

“Redevelopment” in Alameda

Impact on Public Services



“Redevelopment” – technically known as “tax increment financing” – is alive and well in Alameda, and impacting our ability to fund general services for citizens. The redevelopment mechanism allows the City of Alameda to issue bonds to fund land improvement projects, and the debt is paid back with increased property taxes (the tax increment) resulting from the improvements. Redevelopment can be used for “good” such as the restoration of the historic Alameda Theatre. But it’s also subject to abuse – redevelopment money was used to fund the attached multi-screen cineplex and seven story parking garage that few people wanted and most historic theatre lovers objected to. SunCal Companies is getting reading to ask for \$700 million of redevelopment subsidies to finance the infrastructure for Alameda Point so that they build and sell houses for private profits. The Community Improvement Commission (CIC) of the City of Alameda controls redevelopment here in town. Here are some insights on the impacts:

- For the Fiscal Year 2007/08, the City of Alameda’s redevelopment revenues totaled almost \$20 million. This information is available from the City in their year-end financial report summary presented to council on October 21. This money is un-available to pay for general services for the City. And with automatic 2% property tax increases each year, redevelopment projects get a built-in, annual 2% increase in revenues, whether or not they are actively new creating jobs or otherwise providing new benefits to the community.
- According to the CIC financial report for the year-ended June 30, 2007, the City of Alameda has advanced \$1.2 million from the general fund to the Alameda Point Community Improvement Project (APIP) area, in anticipation of subsidizing land developers building housing at Alameda Point. The money is to be paid back with interest, but in the interim, the funds are not available for basic public services. And the APIP fund is broke – City Council couldn’t force the money to be re-paid early even if they wanted to.
- Redevelopment projects have a fixed life-span, after which all of the debt is supposed to be paid-off and the tax increment returned to the City’s general fund. But in March 2003, the City merged the project area that contains Marina Village with a new west-end project area. Just as the City was about to reap the benefits of the Marina Village project tax-increment coming back to the general fund, the City extended the life of the project until 2041. Not for another 33 years will we see those new property taxes spurred by redevelopment.
- The California Redevelopment Association is a Sacramento-based lobby group serving primarily land builders to further the use of tax increment financing to subsidize development projects across the state. Ms. Leslie Little, the Redevelopment Director for the City of Alameda, sits on the board of directors. Ms. Little runs “redevelopment” within the City of Alameda.
- It has long been acknowledged that redevelopment diverts money from other local agencies like school districts. The City of Alameda is holding \$4 million of redevelopment money that belongs to the Alameda Unified School District, some of it intended for the repair and maintenance of our City’s school facilities.
- Redevelopment bonds can be issued by City Council without a vote of the citizens. Alameda’s redevelopment debt already totals \$300 million, and will top \$1 billion if SunCal gets their subsidy.

Only through organized public opposition to the abuse of redevelopment as we have seen it in Alameda can we turn the tide of our tax dollars back to tax payers and away from private interests. Please join us.

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