

What Redevelopment Means to Richmond

JOBS AND GROWTH

There is no reliable evidence that redevelopment projects attract businesses to the state or increase overall economic development in California

— Legislative Analyst's Office, January 2011

Eliminating redevelopment would result in the loss of an estimated 1,900 jobs in Richmond.

— League of California Cities estimate.

Eliminating redevelopment would take away one of Richmond's most powerful tools for creating jobs and growth. Redevelopment has allowed the City to tackle tough problems and boost the economy on a scale that private industry and other tools of government just can't.

Without redevelopment these projects simply couldn't be done.

The governor has called redevelopment agencies a "piggybank," but this is terribly inaccurate. Money in a piggybank is hoarded, but redevelopment money is used everyday in Richmond, creating jobs and private commerce worth many times the public investment.

The Ford Assembly Plant closed in 1956



and sat empty on the Richmond waterfront for over fifty years. Designed by the "architect of Detroit" Albert Kahn, the iconic 525,000-square-foot brick and glass building exemplified his "daylight factory" concept. Enormous skylights lit the interior and huge windows framed the San Francisco skyline, but the building was nearly condemned. Years of neglect slowly rendered it unusable, and the 1989

FORD BUILDING/CRANEWAY PAVILLON—NOW



Loma Prieta earthquake left it damaged and unsafe. Restoring it was too expensive for the City, and too risky for a private developer. Using redevelopment funds and a development agreement the Richmond Community Redevelopment Agency transformed the factory into a bustling mixed-use development combining offices, light industrial space, shops, a restaurant, a concert and event venue, and coming later this year Rosie the Riveter World War II Home Front Visitor Education Center. The building is over 90% occupied by tenants including SunPower, Mountain Hardware, Title Nine, Best Line, and the Boilerhouse Restaurant. **600 permanent jobs — not including construction workers, have been created at the Ford Building.** After decades as an empty shell symbolizing industrial decline, the building has become the crown jewel of Richmond's waterfront.

The Richmond Transit Village is an ambitious multi-agency transit station and housing development in the heart of the City. It gives residents access to BART

and Amtrak trains, AC Transit buses, and Golden Gate Transit buses at one compact location. Phase I of the housing development has already provided 132 single-family homes — half reserved for families of very low, low, or moderate income — 16,500 square feet of commercial space, a

multi-modal transit station and a 762-space parking structure. Phase II will build a further 99 homes for ownership. As California and the nation struggle to fight climate change and limit greenhouse gases, this transit-oriented development positions Richmond for the future, while creating jobs and housing today. **Another 300 permanent jobs, not counting construction jobs, were created with redevelopment funds** at the Macdonald 80 shopping



center. The 200,000-square-foot regional mall, anchored by a Target, sits on formerly blighted parcels at the intersection of Macdonald Avenue and Interstate 80. The project provides jobs for residents and draws shoppers to Richmond, and it is helping to turn around a neglected and troubled part of the City.



Benefits To All Taxing Entities

The private development that occurs in redevelopment project areas often would have occurred even if the RDAs were never established.... There is no growth in assessed value for the county, school districts, community college districts, or special districts that also serve the redevelopment territory. Over the 40 or more years of life for a typical RDA, this shift of revenue can dwarf base property tax revenue."

— Governor's Budget Summary 2011-12 Office

The governor has framed redevelopment as competing against schools and counties. Even during the life of a redevelopment project, this is not fair: redevelopment agencies turn over a significant portion of the money they collect to schools and counties, and this amount grows over time as the tax base increases due to redevelopment. But it is even more inaccurate over the long term. After redevelopment has taken hold, and increases in commercial activity have grown the tax base, often dramatically, redevelopment projects expire. When that happens, *all* taxes generated in the area – an amount far higher than

the taxes generated before redevelopment – benefit counties, schools, and other entities receiving property taxes. Arguing that California cannot afford redevelopment is severely short sighted; we not only can afford the economic growth created by redevelopment, we will all benefit from it. The Marina Bay project, made possible by redevelopment, transformed the blighted Kaiser Shipyards, where the Liberty Ships and Victory Ships that kept Allied shipping lanes moving in World War II were produced. After the war the shipyards fell into disuse and left a legacy of contamination,



Marina Bay—Before



Marina Bay—Now

"thanks to redevelopment they now hold parks welcoming visitors to the shoreline, a 750 berth recreational marina, and 2,200 housing units."

but thanks to redevelopment they now hold parks welcoming visitors to the shoreline, a 750-berth recreational marina, and 2,200 housing units. Before redevelopment, this abandoned area generated a negligible amount of taxes for key public services.

