



SAN DIEGO  
REDEVELOPMENT  
AGENCY

RESTRUCTURING  
OPTIONS  
REPORT

NOVEMBER 2006  
FINAL DRAFT

C L A R I O N

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## 1. Introduction

San Diego has retained Clarion Associates to review various governance structures for the San Diego Redevelopment Agency (SDRA). Prior to the 2006 changes to the San Diego charter, the city manager served as the executive director of the SDRA, and the director of the city's Community and Economic Development Department (now the City Planning and Community Investment Department (CPCID)), served as the assistant executive director responsible for day-to-day operations of both the SDRA and oversight of two CDCs formed for specific areas. The Centre City Development Corporation (CCDC) was responsible for planning and redevelopment activities in the Centre City and Horton Plaza project areas, and the Southeastern Economic Development Corporation (SEDC) was responsible for redevelopment (but not planning) in the Central Imperial, Gateway Center West, Mount Hope, and Southcrest project areas. The Redevelopment Division of the CEDD (now CPCID) was responsible for redevelopment activities in the remaining areas of the city. Although producing redevelopment projects of state and national prominence, this system also has drawn criticism, including claims that:

- **Multiple Approvals Required.** The CDC structure requires two levels of approval (first by the CDC board and then by city council), slowing approvals and implementation.
- **Distant Public Input/Accountability in CDC Areas.** The CDC structure is less accessible for citizen input than the CPCID/RD, which is part of the city structure.
- **Rigid City Personnel Structure.** While CDCs have greater financial autonomy to make personnel and salary decisions, the CPCID/RD is part of the San Diego civil service and union structure, which make it difficult to hire, terminate and compensate employees appropriately.
- **Slower City Procedures.** While CDCs have greater autonomy to execute contracts for redevelopment services, the CPCID/RD has to use slower city contracting procedures.

In the wake of the 2006 changes to the San Diego charter, this system was required to change. There is no longer a city manager to serve as the executive director, and the Community and Economic Development Department was restructured to include the Planning Division and is now the CPCID. In addition, since the mayor is no longer part of the city council, there are questions as to how the intended "strong" mayor will in fact influence decisions made by a governing body that does not include him. The San Diego City Council has appointed the mayor as the interim executive director of SDRA for a one year term to explore options for SDRA structures that would address the perceived weaknesses of the existing system (the four criticisms listed above) while also accomplishing four other goals:

- **Meaningful Leadership Role for Strong Mayor.** The structure should provide a meaningful role for the mayor to guide redevelopment activities on par with his intended stronger role in general city governance.
- **Quick Response to Opportunities in Non-CDC Areas.** The structure should allow SDRA to respond quickly to new redevelopment opportunities throughout the city.
- **Coordinating Planning and Redevelopment Activities.** The city wants to coordinate redevelopment activities with the city's strong commitment to comprehensive and neighborhood planning.

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- **Effective Input for CPGs and Citizens.** The system should provide opportunities for both the Community Planning Groups and other citizen groups (Project Area Committees or Redevelopment Advisory Committees) to participate in redevelopment decisions.

California law permits a variety of redevelopment agency governance structures -- including governance by the city council, governance by an independent board of directors, and many hybrids. When the council is the agency board, California Community Redevelopment law also allows for the creation of a redevelopment commission, to which it may delegate a variety of functions. In any of these structures, it is possible to combine the governance of the redevelopment agency and other agencies, such as those of a housing authority. While not explicitly mentioned in the Community Redevelopment Law, some California cities have created non-profit community development corporations to carry out designated redevelopment activities on behalf of the city, and this constitutes yet another legal governance structure for redevelopment.

To begin the process of evaluating options, San Diego requested that Clarion Associates review the comparative advantages and disadvantages of the following four governance structures:

- **Current Structure with Enhancements.** Retain the existing structure with the city council as the redevelopment agency board. Identify and recommend improvements to the existing structure and pursue best management practices.
- **Independent Agency for Redevelopment.** Establish a separate redevelopment agency board; transfer Redevelopment Division staff to be employed directly by the agency outside of the city structure.
- **Independent Agency for Combined Services.** Establish an independent agency that would have redevelopment authority as well as additional responsibilities for community development and economic development activities.
- **Third CDC.** Establish a non-profit corporation for current city Redevelopment Division projects, based on the current CCDC or SEDC models, with a separate corporation board and staff outside the city structure. City council would continue as the redevelopment agency board.

Clarion Associates has not been asked to recommend a preferred form of governance structure for SDRA, and this report does not make such a recommendation. Instead, this document is intended as a decision-making tool to be used by San Diego's political leaders in making future governance decisions.

Section Two of the report discusses the advantages and disadvantages of a variety of redevelopment governance alternatives. [Table 1](#) describes the general advantages and disadvantages of the four identified governance structures; [Table 2](#) presents governance tools used by other cities that are relevant to the redevelopment issues identified in San Diego, and [Table 3](#) summarizes the advantages and disadvantages of various systems in light of San Diego's concerns. Section Two also presents a summary discussion of Clarion's additional observations with respect to the redevelopment governance structures available to San Diego. Sections Three and Four provide the background and case summary material on which the findings are based. Within Section Three, [Table 4](#) summarizes of the redevelopment governance structures of the ten largest communities in California, while Section Four presents the results of case studies of

redevelopment governance structures in seven large California communities that have complex government structures and redevelopment programs comparable to San Diego. [Table 5](#) summarizes key governance elements of the seven communities.

## 2. Comparison of the Advantages of Different Structures

Most of the findings in this report are gleaned from the seven case studies of California cities contained in Section Four, as well as experience gained through prior governance projects. Based on that work, we have identified the advantages and disadvantages of the various forms of governance.

At the outset, however, we need to acknowledge that some studies of redevelopment management best practices have not found a clear correlation between governance structure and agency effectiveness. A 2005 City of Chula Vista study surveyed nine California cities regarding factors that contribute to success, and only one (Santa Barbara) identified governance structure as a key factor.<sup>1</sup> Similarly, the Clarion/Waronzof/Consensus 2006 study of Long Beach did not identify governance structure as a key element influencing the effectiveness of the agency.<sup>2</sup> Many cities refine their basic systems over time, and many hybrid systems are in use. Many of the stated advantages and disadvantages relate to structures that have been crafted to fit the politics or the political history of the city, rather than being a pure form of city staffing, independent agency implementation, or CDC implementation.

With this caveat in mind, this section reviews advantages and disadvantages in three different ways and then summarizes some additional overall findings from the research.

### A. General Advantages and Disadvantages of Different Structures

Table 1 summarizes the broad advantages and disadvantages commonly identified with the four selected models of governance:

TABLE 1: Generalized Advantages and Disadvantages of Basic Structures		
Structure	General Advantages ▲	General Disadvantages ▼
City Council / City Staff	<ul style="list-style-type: none"> <li>• Simplest structure</li> <li>• Avoids possible policy direction differences with a second body</li> <li>• Direct accountability to electorate</li> <li>• Single target for public involvement</li> </ul>	<ul style="list-style-type: none"> <li>• Council may lack expertise in redevelopment</li> <li>• Heavy work load on council</li> <li>• Limited role for mayor if not part of council</li> <li>• May increase pressure to fund non-revenue projects</li> </ul>

<sup>1</sup> City of Chula Vista, *Report on the Formation of the Chula Vista CDC Corporation*, July 20, 2004, p. 16.

<sup>2</sup> Based in part on the *Independent Study of Redevelopment in Long Beach*, Clarion Associates, May 2005

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TABLE 1: Generalized Advantages and Disadvantages of Basic Structures		
Structure	General Advantages ▲	General Disadvantages ▼
	<ul style="list-style-type: none"> <li>• Single body to coordinate planning and redevelopment</li> </ul>	<ul style="list-style-type: none"> <li>• Possible slower personnel and contracting decisions</li> </ul>
Independent Redevelopment Board / Staff Outside City Structure	<ul style="list-style-type: none"> <li>• De-politicizes decisions</li> <li>• Board can include redevelopment expertise</li> <li>• Shares workload between council and board</li> <li>• Possibly speedier personnel and contracting decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Additional review and approval step</li> <li>• Possible differences with council priorities</li> <li>• Potential for divergence between redevelopment activities and planning, economic development, community development activities still reporting to council</li> </ul>
Independent Commission Board (for Combined Services) / Staff Outside City Structure	<ul style="list-style-type: none"> <li>• Same as for independent redevelopment agency but:</li> <li>• Extended to economic and/or community development activities</li> <li>• Reduced potential for divergence between redevelopment, economic development, and community development activities</li> <li>• Possible efficiencies in sharing staff and resources among staff of related activities</li> </ul>	<ul style="list-style-type: none"> <li>• Same as for independent redevelopment agency, but</li> <li>• Potential divergence between these combined activities and others still reporting to council</li> </ul>
CDC Board / CDC Staff	<ul style="list-style-type: none"> <li>• Perception of business orientation and greater confidentiality</li> <li>• More flexibility in personnel decisions</li> <li>• Possible faster contracting</li> </ul>	<ul style="list-style-type: none"> <li>• Perception of disconnect from elected officials, especially if actions require review by interim body</li> <li>• Potential for divergence between redevelopment and other city goals still reporting to council</li> <li>• Perception that public participation may not reach elected officials</li> </ul>

**B. Analysis: Governance Structure Alternatives for San Diego**

Table 2 below relates the research conducted to the eight specific San Diego concerns (four pre-existing criticisms and four charter change issues) identified in Section 1. Those eight topics are listed in the left hand column, and the right hand column lists structures or mechanisms found in the comparison cities that may be used to address each issue. Further detail on the noted structures of case cities is found in Section Five, which provides a profile of redevelopment governance for each comparison case city. For each topic, a variety of possible approaches has been identified and listed.

