



# California Redevelopment Association

*Redevelopment. Building Better Communities*

## GOVERNOR'S PROPOSAL TO ELIMINATE REDEVELOPMENT

### TALKING POINTS

*(as of 1/10/11)*

- The Governor's proposal to eliminate redevelopment agencies is *not* the solution to the State's budget deficit. It is more budget smoke and mirrors that will bring little financial gain for the State, but instead, will cause widespread and significant economic pain in communities throughout California. It is another gimmick that will likely result in extensive litigation.
- The State and local governments have very few mechanisms for economic development, but redevelopment is the exception.
- Redevelopment is essential for revitalizing blighted communities and bringing them back to economic vitality by creating jobs, funding affordable housing, building public infrastructure improvements, and creating commercial opportunities.
- Redevelopment is a locally-governed service which annually generates 304,000 full- and part-time private sector jobs and puts people to work at a time when unemployment is soaring over 12 percent.
- The Governor's proposal would eliminate redevelopment agencies and instead create "shell" organizations which would simply administer existing debt obligations. However, this would cripple many local economic development programs which are currently in place to improve and revitalize local communities.
- Eliminating redevelopment means the end of California's Affordable Housing program. This would be devastating to California's low-income population and for workforce housing options.
- Since 1993, redevelopment agencies in California have built or rehabilitated over 98,000 units of affordable housing.
- Redevelopment contributes \$40 billion annually to California's economy and generates more than \$2 billion in state and local taxes. It makes no sense to kill this vital economic engine.
- If redevelopment agencies were eliminated, it will have a direct and lasting negative impact on California's economy.
- ***Bottom line, the budget proposal to eliminate redevelopment will hurt California and cripple the local economies in cities and counties statewide. It is not a solution and will not work to solve the budget problems.***

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