Today, it generates \$12.5 million in tax increment annually – that is, it generates \$12.5 million more in taxes than it did before redevelopment, every year.

Furthermore, this comes only from increases in the tax *base*, not from any increase in tax *rates*. Most of this tax increment revenue goes to pay for the improvements that made the increase possible, but a significant portion is passed to schools, counties and other taxing entities – and \$2.5 million dollars annually goes to affordable housing.

When the redevelopment project expires, **all the money will go to those taxing entities, who received very little from the area before.**

Valuable Community Facilities

Redevelopment has provided invaluable community facilities that improve the lives of residents and support the broader growth of the community, including:

The Richmond Greenway: a bicycle and pedestrian trail connecting East and West Richmond, built on an abandoned railroad.

The Winters Building: renovation of a historic 20,000-square-foot building in downtown Richmond housing the East Bay Center for the Performing Arts, whose performing arts programs have served 52,000 children and young adults in East Bay communities.

Nevin Park: redesign of a crime-plagued park with strong community input restored safety by opening visibility to surrounding streets and providing play structures. New facilities include multi-purpose play fields, a water play feature, park furniture, and a perimeter walking path.

Downtown Revitalization: Richmond's downtown has begun drawing residents and visitors back in. Redevelopment has made possible a 78,000-square-foot retail center, a 220-space parking garage, a new supermarket, a police substation embedded in the community, a 20,000-square-foot community garden, murals and public art, and a Memorial Park. Redevelopment funds support public safety investments in Richmond, including:

Public Safety

- Crime-preventing cameras and Shot-Spotter acoustic gunshot locators installed in BART parking structure, and in street features installed in the course

of Nevin Park restoration and Macdonald Avenue streetscape improvements.

- A new Iron Triangle community police sub-station.
- A new Macdonald 80 shopping center community police sub-station.
- A new Richmond Transit Village interdepartmental police patrol stop.

Affordable Housing

“RDAs are required to devote 20% of their income to building low income housing. Many RDAs have large balances in their housing funds and have not developed housing.”—Governor’s Budget Summary.

Potentially the most devastating consequence of eliminating redevelopment would be a massive reduction in affordable housing in California. By law, 20% of redevelopment funds must go to affordable housing. This makes redevelopment the second largest source of affordable housing funds in the state, second only to the federal government. Eliminating redevelopment agencies would remove that funding source in one stroke. The Non-Profit Housing Association of Northern California (NPH) estimates that redevelopment has funded 91,000 housing units in California since 1995; and that since 1999, redevelopment agencies have helped 166,779 households, including 145,097 households of low or very low income, find affordable housing. Very few of these housing units would have been created without redevelopment.

In Richmond, the redevelopment funding set aside for affordable housing is leveraged by at least 3 to 1, supporting programs administered by the State Treasurer’s Office, the Department of Housing and Community Development (HCD), and CalHFA. Richmond

has been a leader in using housing funds to the maximum benefit of low-income residents, using \$31 million to leverage over \$475 million in private and public capital since 1993. Richmond has financed or created more than 900 affordable rental and ownership units through redevelopment.



Nevin Park—Now

Between January 2002 and July 2009, the Redevelopment Agency created 422 affordable housing units in Richmond, including 140 units affordable to households of low or very low income.

In the same time period, only 13 affordable housing units were created with locally controlled funds without Richmond Community Redevelopment Agency assistance.

Completed and pending Redevelopment Agency housing projects include:

Metro Walk: 231 ownership townhouses and live-work units, developed by the Olson Company. Phase I includes 132 residential ownership units half are affordable and approximately 16,500 square feet of commercial space. Units are oriented toward walkways and streets, and the development includes a playground.



Macdonald Avenue—Before



MACDONALD AVENUE—Now
Streetscape improvements

Phase II will include approximately 10,750 square feet of retail space and 99 units of ownership housing.

Cheslev Mutual Housing: 30 affordable housing units reserved for families at or below 60% of area median income (AMI). This new project in the Shields-Reid neighborhood was built by the Community Housing Development Corporation of North Richmond (CHDC) and Eden Housing. The mutual housing model is financed as a rental project, yet allows the occupants input into management and operating issues similar to ownership projects, and gives them the option to purchase their unit after the 55-year rental covenant period expires.