Due to the inherent tension between some of the identified issues – for example, strong public involvement and speed of decision-making - some of the options listed in one cell have an opposite alternative listed in another cell. Because Clarion Associates has not been asked to recommend a governance structure for SDRA, we do not reconcile this tension but rather call attention to areas where San Diego’s decision-makers will have to make some hard decisions or craft techniques to balance these competing strengths.

<b>TABLE 2: Tools that Address San Diego’s Concerns</b>	
<b>San Diego Identified issues</b>	<b>Possible Structures (Case Study Examples)</b>
<b>Accountability to the Public</b>	<ul style="list-style-type: none"> <li>• Retain the elected city council as the agency board, and require that the executive director report to them (San Jose).</li> <li>• Create an independent agency with an independent board and require the executive director report to both the mayor and the agency board (Los Angeles).</li> <li>• Have elected officials appoint the independent agency board members (Long Beach, Los Angeles, Sacramento, San Francisco, San Jose).</li> <li>• Include elected officials on a redevelopment commission that oversees a CDC (Chula Vista).</li> <li>• Create a redevelopment commission with consolidated review functions so that the public must attend fewer meetings (Chula Vista).</li> <li>• Form a RAC to advise the agency board or redevelopment commission (Chula Vista, Sacramento).</li> <li>• Formalize a policy with a clear role through which PAC/CAC/RAC input will be gathered and considered (Los Angeles, Sacramento).</li> </ul>
<b>Meaningful Leadership Role for Strong Mayor</b>	<ul style="list-style-type: none"> <li>• Mayor appoints the executive director who reports to an independent agency board (San Francisco, San Jose).</li> <li>• Mayor appoints the independent agency board or redevelopment commission members (San Francisco).</li> <li>• Designate the mayor as chair of the redevelopment commission, to oversee policy development and project review. (Chula Vista).</li> <li>• Staff a council-led agency, Independent agency, or CDC with city employees who report to the mayor through the redevelopment director (Oakland, Chula Vista).</li> <li>• Require that executive level staff of an independent agency be employed</li> </ul>

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TABLE 2: Tools that Address San Diego’s Concerns	
San Diego Identified issues	Possible Structures (Case Study Examples)
	<p>by the city and report to the mayor as well as the agency board (Oakland).</p> <ul style="list-style-type: none"> <li>• Establish a mayor’s office dealing with economic and community development with staff assigned to activities that complement redevelopment agency efforts (San Francisco).</li> <li>• Designate a deputy or other direct employee of the mayor as the executive director of the redevelopment agency (Los Angeles).</li> </ul>
Quick Response to Opportunities in Non-CDC Areas	<ul style="list-style-type: none"> <li>• Improve perception of business orientation by creating a CDC outside of the government (Chula Vista).</li> <li>• Maintain a single governing body for the agency, and minimize formal review steps (Oakland, Sacramento, San Jose).</li> </ul>
Coordinating Planning and Redevelopment Activities	<ul style="list-style-type: none"> <li>• Designate city council as the agency board to direct coordinated redevelopment and planning policy (Oakland, San Jose, Chula Vista).</li> <li>• Consolidate redevelopment economic development, and/or housing functions in one agency (Oakland, Sacramento).</li> <li>• Direct planning staff to update codes and standards, with input from redevelopment agency or CDC staff, to enable desirable redevelopment by-right and reduce conflicts (San Francisco).</li> <li>• Retain redevelopment staff as a division of the planning department (Chula Vista, Long Beach).</li> <li>• Require that redevelopment agency management staff and planning department answer to the same person or entity (either because agency managers are city staff or through the terms of the cooperation agreement) (Chula Vista, San Jose, Long Beach, Los Angeles).</li> <li>• Require that an independent agency submit redevelopment projects beyond those that require entitlements to the planning commission for recommendation to council (Los Angeles).</li> <li>• Develop strong connections between redevelopment advisory bodies and other citizen planning advisory bodies (Chula Vista, Los Angeles, Sacramento).</li> <li>• Task city planning staff with redevelopment plan development and technical support, use agency staff for project implementation and similar redevelopment-specific functions (San Jose).</li> <li>• Designate council as an adjudicating body between the agency and planning commission (Los Angeles).</li> <li>• Schedule regular meetings between planning director and agency director (San Francisco, Oakland, Long Beach).</li> <li>• Convene early meetings between city and agency managers to develop a project timeline and responsibilities (Long Beach)</li> <li>• Develop coordinated agency and planning department review processes with a single point of contact (Long Beach).</li> <li>• Coordinate neighborhood plan development/updates with redevelopment planning so that they support each other (Oakland).</li> </ul>

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TABLE 2: Tools that Address San Diego's Concerns	
San Diego Identified issues	Possible Structures (Case Study Examples)
Effective Input for Community Planning Groups and Citizens	<ul style="list-style-type: none"> <li>• Include citizen group representatives to the agency board or redevelopment commission. (Long Beach).</li> <li>• Appoint some citizen group members as members of CPGs/NACs (San Francisco, Chula Vista, San Jose).</li> <li>• Establish a RAC that includes CPG and other citizen group representatives (Chula Vista).</li> <li>• Require CPG/CAC review and recommendation for redevelopment projects in their area (San Francisco, Los Angeles).</li> <li>• Direct an independent agency to develop a formal policy for interaction with CPGs to be approved by both the agency board and council (Los Angeles, Sacramento).</li> <li>• Notify CPGs when independent agency board or redevelopment commission meetings will review redevelopment projects in their area.</li> <li>• Direct agency staff to provide information about redevelopment projects to the CPG without a formal review or recommendation process.</li> </ul>
Multiple Approvals Required	<ul style="list-style-type: none"> <li>• Designate city council as the agency board with meetings convened jointly to eliminate delays (Oakland).</li> <li>• Create a redevelopment commission and consolidate review functions in that body to the greatest extent possible (Chula Vista).</li> <li>• Appoint overlapping membership to the redevelopment commission and agency board to reduce conflicts between the bodies (Chula Vista).</li> <li>• Allow for agency autonomy in decision-making except as required by law (San Francisco).</li> <li>• If review processes are added, such as planning commission or CPG review of projects, limit the projects they review by type, size, location or other criteria designed to best utilize their time and enable non-controversial projects to proceed quickly (Los Angeles).</li> </ul>
Rigid City Personnel Structure	<ul style="list-style-type: none"> <li>• Create an independent agency board and allow the agency to hire outside the civil service structure (Los Angeles, San Francisco).</li> <li>• In an operating agreement between the city and agency, authorize the executive director of the agency to write a separate personnel policy for the agency that is approved by the board and council (Sacramento, San Jose).</li> <li>• Create a CDC that can hire staff outside the civil service structure (Chula Vista).</li> <li>• Direct the city's human resources department to work with redevelopment managers to develop redevelopment-specific job descriptions that are tied to appropriate job classifications, qualifications, and competitive salaries.</li> </ul>
Slower City Procedures	<ul style="list-style-type: none"> <li>• Create an independent agency with an independent board. Council authorizes independent agency to write its own contracting procedures to be approved by the board.</li> <li>• Create a CDC that operates outside of government contracting</li> </ul>

TABLE 2: Tools that Address San Diego’s Concerns	
San Diego Identified issues	Possible Structures (Case Study Examples)
	requirements (Chula Vista). <ul style="list-style-type: none"> <li>Agency board adopts policy allowing the agency executive director discretion to sign and amend certain contracts without additional oversight (Sacramento, Los Angeles, San Jose).</li> </ul>

\* PAC = Project Area Committee, CAC= Citizen Advisory Committee, RAC= Redevelopment Advisory Committee, NAC= Neighborhood Advisory Committee, CPG= Citizen Planning Group, CDC=Community Development Corporation.

### C. San Diego-Specific Advantages and Disadvantages by Structure

Table 3 summarizes the strengths and weaknesses of different structures in light of the specific challenges facing San Diego. Where possible, if a given structure has a weakness in light of San Diego’s objectives, we suggest some tools used by other California cities to overcome those disadvantages.

