



In This Issue...

[The Mid-County Post > News](#)

911

[Around Town](#)

[Business Profile](#)

[Crimebeat](#)

[Did You Know?](#)

[Dining](#)

[Featured Pet](#)

[Newsmakers](#)

[Opportunities](#)

Future of Redevelopment Still Uncertain

Some Optimistic Agencies Will Survive as Projects Scramble to Beat Deadline

By Linda Fridy

Even as local leaders celebrated the ribbon cutting for the new Live Oak resource center on June 3, they worried about the loss of redevelopment money that built it.

The Santa Cruz County Redevelopment Agency put about \$4.5 million into the green building, while the two nonprofits that share the space raised another \$1 million to assure its operation for 30 years.

The project achieves many of the goals of redevelopment.

It partnered with other agencies, in this case the Volunteer Center and Community Bridges' Live Oak Family Resource Center, to expand needed community services. The environmentally friendly construction and design created jobs and offer learning opportunities for students.

And it's an eye-catching addition to the neighborhood.

Yet as California's ongoing budget crisis forces schools to raise class sizes and layoff teachers and local governments to furlough workers and reduce social services, some in state government believe redevelopment should no longer claim the \$5 billion it takes in property tax. Most in local government disagree.

Ever since Governor Jerry Brown released a budget in January calling for the end of redevelopment, cities and counties around the state have been scrambling to start projects and preserve funding.



Brown hopes to use some of the local property tax money that usually goes to redevelopment to shore up courtroom funding and Medi-Cal costs for the fiscal year starting July 1.

In future years the money would be distributed locally in the same way property taxes are from non-redevelopment areas. The state benefits because a large chunk of that goes to schools, which would ease the state's burden to replace the funding to schools that are now diverted to RDA.

Redevelopment agencies around the state have been criticized for loose interpretations on what constitutes the blight redevelopment is supposed to address and for using some money to pay unrelated salaries ♦ like for administrators that have little to do with RDA projects.

However, local agencies point to many well-received, community-supported projects.

Optimism and Uncertainty

Brown kept the elimination of RDAs in his revised May budget, but the budget item failed an Assembly vote in March and recent legislation that would reform but not end the program has given redevelopment supporters a small bit of hope.

"We're feeling more optimistic than we have in some time," said Bonnie Lipscomb, who leads Santa Cruz City's economic development and redevelopment.

Her agency has continued to move forward with its two largest projects, the second phase of the Tannery Arts project on River Street and the construction of the Marine Sanctuary Center.

"We're really using state and federal grant funding to try to secure futures for our projects," she said, an approach that has garnered millions to Santa Cruz in special projects.

In fact, Lipscomb says the majority of the money for those projects is leveraged money, not redevelopment funds alone.

Plus, the agency has already spent a lot of taxpayer dollars on some of the projects and to stop would be a waste.

"To not go forward would make no sense. It would be irresponsible on our part," she said.

New Assemblyman Alejo Big Redevelopment Proponent

Another reason for her optimism is a bill from Watsonville Assembly Member Luis Alejo, which mirrors a reform effort by State Senator Rod Wright.

Lipscomb noted that while every Democrat voted to eliminate redevelopment back in March, Alejo has attracted fellow Democrats to support his bill. That gives her hope that Sacramento may preserve redevelopment.

She also had the advantage of the dual role of economic development in her agency, which is a bit rare among cities.

Her department oversees public art project and handles property management (like the lease concessions at the wharf), and community development block grants. This makes her more necessary even if RDA is entirely eliminated and less vulnerable to redevelopment losses.

Over at the county RDA , director Betsey Lynberg is more cautious, in part because her projects in Live Oak and Soquel are not as far along.

"What we're hearing from Sacramento remains uncertain," she said.

Even if redevelopment survives, "it doesn't mean it will stay like it is. And we don't know, except

for what's in the current reform legislation, what the significant change could be."

Should the state eliminate RDAs, the county budget currently recommends cutting 21 jobs from the agency.

While the city of Santa Cruz has funding partners and projects in construction, the county had just completed its community-driven five-year plan and has been rushing to get some of those projects underway or at least under contract.

Looking for Partners

The county worked this spring to spend the RDA money it already has and to try to claim some future income for projects identified during last year's community meetings.

Three planned road improvement projects ♦ on Soquel Avenue, Eaton Street and East Cliff Drive ♦ were fast tracked this spring.

County officials hope that an agreement with an outside organization for other plans will allow redevelopment to keep a share of property tax.

The county is negotiating with the Boys and Girls Club and the Live Oak School District to develop a teen center on the campus of Shoreline Middle School. That project had strong support from the community.

It also still hopes to complete a new sheriff's center located in Live Oak. Supervisors allotted that project the lion's share of the unspent RDA balance, but that project does not have any logical outside partners. The legal consensus is that projects with other partners would be harder for the state to challenge.

Another partnership is with Dominican Hospital for a new acute psychiatric facility.

Lynberg is also working with the Santa Cruz County Community Foundation on a new nonprofit that could take on oversight of projects in Soquel and Twin Lakes.

She said they may be able to pull off that agreement before the fiscal year ends June 30.

Other long-planned efforts lost out, but the county is working to preserve two park plans. It took ownership of land at the former Farm in Soquel and on Chanticleer in Live Oak that already have designs.

The Farm site recently received a grant toward stream and habitat restoration and the development of a community garden.

While some of the more extensive amenities originally planned, such as a skate park and community center, will have to wait, Supervisor John Leopold said community members in both neighborhoods have been discussing what volunteers may be able to undertake.

These efforts include trails and community gardens and perhaps a dirt bike "bump" course.

The Housing Piece

One change out of Sacramento Lynberg expects to hold relates to housing. Initially the governor's plan called for any unused housing set aside to transfer to the Housing Authority, but now it appears that it will remain with the county for low-income housing projects.

The RDA had already committed much of that to affordable housing projects in Aptos, Seacliff and on the outskirts of Watsonville.

Capitola has been allocating its housing funds on mobile home parks, helping a nonprofit buy one

park and creating rent assistance programs for low-income tenants.

It just celebrated the completion of its largest housing project, the renovation and expansion of senior apartments on Bay Avenue.

Capitola city leaders used other existing RDA funds to shore up the Rispin mansion and work on Wharf Road. It also contracted for improvements around the Capitola Mall and added to the money already pledged to build a permanent library.

"We've made firm commitments and contracts to provide housing support and fund capital projects. If the state wants to come and try to take some of that money, we will argue that people would be harmed," said Derek Johnson, community development director.

That kind of spending around the state could be one reason that lawmakers may be rethinking the elimination of redevelopment.

"The money the governor counted on [to divert back to the state in July] probably doesn't exist because other RDAs are doing the same things we are [to preserve their projects]" said Supervisor Leopold. ■

« Previous Story:

Next Story: »

Contact Us

[Advertising Inquiries](#)
[To the Editor](#)
[Submit a Calendar Event](#)

Learn More...

[About the Mid-County Post](#)
[Online Issue Archives](#)

The Mid-County Post

Bringing Home the News Since 1989

831 Bay Avenue Ste. 1C 831-476-9130 phone
Capitola, CA 831-476-5023 fax



Entire contents ©2007 The Mid-County Post. No part may be reproduced in any fashion without written permission of the publisher. Locally owned and published.