Easter Hill: 238 rental units and 40 ownership units, 250 affordable units. This replaced 300 dilapidated, crime-ridden public housing units with a mixed-use neighborhood of parks, townhouses, duplexes, and single-family homes designed with strong community input. The heart of the project is a 20,000-square-foot community center with gymnasium, classroom space, police substation, and computer-learning center. The development used redevelopment tax increment for only six percent of financing; private equity from low income housing tax credits, Federal Community Development Block Grants and Hope VI funds provided the rest.



Nevin Park—Before



We are on the web!
www.ci.richmond.ca.us

Trinity Plaza/Macdonald Senior Housing: 66 affordable units for seniors at or below 60% of AMI. Sponsored by Richmond Labor and Love Community Development Corporation and developed by the Related Companies, a for-profit affordable housing developer with \$6.2 million from the Redevelopment Agency. The project builds on nearby improvements to Nevin Park and Macdonald Avenue, also funded by redevelopment. Includes retail space in a separate "community use" building.



jections for this project, on which the Agency plans to spend \$52,000 from the Housing Fund. It is scheduled to be completed in FY 2011/12.

Filbert Townhomes: 36 units for households earning at or below 65% of AMI. This development represents the continuation of new construction along Filbert Street in the North Richmond community. The Agency will contribute no more than 25% of the \$17.7 million required to acquire and develop the site. In July 2009, the Agency awarded the CHDC \$834,013 in CDBG and HOME funds to support the development. The estimated completion date for the development is June 2012.

Miraflores: 80 affordable rental units for seniors and 150 affordable and market rate ownership units. The Agency is leveraging housing fund dollars with federal EPA Cleanup and Revolving Loan funds, along with a \$2.6 million grant through the CalReUSE program, to remediate this 14-acre brownfield site in the Park Plaza neighborhood. The rental portion, developed by CHDC and Eden Housing, is projected to break ground in FY 2012/13; the Agency is currently negotiating with a for-profit developer for the ownership portion to follow in FY 2013/14.

Arbors Preservation Project: substantial rehabilitation of 36 affordable units, and new onsite office and community space. Known as the Arbors Apartments, this permanently affordable complex is designated for extremely low, very low, and low income households. Resources for Community Development (RCD) is the developer and the development budget was \$11.5 million. The Agency has provided \$3.2 million in CDBG, HOME and 2007b Bond proceeds. Completed in January 2010.

Lillie Mae Jones Plaza: 26 affordable rental units for families at or below 60% of AMI, including persons with HIV/AIDS and other disabilities. To be developed by the Community Housing Development Corporation of North Richmond (CHDC) and the East Bay Asian Local Development Corporation. Brookside's Richmond Health Center, now located in the Richmond Enterprise Center, will be relocated adjacent to this development. This project continues the Macdonald Avenue Economic Revitalization Plan's positive changes to the area, including infrastructure and streetscape improvements recently completed by the Agency. The Agency allocated \$1.95 million from the bonds backed by housing set-aside Funds towards gap financing for this project, scheduled for completion in April 2011.

Carquinez Apartments: 35 affordable units for seniors in the heart of downtown Richmond, across the street from the Kaiser Medical Center and three blocks from BART and shopping. This 1926 building has served low-income seniors in 35 one-bedroom units since Bridge Housing purchased the property in 1990. The rehabilitation preserves a healthy, affordable living environment for very low income seniors. The total development budget is \$10.9 million and the Agency has provided approximately \$1.3 million in 2007b bond proceeds and HOME funds to support this project. Completed December 2010.



Nevin Court: Originally planned as 10 townhome units for low and moderate-income homeowners, this development is now envi-

sioned as 21 rental units for low-income households. It will include a mix of unit sizes and amenities including onsite parking and property management and a community room. The CHDC is currently working with Agency staff on project design and financial pro-



WHY WE NEED TO STAY IN RICHMOND

The projects highlighted in this report would not have come to fruition without the tools of redevelopment. For Richmond to continue to grow, the Richmond Community Redevelopment Agency needs to continue with projects and programs aimed at eliminating blight in our inner city as well as addressing a challenged infrastructure, contaminated properties and abandoned building throughout our redevelopment areas.

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