Table 3: San Diego-Specific Advantages and Disadvantages By Structure		
Redevelopment Governance Structures	Advantages and Disadvantages for San Diego	Possible Measures to Offset Weaknesses
Current Structure with Improvements	<ul style="list-style-type: none"> <li>Single governing body</li> <li>No dual approvals for non-CDC areas</li> <li>Single focal point for public input</li> <li>Good coordination of planning, economic development, community development, and redevelopment activities</li> <li>PC and CPGs typically review redevelopment projects on land use and planning issues for discretionary permits.</li> </ul>	
	<ul style="list-style-type: none"> <li>Limited role for mayor</li> </ul>	<ul style="list-style-type: none"> <li>Mayor appoints agency director, who reports to mayor</li> <li>Mayor appoints advisory commission to agency board and serves as chair</li> </ul>
	<ul style="list-style-type: none"> <li>Planning commission and CPGs do not review individual redevelopment projects</li> </ul>	<ul style="list-style-type: none"> <li>Allow CPGs to review and advise on individual redevelopment projects</li> </ul>
	<ul style="list-style-type: none"> <li>Slow city contracting procedures</li> </ul>	<ul style="list-style-type: none"> <li>Increase contracting authority for executive director</li> </ul>
	<ul style="list-style-type: none"> <li>Rigid city personnel structure</li> </ul>	
Independent	<ul style="list-style-type: none"> <li>Redevelopment employees could</li> </ul>	

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Table 3: San Diego-Specific Advantages and Disadvantages By Structure		
Redevelopment Governance Structures	Advantages and Disadvantages for San Diego	Possible Measures to Offset Weaknesses
Redevelopment Agency	<ul style="list-style-type: none"> <li>be transferred out of rigid city personnel structure</li> <li>Agency could have separate, quicker contracting procedures for redevelopment matters</li> <li>Mayor could appoint agency board and director</li> <li>Agency board might have more time for CPG and citizen input</li> </ul>	
	<ul style="list-style-type: none"> <li>Could reduce coordination of planning and redevelopment activities</li> </ul>	<ul style="list-style-type: none"> <li>Periodic joint meetings between council and board</li> </ul>
	<ul style="list-style-type: none"> <li>Dual approvals required for all redevelopment areas required</li> </ul>	<ul style="list-style-type: none"> <li>Council could delegate broad range of decisions not required of them by the Community Redevelopment Law</li> </ul>
	<ul style="list-style-type: none"> <li>Employee transfer may create tension with unions</li> </ul>	<ul style="list-style-type: none"> <li>Negotiate alternative personnel rules with unions and/or allow representation</li> </ul>
	<ul style="list-style-type: none"> <li>Could require citizen participation before two bodies on one project</li> </ul>	
	<ul style="list-style-type: none"> <li>Citizens may perceive less accountability than with city council</li> </ul>	
Independent Commission for Combined Services	<ul style="list-style-type: none"> <li>Economic development, community development, and redevelopment employees could be transferred out of rigid city personnel structure</li> <li>Agency could have separate, quicker contracting procedures for economic development, community development, and redevelopment</li> <li>Mayor could appoint commission board and director</li> <li>Commission board might have more time for CPG and citizen input</li> </ul>	
	<ul style="list-style-type: none"> <li>Could reduce coordination between planning activities (still in city) and economic development/ community development/</li> </ul>	<ul style="list-style-type: none"> <li>Periodic joint meetings between council and board</li> </ul>

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Table 3: San Diego-Specific Advantages and Disadvantages By Structure		
Redevelopment Governance Structures	Advantages and Disadvantages for San Diego	Possible Measures to Offset Weaknesses
	<ul style="list-style-type: none"> <li>redevelopment</li> <li>Employee transfer may create tension with unions</li> <li>Dual approvals for all areas required</li> <li>Could require citizen participation before two bodies on one project</li> <li>Citizens may perceive less accountability than with city council</li> </ul>	<ul style="list-style-type: none"> <li>Negotiate alternative personnel rules with unions and/or allow representation</li> <li>Council could delegate broad range of decisions not required of them by CRL</li> </ul>
Third CDC	<ul style="list-style-type: none"> <li>Perception of business orientation and greater confidentiality</li> <li>Parallel structure to existing CDCs may be easier for public to understand</li> <li>Redevelopment employees could be transferred out of rigid city personnel structure</li> <li>Agency could have separate, quicker contracting procedures for redevelopment matters</li> <li>Mayor could appoint CDC board</li> </ul>	
Third CDC	<ul style="list-style-type: none"> <li>Dual approvals required for all redevelopment areas required</li> <li>Board owes fiduciary duty to CDC – not city – which could lead to disconnect from overall planning policies</li> <li>Business orientation may not be appropriate in residential neighborhood contexts</li> <li>Perception of less effective public input</li> <li>Could require citizen participation before two bodies on one project</li> <li>Citizens may perceive as less accountable than Mayor and city councils</li> </ul>	<ul style="list-style-type: none"> <li>Council could delegate broad range of decisions not required of them by CRL</li> </ul>

## D. Additional Findings

As might be expected, each of the models selected for evaluation have clear strengths and weaknesses when compared to San Diego's objectives for improvement. Indeed, we believe this is true in most large cities, and is one of the two primary reasons why there is nothing even close to a "standard model" of redevelopment in California's largest cities.

The second reason is that dramatic change is difficult to achieve in large cities, and why most changes that do take place are evolutionary rather than revolutionary. There is a price to be paid for change, not only in the time it takes to build consensus but in the political capital required to shift powers and authorities. Chula Vista stands out as the only one of the case study cities that has made a fairly significant change in redevelopment governance during the last few years and it is too soon to evaluate the results of that change. As a smaller city and agency, it is perhaps easier for Chula Vista to overhaul its redevelopment governance structure than for a larger city to make a similar change. More common have been the decisions to refine existing systems – rather than invent new ones – made by Long Beach, Los Angeles, and Oakland.

As a result of the analysis above a few patterns begin to emerge.

First, the role of the mayor varies greatly in the large cities studied, and few if any of these cities have had to struggle with the question of how to create an appropriate role for a newly-redefined mayor's office. While there is no shortage of options for how the mayor could be made influential in redevelopment decisions, few cities have evaluated their systems from the point of view of mayoral influence. We believe that it may be more helpful for San Diego's decision-makers to have a discussion about what the mayor's role should be before discussing the specific structure that would best reflect that intent.

Second, there appears to be a tradeoff between the creation of independent redevelopment entities outside the city structure and perceptions that public participation may be more distant and/or time consuming. The creation of additional governing bodies almost inevitably leads to some circumstances where "dual approvals" become necessary – and these are often followed by claims that citizens need to appear more often to be heard. This tendency can be offset – as it has in Long Beach – by investments to strengthen connections between the agency board and citizen organizations.

Third, many potential disadvantages related to the creation of a new entity are the same whether the decision is made to move to a redevelopment agency, a multi-service commission, or a CDC. Issues of dual approvals, perceived distance between the public and decision-makers, fears of disconnects between planning and redevelopment activities, and tensions over staff transfers are the same for all three. The only real difference between an agency and a multi-service commission is which employees need to be taken out of the city civil service system (if any) and whether the risk of disconnect is between redevelopment and other activities that remain in the city structure (in the case of an agency), or between redevelopment/economic development/community development and those planning functions that remain in the city.

Fourth, many cities have found ways to remove redevelopment staff from city personnel systems without creating a CDC, and at least one (San Jose) has done so without creating a separate redevelopment entity at all. While San Diego may decide to create an independent redevelopment agency, that response is not required in order to create more flexibility in personnel administration. Clearly it is not necessary to create a CDC just to achieve that result.

Fifth, and finally, all of the cities studied follow a fairly standard approach to coordinating planning and redevelopment. Planning commissions carry out their duties in reviewing project areas and redevelopment plans, but only get involved in reviewing redevelopment projects when formal plan amendments or entitlement changes are needed. Since there is no city with a citizen involvement structure quite parallel to San Diego's Community Planning Groups, there is also no good model for involving those groups – or even the planning commission as a whole – in reviews of all redevelopment projects. This is another area where San Diego's decision-makers may want to clarify what the role of the CPGs should be before discussing the mechanics of the structure itself. However, while greater involvement of the planning commission and CPGs might be advantageous, the risk of disconnects between planning and redevelopment may be overrated. None of the interviewed cities thought that their structure contributed to a disconnect in decision-making between these two areas of activity.

### 3. Redevelopment Governance in Context

#### A. Legal Framework for Redevelopment Governance Alternatives

California's Community Redevelopment Law (CRL) specifies a number of roles and responsibilities for the redevelopment agency, the legislative body of the community, the planning commission, and Project Area Committees. Some of these responsibilities may be legally delegated from one of these bodies to another, while some important responsibilities must remain with a specific body. Some of the more relevant requirements include the following.

Under California law, the legislative body (e.g., city council) is responsible for: (1) adopting redevelopment plans, (2) approving any agency bond issue, (3) establishing any redevelopment revolving loan fund, (4) approving any agency expenditure on public improvements for commercial or industrial property, (5) approving the sale of redevelopment agency-owned real property to a private party and (6) making all legislative decisions with regard to a redevelopment project. The city council may delegate these decision-making responsibilities to a redevelopment commission as long as the council remains the board of a redevelopment agency, but may not delegate them to an independent redevelopment agency board. The city council may delegate the task of designating redevelopment study areas to either the planning commission or redevelopment agency if it so chooses; otherwise it is also responsible for that task.

Per community redevelopment law, the planning commission serves primarily in an advisory capacity to the city council in redevelopment matters. One exception is that the planning commission adopts the preliminary redevelopment plan without any required action by the legislative body. The planning commission may delegate the preparation of the preliminary

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redevelopment plan to the redevelopment agency, but the planning commission is the body that must adopt the document, rather than the agency board. The planning commission does not have a state mandated role in the review of redevelopment projects. Unless a community specifies otherwise, planning commission review of redevelopment projects is triggered only when the project needs changes in entitlements or environmental or other specific reviews that the planning commission handles citywide.

