



Typical components include targets for affordable housing development, major real estate projects, improvements to physical infrastructure (e.g., pedestrian safety, lighting, building façades), and economic development goals (e.g., business attraction and workforce development). Redevelopment agencies have many competing priorities, and most agencies have not placed a strong emphasis on improving health outcomes. Health advocates may need to actively engage agency staff, elected officials, and the broader public to secure support for projects that create healthy communities. *Advocates and public health officials can encourage citizens to join the oversight committee (PAC/CAC), educate its members and elected officials about the need for healthy food and physical activity in the community, and participate in the planning process to make sure health priorities are in the plan.*

4. Complete an Environmental Impact Report (EIR)



An EIR describes the potential environmental effects of the proposed redevelopment plan, analyzes alternative strategies, and details measures to mitigate the impact of the proposed strategies. Once a draft EIR is complete, comments are solicited in writing and through a series of public hearings; *advocates can play a strong role in garnering support or opposition to the plan through this process.* (Depending on scope and controversy, this phase could culminate quickly or take years to complete.) *Advocates also may wish to conduct a Health Impact Assessment of the proposed plan to evaluate its potential public health effects.*

5. Adopt the plan



The final plan is submitted to the redevelopment commission for approval, then to the city council or board of supervisors for adoption. *Public health advocates and community residents can attend the hearings and voice their priorities.*

6. Follow up



Every five years for the duration of a project, the RDA is required to review and reprioritize activities for the ensuing five years, with input from the oversight committee and the broader community. *Advocates may play a range of roles, including holding the RDA accountable for supporting health-oriented goals and partnering with other community-based organizations to implement the plan. Other helpful roles include raising funds from public health philanthropies to implement priority projects, generate public health data to inform the priorities, and communicating progress to the community.*

Engaging Residents

*Every redevelopment project area must have citizen oversight through either a **project area committee (PAC)** or a **community advisory committee (CAC)**. The main difference between the two is the extent of citizen involvement: PAC members help create and implement the redevelopment plan, approve the budget, and ultimately approve or reject real estate development proposals within the project area, while CAC members play a more limited advisory role. A PAC must be established if the project area contains a significant number of low-income households and the redevelopment plan calls for the use of eminent domain to acquire residential property (see “How Do Redevelopment Agencies Work?”). Otherwise, a CAC is formed.*

Public hearings have become government’s primary way of soliciting citizen input. Despite their best intentions, there is little incentive for staff to reach out to the community – and many stakeholders (particularly non-native English speakers) are left out of the process as a result. In recent years, more proactive community outreach and education strategies have begun to emerge, and some redevelopment agencies have built strong partnerships with community coalitions.

The Controversial Legacy of Redevelopment

In America, redevelopment emerged in the late 1940s in response to what were perceived as economically depressed and deteriorating areas. Believing they knew what was best for communities, redevelopment agencies took drastic measures using the power of eminent domain to demolish and clear entire neighborhoods, including homes and commercial areas, places of worship, and community gathering places.

Following broad public outcry, redevelopment laws have changed, and extensive citizen oversight is now required as part of the redevelopment process. Work plans focus on revitalizing existing communities rather than wholesale neighborhood replacement, and state laws have placed additional limitations on the controversial practice of eminent domain. These reforms work best when an

active and organized community can articulate its needs and priorities, set realistic goals, and hold the agency accountable to its promises.



Photo by Dave Glass

Many Victorian buildings were demolished or relocated by the San Francisco Redevelopment Agency during the 1960s and 1970s.

What Else Can Redevelopment Agencies Do?

Policy Initiatives or Requirements

RDAs and citizen oversight committees can establish requirements for projects receiving redevelopment funding, which may be negotiated on a project-by-project basis or as a matter of general policy. Requirements may include local hiring and contracting, living wage and other employee benefits, affordable housing units, specific urban design and green building standards and park construction. Advocates can help generate political support for requirements that have the potential to improve health outcomes.

Grantmaking

The RDA can award grants and loans to community-based organizations for business technical assistance, workforce development, and other activities to help achieve goals outlined in the redevelopment plan. Advocates can work with the RDA to align grantmaking with public health goals, such as increased access to healthy food.

Community Benefits Agreements

In redevelopment areas, the PAC/CAC (or third-party organizations such as labor councils) can take a leading role in negotiating a community benefits agreement (CBA) for each proposed development. A CBA is a legally binding contract with a developer that sets forth the benefits a community will see from a development project. These benefits may include the construction of a community space or parks, funding for cultural events, or workforce development programs. In general, the kinds of “benefits” garnered depend on how much leverage the community has with the developer and how much profit the project will generate. The process of negotiating community benefits can become highly contentious.

Partnerships

RDAs partner with other city agencies, nonprofit organizations, and the private sector to advance redevelopment goals. Every city’s organizational structure is different: It is important to learn the most strategic entry points in your community, where you can effectively influence priorities and outcomes.

Partner agencies typically include the following:

- Planning
- Community development
- Economic development
- Mayor’s office
- Elected officials
- Department of Public Works
- Police/Justice department
- Department of the Environment or Sustainability
- Transportation Department

By working with redevelopment agencies to transform distressed communities, public health advocates can ensure that steps to create healthier communities are prioritized in redevelopment plans and funding decisions.

For more information about ways to bring healthy food retail into underserved communities, see the economic development resources at www.healthypartners.org.

Funded by the California Department of Public Health, through the Network for a Healthy California.

This fact sheet is designed for a California audience. Readers in other states should consult planners in their area.

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