The redevelopment agency is specifically charged with drafting the redevelopment plan and formation of the project area committees. The agency may by law undertake additional activities that fall into the broad category of “implementing redevelopment plans” such as acquiring property, condemning property as approved in the redevelopment plan, incurring debt, hiring personnel, and pledging revenues from redevelopment projects. The city council specifies which redevelopment activities may be undertaken by the community’s redevelopment agency and with what degree of review by the legislative body.

A project area committee (PAC) is required if a redevelopment plan authorizes the use of eminent domain over private property that houses a substantial number of residential units, low and moderate-income persons, and families that might be displaced. PAC membership is comprised of residents, property owners, business owners, and community organization. An agency must consult with and obtain the advice of the PAC on policy matters that affect the residents of the project area, such as provision of replacement residential facilities, and residential relocations. The PAC must review the draft redevelopment plan and may make a report with recommendations to the agency board regarding whether the board should adopt the redevelopment plan.

The choice of redevelopment governance structure creates a framework for the relationship between the redevelopment agency and the legislative body, but the degree of autonomy or control may be tailored to community needs through a variety of documents. Examples include the redevelopment agency charter or bylaws, ordinance(s) passed by the legislative body, and service agreements or intergovernmental agreements signed between the city and the agency. Such documents may be used to balance the weaker points of a given redevelopment governance structure.

### **B. Redevelopment Structure of the Ten Largest Cities in California**

In reviewing governance structures, it is informative to identify which large cities are using various structures and which elements work well or poorly. San Diego is not alone in questioning its current structure – in fact, many California cities seem to have running discussions about changes to redevelopment governance. The fact that this discussion is common suggests that many cities have aspects of their current systems that cause them concern. At the same time, the fact that few cities make dramatic changes to their redevelopment governance suggests that perhaps the good outweighs the bad in most cases. We looked at other cities not to identify a perfect model, but to identify what parts of which structures have worked well in particular contexts.

This section inventories the redevelopment governance structures of the ten largest California cities. While each of the cities can be classified within one of the four basic governance structures, there is a great deal of variation within each of the four structures, and many hybrid approaches are being used. Although it is common to group California cities into (1) those that

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have the city council serve as the governing board of the redevelopment agency, and (2) those that have an independent board of directors for the agency, most large cities use a hybrid of these two models. Some hybrids exist because an independent board is given some (but not all) of the governance powers for the agency. Others exist because of different ways of staffing the agency (i.e., using staff from the city, from an independent agency, from a community development commission, or from a non-profit CDC). Finally, in some cities the mayor participates actively in redevelopment activities and/or chairs the redevelopment agency board, while in other cases the mayor is completely removed from redevelopment decisions.

In this field, simple categorizations are not helpful, and we need to look deeper into the actual allocation of powers, responsibilities, autonomy, control, and staffing to uncover useful lessons. Keeping that in mind, Table 4 below briefly summarizes the forms of governance of the ten largest cities in the state.

<b>Table 4: Governance Structure of the Ten Largest Cities in California</b>		
<b>City (Population)</b>	<b>Governance</b>	<b>Comments</b>
<b>Los Angeles (3,912,200)</b>	Redevelopment agency has an independent board of directors subject to very strict oversight by city council.	Following a dispute over a severance agreement, the city council adopted an oversight ordinance that requires virtually all significant agency decisions to be approved by city council.
<b>San Diego (1,294,000)</b>	Redevelopment agency is a separate entity with city council as its legislative body. Two non-profit CDCs manage redevelopment in two areas and report to the redevelopment agency. The agency uses city staff to manage activities outside the two CDC areas (the majority of the city).	The boards of the Center City Development Corp. (CCDC) and the Southeastern Economic Development Corp. (SEDC) conduct redevelopment activities in their respective areas, but require approval of the redevelopment agency for virtually all actions. The Redevelopment Division of the City Planning and Community Investment Dept. serves as staff to the agency.
<b>San Jose (926,000)</b>	City council serves as the board of directors of the redevelopment agency. The mayor is Chair and votes on redevelopment issues.	The city manager is not involved in the work of the redevelopment agency. The Chair of the redevelopment agency has equal stature with the city manager and reports directly to city council.
<b>San Francisco (792,700)</b>	Redevelopment agency has an independent board of directors with substantial powers. The board is appointed by mayor and approved by board of supervisors,	The redevelopment agency oversees policy and meets jointly with planning commission to determine if a project should move forward; then goes to the board of supervisors for final approval. Complex projects are sometimes managed jointly by staff from mayor's office and the redevelopment agency.

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Table 4: Governance Structure of the Ten Largest Cities in California		
City (Population)	Governance	Comments
Long Beach (487,100)	Redevelopment agency has an independent board of directors appointed by the mayor and confirmed by city council.	Redevelopment agency has an independent board of directors nominated by the mayor and confirmed by city council. Redevelopment director reports to both the city manager and the board.
Fresno (456,100)	City council serves as the board of directors of the redevelopment agency. This is a strong mayor government in which the mayor does not serve on the redevelopment agency board and does not vote on redevelopment matters.	Fresno changed from an independent board of directors to a city council board in the 1960s. In 1997, the city changed from having the city manager act as the executive director of the agency to having a separate executive director hired by the council. The Fresno Revitalization Corporation is a public-private partnership designed to increase private sector input. The corporation advisory board is appointed by Chamber of Commerce.
Sacramento (441,000)	The city council serves as the board of directors, and the mayor serves as Chair. Some powers are delegated to an advisory board.	A joint advisory commission made up of six city and five county citizens issues pre-approvals of proposed projects and areas.
Oakland (411,600)	City council serves as the board of directors of the redevelopment agency. The mayor is the chief executive officer of the agency, and does not vote (except as tie- breaker). The mayor works closely with city administrator — who is also redevelopment administrator -- to implement policy.	All significant proposed actions are reviewed by a four-member Economic Development Committee of city council before proceeding to consideration by the full council.
Santa Ana (349,100)	City council serves as the board of directors of the redevelopment and housing agency.	An advisory redevelopment and housing commission assists the board with its duties. Each city council district and the mayor nominate one member to commission, plus two tenant representatives because of its status as a housing commission.
Anaheim (343,000)	City council serves as the board of directors of the redevelopment and housing agency.	Anaheim’s Community Development Department includes the Housing Authority, Redevelopment Agency, Job Training Program, Economic

Table 4: Governance Structure of the Ten Largest Cities in California		
City (Population)	Governance	Comments
		Development, Neighborhood Preservation and Affordable Housing Development divisions. Anaheim recently considered a transition in its structure of governance, but to date, no change has been made.

Table 4 demonstrates that there is great variation among California cities’ redevelopment governance structure within the four basic types. Many of the larger cities in California (and nationally) have hand-crafted their governance and administrative structures over time in order to suit their unique needs, or to respond to unique political problems. Within each governance approach, there are significant precedents and legal flexibility for variations, hybrids, and tailoring to suit the needs of an individual city. This is further demonstrated by the case studies presented in Section Four.

## 4. Detailed Comparison of Governance in Seven Agencies

### A. Issues Addressed

To supplement the information above, Clarion Associates conducted case studies of seven California redevelopment agencies to gather specific information related to the redevelopment restructuring choices that San Diego currently faces. This research focused on:

- Legal requirements
- The benefits and challenges of each governance structure.
- The appropriate role for the mayor in each governance structure.
- The options for appointment of the executive director in each structure.
- The options for appointment of the board/commission members.
- The city council’s decision-making role within each structure.
- The options for involvement of San Diego’s decentralized community planning groups in each structure.
- The options for involvement of San Diego’s citizens
- How well each structure would promote the integration of planning and redevelopment functions, both on a city-wide basis and within the city’s Planning and Community Investment Department.

The seven cities reviewed include Chula Vista, Los Angeles, Long Beach, Oakland, Sacramento, San Francisco, and San Jose. These cities were selected because most of them are large enough to have complex government structures and redevelopment programs comparable to San Diego. In addition, several of the comparison cities have either changed their redevelopment structures in the past (Chula Vista), or have seriously considered such changes (Los Angeles, Long Beach), or have adopted structures that combine redevelopment activities with other services (Sacramento, Oakland).

## B. Case Studies

To examine how large California cities have refined the basic redevelopment structures and to identify perceived areas of strength and weakness, Clarion Associates completed case studies of seven comparison cities -- Chula Vista, Long Beach, Los Angeles, Oakland, Sacramento, San Francisco, and San Jose. A third purpose of this review was to identify tools used by these communities that respond to the areas of concern identified by San Diego.

### Chula Vista Redevelopment Corporation



#### Overview of City and Agency Government Structure

Chula Vista has a council-manager form of government. The city council is comprised of four regular members and the mayor, each of whom is elected from the city at large. The mayor is a full-time, paid position and a voting member of the city council.

The Chula Vista Redevelopment Agency oversees Chula Vista's five redevelopment project areas. The agency's governing board is the city council. In 2005, the city restructured itself to create a separate 501(c)(3) redevelopment corporation --the Chula Vista Redevelopment Corporation (CVRC). The CVRC board of commissioners is made up of all (five) Chula Vista City Council members and four local and regional experts selected by the city council. The redevelopment agency still exists as a legal entity, but its responsibilities have largely been delegated to the CVRC.

The CVRC board was given the responsibility for the review functions previously handled by four separate bodies; (1) the design review board, (2) the planning commission, (3) the resource conservation commission, and (4) the redevelopment agency board. The redevelopment agency board retains functions required by Community Redevelopment Law; however since the agency board is a subset of the CVRC board, this role is now largely perfunctory. The city council sits jointly as the redevelopment agency to streamline the decisions of the agency/council.

#### Chief Executive Officer and Role of the Mayor

The Executive Director of the Redevelopment Agency is appointed by the agency board (comprised entirely of the city council). The CVRC bylaws provide that the CEO of the CVRC shall be the duly appointed or designated Executive Director of the Redevelopment Agency. The City Manager was the Executive Director of the Redevelopment Agency under the previous structure, and is currently serving as the interim Agency Executive Director. In this role, the mayor is also the interim Chief Executive Officer of the CVRC. The agency board may select whomever it sees fit for the agency director position, it is not required that the position be filled by the city manager. The position is within the civil service structure by default, because the redevelopment agency is staffed through the city. However, in the future the CEO position is expected to be funded by the CVRC 501(c)(3).

The mayor is on the boards of the redevelopment agency and the CVRC. As a full-time city position, the mayor plays an active role in all Chula Vista matters – including redevelopment. The mayor's office also employs full-time staff members that work with city staff on various land use, economic development, and redevelopment issues.

### Personnel

As noted above, the CEO is an employee of the CVRC whose salary will be funded by that entity. Prior to 2005, the city employees in the redevelopment division of the planning department were assigned to support the redevelopment agency and implement adopted redevelopment plans. The agency has a cooperative agreement with the city that provides that redevelopment agency tax increment revenues will be used to fund city staff time spent on redevelopment agency matters including salaries, benefits, and overhead. This is an important revenue stream for the city. An operating agreement between the city and CVRC now allows agency staff to work for the CVRC, but no additional overhead or administrative fees are charged to CVRC for this service. Chula Vista staff report no problems with using the civil service structure for hiring except at the CEO level. Attracting a qualified candidate with a national search proved difficult within the limited budget. Chula Vista staff reports that they are starting to look at other possible staffing structures due to issues of budgetary controls and simplification.

### Contract Authority

The total annual budget of the CVRC is approved as a line item in the agency budget. In the CVRC bylaws<sup>3</sup>, fiduciary actions of the CVRC involving public funds require a majority vote of the five agency/council members that sit on the CVRC Board. This ensures that all such fiduciary actions are being overseen by a majority of the agency/council. Within these parameters, the CVRC Board can execute contracts and make many quasi-judicial decisions without separate city council review. Legislative decisions do remain in the hands of the city council, as required by the Community Redevelopment Law, and entail the council conducting a separate public meeting. The responsibilities of the various review bodies are detailed in the city council ordinance that authorized the creation of the CVRC<sup>4</sup>.

### Advisory Bodies

As noted above, the CVRC board was designed to have both an advisory and a governance role in Chula Vista redevelopment. The composition of the board was designed to bring additional expertise in redevelopment to the decision-making. The CVRC board has broad review and approval powers and can make a wide variety of decisions. Additional reviews by the redevelopment agency board, planning commission and city council typically occur only when Community Redevelopment Law calls out one of those bodies as the legally required actor. The planning commission retains advisory functions for legislative decisions, but they are in addition to and have equal standing with the recommendations of the commission<sup>5</sup>.

The PACs originally created for Chula Vista redevelopment Project Areas ceased to exist after the three-year statutory requirement. In 2006, the redevelopment agency formed a Redevelopment Advisory Committee ("RAC") whose members will include neighborhood, technical and business organization representatives. Between three and five organizations in each of these categories will be selected by the CVRC board, for a total membership of nine to fifteen members. Each selected organization will appoint the individual to sit on the advisory committee.<sup>6</sup> The advisory

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<sup>3</sup> *Bylaws of the Chula Vista Redevelopment Corporation a California Nonprofit Benefit Corporation*, February 23, 2006

<sup>4</sup> *Ordinance of the City of Chula Vista Number 3008*, June 7, 2005.

<sup>5</sup> *Ibid.*

<sup>6</sup> See *Rules and Procedures for the Formation and Operation of the Chula Vista Redevelopment Commission Redevelopment Advisory Committee*, July 31, 2006. [http://www.ci.chula-vista.ca.us/City\\_Services/Development\\_Services/Community\\_Development/PDFs/RACProcedures.pdf](http://www.ci.chula-vista.ca.us/City_Services/Development_Services/Community_Development/PDFs/RACProcedures.pdf)

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board was created in response to concerns that the new CVRC would not be responsive to citizens. This group is expected to have considerable influence on redevelopment priorities and approvals.

### **Interface with City Planning Functions**

Because CVRC staff is made up of city employees, the city expects good communication and teamwork between planning and redevelopment. Generally, the adoption of a redevelopment area drives a city planning effort for an area plan. Redevelopment projects are taken on after the area plan is adopted, and are designed to fit into both the redevelopment plan and also the area plan.

There is not much pressure on CVRC to take on neighborhood projects at this time because of a very limited redevelopment budget. Currently, due to limited funds, Chula Vista's redevelopment decision-makers have a common focus on tax increment generating projects. CVRC staff reported that these projects are seen in part as a means to the end that CVRC will someday have enough money to also fund capital improvement projects that may not generate increment.

Within the projects areas, the CVRC took over the function of three advisory bodies, including the quasi-judicial functions of the planning commission. The planning commission retains only the functions required by Community Redevelopment Law. With city staff as staff to the CVRC, redevelopment projects are expected to continue to reflect the city's adopted area plans and general plan, which are developed with public participation. In addition, the RAC and the professionals on the CVRC board will provide input on specific projects.

### **Past Structural Changes**

As described, Chula Vista is in the process of a significant structural change. The impetus for change is to insert more speed and flexibility into the redevelopment project approvals process by combining the review functions of several agencies, and to enable the redevelopment agency to respond to market opportunities better by removing it from municipal contracting requirements. The formation of the CVRC resulted in significant concern that the new structure would not be responsive to citizen input, which resulted in the addition of a citizen advisory group in 2006.

### **Reported Strengths and Weaknesses**

The new structure has not been in place long enough to report relative strengths and weaknesses.

### **Summary**

Chula Vista's new structure has yet to be tested. The development of the CVRC is intended to allow quicker reactions to redevelopment opportunities by consolidating review functions and removing the agency from municipal contracting requirements. However, the process remains complex and responsibilities somewhat diffuse due to legally required involvement of planning commission, the redevelopment agency, and city council<sup>7</sup>. In the short term, the creation of the CVRC required a series of legal actions and updates to redevelopment regulations in order to re-delegate redevelopment functions to CVRC<sup>8</sup>. That CVRC and city leadership, management, and staff overlap suggests that the new entity is not likely to pursue redevelopment that will conflict

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<sup>7</sup> Chula Vista Redevelopment Corporation Staff Report on Roles and Responsibilities, March 9, 2006.

<sup>8</sup> Chula Vista Joint Redevelopment Agency/City Council Agenda May 24, 2005.

with city priorities, eliminating concerns about separating redevelopment functions from the city. The composition of the CVRC board should meet the goal of bringing additional expertise to redevelopment decision making, while the new appointed advisory group should help ensure citizen concerns are heard. While Chula Vista currently has a strong consensus around a focus on tax increment generating redevelopment projects, if the agency is successful in this endeavor and finds itself with significant funds, there may be a need to create and formalize a process for project prioritization.

## Long Beach Redevelopment Agency



### Overview of City and Agency Government Structure

Long Beach uses a council-manager system of governance. The nine-member city council is district-based. The mayor is elected at-large and does not sit as a member of council, but rather presides over the council meetings, participates in deliberation, and enjoys veto powers over council Actions. The city council and mayor are part-time positions.

The Long Beach Redevelopment Agency (LBRA) has an independent board made up of seven members appointed by the mayor and approved by city council. Three are selected from nominations submitted by the PACs and four are nominated by the mayor. Over fifty percent of the land in Long Beach is included in a redevelopment area, and the city has three active PACs covering most of those areas.

### Chief Executive Officer and Role of the Mayor

LBRA has a professional executive director who is hired within the city civil service and answers to both the city manager and the agency board. The mayor's primary role in the redevelopment agency is to appoint four of the seven board members, subject to approval by the full city council

### Personnel

The agency is housed within city facilities and staffed by city employees hired within the civil service structure. A city attorney is assigned to the agency and is expected to spend twenty percent of his or her time on agency matters. Hiring and retention of staff within this structure is not perceived as a problem, but there has been conflict at times over the fact that staff must respond to both the city manager and the board of the agency. In the past, this resulted in occasional differences in priorities for staff efforts and in the board sometimes feeling that they were not adequately informed about some activities of lower level staff.

### Contract Authority

The agency board has moderate authority to execute contracts without the approval of the city manager or council. Although there have been complaints about the amount of time required to obtain contract approval, the 2005 Clarion/Waronzof/Consensus study found that contracting had not been a significant contributor to project delays.

### **Advisory Bodies**

The primary advisory boards on redevelopment matters are the three PACs, which have remained very influential in their respective project areas. Several years ago, in response to complaints about board responsiveness to the citizens, the board structure was changed to require that three of the seven members come from PACs. This change, together with increased board member attendance at PAC meetings, has defused those complaints. PACs do not always have regular communication with city council members, although some council members attend PAC meetings.

### **Interface with City Planning Functions**

Long Beach Redevelopment Agency and city planning staff have been working hard in recent years to coordinate and streamline their respective procedures. In 2003, the planning commission formalized a joint design review process through a memorandum of understanding. Prior to this agreement, projects had to go through two separate reviews, and the two agencies often found themselves at cross purposes; the planning commission focused more on plan compliance and the agency took more of a developer's perspective. Reviews have now been coordinated into one process with a single point of contact. LBRA staff reports that since initiating the process, planning commission has never denied a project that the redevelopment agency has previously approved. Some challenges remain, including the fact that it typically takes about six months to complete the entire project review process. At this time, redevelopment projects seem to move through the process as well as other projects, but developers continue to complain that the process is too long.

### **Past Structural Changes**

In 2004-5, Long Beach seriously considered having city council serve as the agency board. City council wanted more oversight – particularly of neighborhood redevelopment projects -- and felt that having a single policy-making body might speed up project approval and implementation. The agency retained the Clarion/Waronzof/Consensus Planning team to evaluate its performance on several past projects and to recommend areas for improvement. The study noted fairly good success in achieving redevelopment goals, as well as numerous areas for improvement. However, the study also found that the PACs felt they had better input into redevelopment decisions with an independent board and that the current structure had not contributed significantly to project delays. Because the city council is currently part-time, there were also questions regarding council's ability to absorb significant additional duties. At the present time, no structural change has been made, but the city council and agency board have planned to meet more frequently to improve communications.

### **Reported Strengths and Weaknesses**

As noted above, the key reported strength of the Long Beach structure was the professional expertise represented on its board and the direct connection to PAC input obtained through PAC participation on the board. The key weakness was a perceived disconnect between elected officials and agency actions, as well as the additional time needed to put major decisions to a vote in both the agency board and the city council. Under Long Beach's weak mayor system, the mayor has little influence on the redevelopment agency, but this was not identified as a weakness.

## Summary

Together with San Francisco (and perhaps Los Angeles), Long Beach remains one of the few large California cities that have maintained an independent governing board. Using this structure, the City has achieved significant redevelopment success – particularly in the downtown area. The agency is now transitioning towards a more neighborhood-based redevelopment strategy, and expects that the current governing structure will continue to work effectively, particularly with increased PAC participation on the board. As in other council-manager governments, the role of the mayor has been only slightly greater than the other council members, and the city manager has had more influence on the redevelopment decision-making process. Staffing and contracting within the city’s legal and institutional framework has not created significant delays.

## Los Angeles Community Redevelopment Agency



### Overview of City and Agency Government Structure

Los Angeles’ government operates within a mayor-council structure, and the role of the mayor was strengthened under a city charter adopted approximately six years ago. The mayor appoints department heads in the city government and, subject to city council approval, appoints commissioners

to several boards and commissions, including the redevelopment agency. Executive functions in the city are supported by an administrative officer. The 15-member city council and the mayor are elected to four-year terms. The council is district-based, while the mayor is elected at-large. CRA/LA is a separate agency with an independent board of commissioners. The seven members of the board are appointed by the mayor and confirmed by the city council. Under an “Oversight Ordinance,” adopted in 1991, most significant CRA/LA actions are subject to review by the city council.

### Chief Executive Officer and Role of the Mayor

The chief executive officer is selected by the board of commissioners, vetted with the mayor and the deputy mayor, and informally cleared with the city council. The mayor appoints the commissioners and informally “clears” management staff for hiring. The executive director of the agency reports to the deputy mayor. The mayor’s office also reviews the CRA budget before it is sent to council.<sup>9</sup>

### Personnel

The chief executive officer of CRA/LA selects members of the executive team, including a chief operating officer, chief financial officer, and seven regional administrators responsible for activities in different geographic areas of the city. Prior to appointment, the regional administrators are informally “cleared” with the members of the city council which cover the geographic region they administer, by the deputy mayor, and by the board of commissioners. The city attorney serves as general counsel to the agency. The city attorney assigns city legal staff to the agency or has the option to contract with outside counsel as needed. Specific situations

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<sup>9</sup> City of Los Angeles Ordinance 166071, July 19, 1990.

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where outside counsel is typically used include complex development transactions and most eminent domain litigation.

All redevelopment agency staff members are outside the civil service system and have been since the agency was created; however the staff has been unionized since 1985. According to CRA/LA staff, unionization occurred during a particularly contentious period when staff felt “severely put upon” by a then-new administration that attempted to manage by penalizing staff for minor infractions or alleged infractions. Managers initially formed a non-affiliated management association while other staff joined a union and created locals. At this time there are four union units: one management, one supervisory, one professional, and one basic.

### **Contract Authority**

The CRA/LA is subject to extensive city council oversight pursuant to the Oversight Ordinance of 1991. Seventeen enumerated types of actions, including adoption of redevelopment plans, selection of the CEO, the CEO’s compensation, staff structure and pay plans, the annual budget, negotiation agreements, development agreements and most contracts for services are submitted to city council for action. The cooperative services agreement includes a commitment by council to review these redevelopment matters within 45 days of receipt.<sup>10</sup>

Those actions of the board of commissioners that are not among the 17 enumerated types are transmitted to council and become effective after ten days unless the council takes an affirmative step to require formal consideration of the item. The CRA/LA Director has the authority to approve loans and bonds up to an amount of \$249,999 and may enter into contract agreements up to \$25,000 (\$75,000 for legal contracts) without additional review. Through the budget approval process, city council may delegate additional contracting authority to the CRA/LA within limited program areas.

### **Advisory Bodies**

Due to the strong oversight of city council, the CRA/LA agency board is considered to be primarily advisory. In addition, the agency uses a network of elected and appointed community advisory boards to provide input and advice to agency staff and the board. The city council has adopted standard formation and election procedures for PACs and recently enacted standard operating procedures for CACs. In Los Angeles, CACs are formed either when PACs are not required or when the three-year statutory requirement for the PAC has transpired. The councilmember(s) in whose district the project area is located makes the CAC appointments. In one council district, the councilmember has opted for a process in which some seats are elected and the balance appointed. The PACs and CACs are advisory to the CRA/LA via the staff, although in some cases they appear before the agency board to comment directly. In most cases, a representative of the council office attends PAC and CAC meetings. PACs and CACs normally do not interact with the planning commission. Pursuant to the Los Angeles charter, there are elected neighborhood councils whose role is to review and advise on land use matters. Those bodies interact with the planning commission and the city council on development projects, including redevelopment projects. According CRA/LA, the city council member in whose district the area/project is located ultimately has the most influence on approval or denial, rather than any advisory body.

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<sup>10</sup> Cooperative Service Agreement by and between the City of Los Angeles and the Redevelopment Agency of the City of Los Angeles, April 13, 1991.

### **Interface with City Planning Functions**

Often, individual redevelopment projects on specific sites require zone changes, conditional uses, or variances, and the CRA/LA staff provides input to the planning staff in consideration of those projects. Occasionally a redevelopment project will require a basic land use or general plan change, and these are usually requested formally by the redevelopment agency of the planning commission. The planning commission has no role in prioritizing specific development projects, but must act on all entitlements except those requirements set forth solely in the Redevelopment Plans themselves (which generally are more restrictive than the city's regulations).

In the Downtown redevelopment area, both the planning commission and the redevelopment agency have a role in transfers of development rights among parcels. The transfer procedure starts with an application either to the CRA or the planning commission. The CRA is responsible for the first review, for environmental analysis, and for identifying the donor sites to provide transferable development rights for the proposed receiver site. There are geographic boundaries on sources for such donor sites in relation to the location of the receiver site. The CRA acts first, approving both the transfer plan (identifying donor and receiver site), the public benefit program (usually there is either a cash or in-kind public benefit program) as part of a development agreement. The development plan is then subject to review and approval of the planning commission, along with the transfer plan. The entire package is then subject to approval of the city council.

When the redevelopment agency and planning commission cannot reach accommodation on a matter, it is moved up to the city council for decision. In general, CRA/LA staff indicates that the planning staff and commission have been helpful in moving redevelopment projects forward.

### **Past Structural Changes**

The structural changes of 1991 were prompted by the CRA/LA Board's approval of severance payments to a former director. The city council objected to the terms of those payments and responded by passing the Oversight Ordinance. Because the agency board has so few remaining powers, the possibility of making city council the governing body of the agency is discussed frequently. Some observers feel that the city council is already in de facto control of the agency; and the structure should be changed to reflect that fact. Others believe council prefers to use the agency board as a filter for proposed projects and because it provides city council members some protection in the case of controversial or failed projects.

As the agency board's powers have been weakened, some believe it has become more difficult to find top quality board members. The city council has so far not moved to take over as the board due to anticipated work load impacts and the expectation that there would not be economies of scale by seeking to have existing city departments staff redevelopment functions. The redevelopment agency has sought some modifications and easing of the limitations under the Oversight Ordinance, but to date only minor changes have been made.

Following a report by the city controller's office, in October 2004 the CRA/LA began a process of internal reorganization. The report recommended that CRA/LA increase public participation in redevelopment activities, which led to the creation of the seven geographic "regional

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administrators". Outreach efforts have been increased for public education and more diverse developer participation. Internal controls and tracking systems have also been put into place.<sup>11</sup>

### Reported Strengths and Weaknesses

In theory, the primary strength of the Los Angeles governance structure is that it allows the CRA/LA and its staff to act more entrepreneurially than municipal government. Because the CRA/LA is semi-autonomous, it is not bound by some of the municipal regulations that could inhibit action. There are weaknesses as well, however. The multi-step decision process requiring approvals by the CRA/LA Board and the full city council adds time and raises the risk of project changes or added exactions as a project moves through the approval process. On the one hand, developers and community members complain about the uncertainties of a multi-stepped approval process, because changes can be introduced at each level; on the other hand the public has objected to the need to be present at each level of review to advocate specific causes or considerations.

### Summary

Many of the strengths of an independent agency have been lost in the structure of CRA/LA. The most notable feature of Los Angeles' redevelopment governance structure is that despite the existence of an independent board, city council review is required for a wide range of agency decisions. Ironically, although the CRA/LA staff are outside the city's civil service structure, they remain unionized and subject to city council approval of their pay plan.

The oversight provisions have added to review times and thereby reduced how nimble the organization can be in pursuing redevelopment opportunities, while unionization of workers has reduced the flexibility to hire outside the civil structure. At the same time, CRA/LA faces some of the issues that typify more independent agencies, such as limited influence for citizen advisory groups, and some coordination issues with the city's planning department. At the same time, CRA/LA has accomplished significant redevelopment successes within this challenging governance structure.

## Oakland Community & Economic Development Agency



### Overview of City and Agency Government Structure

Oakland has a mayor-council form of government. About ten years ago, Oakland's city council changed from an at-large to a district-based structure. The eight-member city council is now mostly district-based with one at-large member. In 2004, Oakland transitioned to a strong-mayor form of government. The mayor does not vote as a member of the city council, but serves as a tie-breaker when needed.

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<sup>11</sup> Press Release: CRA/LA Response to City Controller Audits, September 19, 2006.

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Redevelopment in Oakland is managed by the City of Oakland Community and Economic Development Agency (CEDA). CEDA is a city agency whose redevelopment division carries out redevelopment activities, but other divisions also have responsibility for housing and economic development projects, as well as planning and building permitting. The city council is the CEDA Board – sitting jointly in both capacities rather than convening two separate meetings.

### **Chief Executive Officer and Role of the Mayor**

CEDA has a professional executive director and management staff. CEDA managers report to the city administrator, who in turn reports to the mayor. Although Oakland has a strong mayor system it began after the current mayor's first term, and the administrator is still a relatively strong position. The mayor sets redevelopment policy, and communicates with top redevelopment managers almost daily. The mayor does not manage day to day redevelopment activities, but has been very involved with coordinating CEDA resources to meet the objectives of his Downtown Housing Initiative, one of four identified priorities of his administration. Finally, the mayor votes as a tie-breaker for the agency board/city council as needed.

### **Personnel**

The agency is staffed at all levels by city employees hired within the civil service structure. City attorney(s) with redevelopment experience are assigned to handle the legal needs of the agency. CEDA reported no problems with hiring qualified staff within this structure.

### **Contract Authority**

CEDA has very limited authority to act without the direct supervision of the city council. The redevelopment director has the authority to sign contracts of up to \$15,000 for professional services and \$50,000 for construction contracts. For some limited redevelopment programs, such as façade grants program, once the program and program budget have been approved by council, individual contracts within the program do not have to be individually reviewed and approved.

### **Advisory Bodies**

The role of the planning commission in Oakland redevelopment is generally advisory and limited to the responsibilities mandated in the Community Redevelopment Law, such as reviewing plans and making recommendations to city council. Oakland's PACs continue to exist with city funding after their statutory three-year term, and serve as the primary redevelopment advisory bodies. As needed, new members are voted in by the PAC and approved by the agency. The PACs have some influence on the approval and denial of redevelopment proposals, more so when they have the ear of a council member.

### **Interface with City Planning Functions**

Planning and redevelopment are closely linked in Oakland. The majority of the city is within one or another of the redevelopment areas, and the General Plan therefore reflects the need for redevelopment. New redevelopment plans are closely tied to the General Plan, and any change in the redevelopment plan requires an amendment to the General Plan. Redevelopment projects have spurred some targeted planning efforts; for example, in an area where the PAC is interested in adding housing in an industrial mixed-use neighborhood through redevelopment, an area plan was developed to guide that effort.

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CEDA is being pushed by the neighborhoods to take on more neighborhood capital improvement projects. In some cases the demand for these has come out of planning efforts that are not tied to major redevelopment efforts. For the most part, the agency has been successful in maintaining its focus on tax increment generating projects, but the change to a district-based council has increased the pressure to fund neighborhood benefit projects through redevelopment funds, regardless of whether they generate tax increment.

Redevelopment agreements, amendments, real estate transactions and zoning ordinance amendments that come before council are reviewed first by a council subcommittee called the Oakland Community Development Committee. In general, the city's planning commission reviews development projects, including any redevelopment projects, only for consistency with the city's adopted plans. The planning commission does not have a direct role in either the drafting or implementation of plans for specific redevelopment projects.

### **Past Structural Changes**

Oakland has reorganized its redevelopment functions twice in last eight years. Prior to 1998, several smaller offices handled redevelopment activities, including the office of economic development. CEDA was created in 1998 as a consolidated agency covering planning, building permitting, housing, and redevelopment. After CEDA was formed, interest in redevelopment increased and started to have a positive impact on the community. In response, CEDA took on new areas and expanded services to east and west Oakland. The image of redevelopment has changed from negative identification with mostly highway and transit projects toward a more positive image.

The first CEDA director organized staff into three areas: planning and building, projects, and programs. Under new leadership, CEDA reorganized internally in 2001-2002. The new director reorganized the staff in the projects and programs divisions into three areas: redevelopment, economic development, and housing & community development. The CEDA director at that time had a strong economic development background and added some new positions and functions focused on that area. When current mayor was first elected, he announced four priorities for his administration including the Downtown Housing Initiative. That initiative refocused CEDA's resources toward developing housing and implementing projects in the Downtown Redevelopment Area. With major projects underway in Downtown, CEDA is starting to expand out to the surrounding neighborhoods.

### **Reported Strengths and Weaknesses**

One reported strength is that redevelopment projects generally move forward quickly and effectively, although the PACs sometimes expect more speed and neighborhood benefits than can be delivered. As the city council has transitioned to a district-based structure, there has been more pressure to deliver neighborhood capital improvements. Staffing within the civil service structure was identified as neither a strength nor a weakness.

### **Summary**

With most of Oakland being located in a redevelopment area and with a significant history of deterioration, redevelopment is a core function for this city. The strong involvement and accountability by the mayor and city council makes sense in the context of this community, where redevelopment is therefore relevant to a strong majority of citizens. Because so much of the development in the city is within a redevelopment area, coordinated functioning between

planning, building, affordable housing, and economic development is a high priority, which is reflected in the integrated structure of CEDA.

## Sacramento Housing and Redevelopment Agency



### Overview of City and Agency Government Structure

Sacramento uses a council-manager form of government. There are nine council members including the mayor, who is chair of the council. Elections are district-based for all members except the mayor, who is directly elected by the residents at large. The mayor is a full-time position; the remaining council members are part-time.

The Sacramento Housing and Redevelopment Agency is a joint powers authority created as a public agency by the City and County of Sacramento in 1973. SHRA oversees residential and commercial revitalization activities in 14 redevelopment areas throughout the city and county. The Sacramento Housing and Redevelopment Commission is an 11-member body appointed by either the Sacramento City Council or the Sacramento County Board of Supervisors to serve two-year terms. The commission is mainly advisory, but can approve housing loans up to \$500,000. The redevelopment agency board is the city council or county board of advisors, depending on the location of the redevelopment area/project.

### Chief Executive Officer and Role of the Mayor

A professional executive director is appointed by city council and county board of advisors. As the chair of the city council, the mayor is the chair of the redevelopment agency for areas/projects within the City of Sacramento.

### Personnel

The SHRA executive director has the authority to select and hire redevelopment agency personnel outside of the civil service structure. Occasionally, city or county staff members hired within the civil service structure are loaned to the agency to supplement agency staff. SHRA formerly housed some agency staff in city satellite offices for better coordination between agency and city efforts in those areas. As the city satellite offices closed, agency staff members were returned to the main agency office.

### Contract Authority

The executive director can authorize contracts of up to \$100,000 and has annual authority for spending on projects and programs that are approved in the budget. Contracts above \$100,000 must be approved by the city council.

### Advisory Bodies

Sacramento has a written policy on interacting with the community through the creation of Redevelopment Advisory Committees (RACs). A RAC is established after the redevelopment area PAC has passed its three year statutory period. RAC members are appointed by the council

member in the district where the redevelopment area is located. RACs generally have 12-member boards and have very strong influence on redevelopment decisions. The agency board rarely overrides the opinion of the RACs but asks questions and helps clarify issues based on their comments.

### **Interface with City Planning Functions**

City of Sacramento Planning Department staff reported that the coordination is generally strongest in areas where the redevelopment agency is working in the same neighborhoods as the city's priority infill areas. In these areas, both agencies are seeking large-scale change through catalyst projects, but have limited resources. The realization that coordinated effort can greatly increase the impact potential of each agency's effort motivates cooperation. Redevelopment plans are brought to the city in a conceptual state and city planning staff work with agency staff to determine how to realize the concept and meet legal requirements. Often, redevelopment plans require amendments to the general plan.

City staff reports that coordination occurs largely because top manager have a shared vision that is transmitted down through the staff, rather than through formal structures or policies. However, two structures were noted: first, although the SHRA joint powers authority has an independent advisory board, the city retains the council as the redevelopment agency board. Redevelopment activities of SHRA must be approved by the council acting as the agency board. Redevelopment staff and planning department staff therefore answer to the same group of individuals acting as council or the board, which aligns their priorities. Second, the city has an interdepartmental "infill cabinet" made up of high-level representatives of departments and divisions involved in the development process. This team coordinates city departments' activities for large scale infill efforts. Redevelopment agency staff is also invited to meetings of this cabinet as needed on projects that overlap with their efforts.

City staff noted that planning commission review redevelopment projects only for consistency with the general plan or for entitlements. Even so, staff recalled a number of instances where planning commission had a different vision than the agency and has tried to push a redevelopment project to conform to the commission's vision. For example, in one case the planning commission wanted to see a project developed at higher densities than the agency felt the market would bear. In these cases, the issue has been resolved by the redevelopment agency appealing to council members to influence or overrule the planning commission decision.

### **Past Structure Changes**

The only significant change reported by the agency staff is the addition of a written RAC policy and implementation of that policy in the last few years. This policy is a result of concern that community interests were not being heard by the agency and seems to have improved the community perception of their interests being taken into account.

### **Reported Strengths and Weaknesses**

Complaints from the community are mostly about limited public outreach and input. The recent efforts to articulate a policy on public involvement are in response to these complaints. The structure is somewhat complicated by the combination of city and county functions, but staff reports that although it is confusing from the outside, internally it is functioning well.

## Summary

The redevelopment governance structure in Sacramento combines housing and redevelopment efforts in one agency. The SHRA works in both of the programmatic areas in both the city and the county. Overall, the SHRA reported that the combined agency structure works well. It appears that the SHRA has significant autonomy in its functions, perhaps due in part to the fact of serving two separate municipal governments. This has led to some criticisms that redevelopment activities do not solicit adequate public participation. A recent improvement to the agency has been adoption of a policy for public interaction, which included direction for creation of a RAC. The RAC structure has allowed the agency to include residents of both jurisdictions in one advisory body. In this way the agency includes the RAC in the process of balancing the needs of the different project areas, rather than having only staff involved in prioritizing the competing interests of groups that are specific to each area.

## San Francisco Redevelopment Agency



### Overview of City and Agency Government Structure

The governments of the City and County of San Francisco are consolidated into one unit. San Francisco adopted a mayor-council form of government in 1932. Under this "weak mayor" system, the mayor is elected at large and is not a member of the city council, which in San Francisco is known as the board of supervisors. The 11 supervisors are elected at-large for four-year terms.

The San Francisco Redevelopment Agency (SFRA) has an independent board of seven members. The board members are appointed by the mayor and approved by the board of supervisors. The agency exists solely to perform certain functions exclusively for and by authorization of the City and County of San Francisco in areas designated by the board of supervisors.

### Chief Executive Officer and Role of the Mayor

SFRA has a professional executive director who is nominated by the mayor and hired by the agency board outside of the civil service structure. The mayor is not a member of the board of supervisors and does not vote to approve or deny redevelopment projects. However, the mayor has a significant role in setting the leadership of the organization. In addition to nominating the executive director, the mayor also appoints the board members, who are then confirmed by the board of supervisors. Also, complex projects are often joint efforts of the agency staff and staff from the Mayor's Offices of Economic and Workforce Development and of Housing. The cooperative relationship is not formalized; the agency retains all its authority and responsibility, but simply coordinates efforts. The cooperation is politically and practically astute for both parties to combine resources and present a unified front to third parties with whom they may be negotiating. Staff to these projects reports only to their employer, but are directed to work in collaboration with the other. Generally, the agency has more resources than the mayor's office for such joint efforts.

### Personnel

The executive director hires all agency staff outside of the city's civil service structure. The agency has its own codified service structure with levels that parallel the city levels. The agency operates

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under a memorandum of agreement with the same unions as the city. SFRA retains its own legal counsel on staff – it does not use assigned city attorneys. SFRA reports no major staffing problems. Salaries are generally better than in other municipal agencies, but are not seen as competitive with the private sector. Occasionally, the agency loses qualified staff to the private sector for this reason.

### **Contract Authority**

SFRA makes all decisions independently of the board of supervisors with the exception of the limits and oversight required by the Community Redevelopment Law. For example, the board of supervisors must approve new project areas, redevelopment plans, and any redevelopment projects that require legislative (rather than quasi-judicial) action. The board of supervisors has imposed no additional restrictions or oversight on the agency board.

### **Advisory Bodies**

In San Francisco, a variety of redevelopment advisory group structures are used. In newer project areas the PACs are active, while in other areas, staff works with existing community groups or citizen advisory committees (CACs) appointed by the mayor to advise on redevelopment. CACs are formed in any new area where there is not a significant housing component or any other element that requires a PAC. These citizen groups have varying levels of influence on project approvals, depending largely on how organized they are. Many of the PACs and CACs are very active in reviewing projects and regularly write reports for the agency board about their opinions. Agency staff includes a section on the PAC/CAC review and recommendation in the staff report for every project. In the past, PACs and CACs have not interacted much with the planning commission, but the agency is working on efforts to increase the interaction between them.

### **Interface with City Planning Functions**

Complex redevelopment projects are often jointly managed by staff from the mayor's office and the agency. Overall, the redevelopment policies are not identical to the planning departments', but they generally follow the intent and spirit of the city policies. Past tensions have been reduced through more regular meetings between the redevelopment agency director and the planning director. It has not been uncommon for the General Plan to be amended with the adoption of a redevelopment plan in order to ensure consistency. The redevelopment agency formerly wrote specifications into the redevelopment plans that, on adoption, essentially overrode the city's zoning code. The city has since updated the zoning code, and SFRA staff gave input in that process. Now, redevelopment fits better within the existing code, and the agency makes an effort to ensure that newer redevelopment plans use the zoning code as their model.

The redevelopment agency board occasionally meets jointly with the planning commission to determine if a project should move forward before bringing it to the board of supervisors. SFRA reports that these joint meetings are useful, but it is often too difficult to schedule a joint meeting for both political and logistical reasons. Otherwise, the planning commission is involved only as required by the Community Redevelopment Law.

### **Past Structural Changes**

Periodically the board of supervisors considers making changes to this governance structure, generally following a controversial decision on the part of the agency. Generally, periods of discussion have resulted in strengthening some aspect of coordination between the agency and

the city. The already heavy workload of the board of supervisors creates reluctance to take on more responsibility, which is one reason that the agency continues to be independent.

### **Reported Strengths and Weaknesses**

San Francisco is fairly satisfied with its redevelopment governance structure. One identified strength is that it creates some separation between day-to-day politics and longer-term redevelopment decisions. One weakness is that city council periodically disagrees with individual agency decisions or feels a need for more oversight. In addition, the separation between council and the agency board sometimes makes it more difficult for council to access agency money for favored projects, but this is viewed as both a strength and weakness depending on one's perspective.

### **Summary**

In San Francisco, redevelopment agency governance structure is a reflection of the city's complex political environment. The board of supervisors has a great deal of responsibility and answers to a large constituency. The independent agency structure allows redevelopment to occur outside the volatile political scene and minimizes the burden on the board of supervisors. There is some tension between the redevelopment and planning functions, but agency and city staff have been able to improve coordination over time.

The authorizing legislation for the agency allows the mayor a significant oversight role through appointment of the board and nomination of the executive director. In addition, the mayor has been involved in many of the larger redevelopment projects, by partnering the resources of his office with SFRA. The role of citizen advisory groups (PACs and CACs) in San Francisco redevelopment is primarily through interaction with the agency board, rather than direct interaction with elected officials. However, because the mayor appoints the members of these bodies as well as the agency board, there is some accountability built into the system.

## **San Jose Redevelopment Agency**



San Jose Redevelopment Agency  
redevelopment works

### **Overview of City and Agency Government Structure**

The City of San Jose operates under the council-manager form of government. The 11-member city council also serves as the San Jose Redevelopment Authority (SJRA) Board of Commissioners. The council consists of 10 district-based members plus the mayor, who is elected at-large. The mayor has full voting rights on the council and agency board. City council recesses their meeting and reconvenes immediately as redevelopment agency In order to perform its duties for the agency.

### **Chief Executive Officer and Role of the Mayor**

The SJRA has a professional executive director who reports directly to the city council and mayor. The SJRA Executive Director is appointed by the mayor and council, and has equal stature with

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the city manager. The mayor is the chair of the agency board of commissioners and votes on redevelopment issues. The mayor leads policy discussions but is not involved as a day-to-day administrator. Pursuant to the San Jose charter, the mayor has a budget office that reviews the budget before it is brought to city council. It was put in place for the city budget, but the agency follows the same process.

### **Personnel**

The executive director and three deputy directors are hired within the civil service structure. The executive director is appointed by the mayor and council. The SJRA bylaws allow the agency board discretion to appoint counsel for the agency as it sees fit, however at present a civil service city attorney employed by the city is assigned to work on redevelopment. The balance of staff is hired directly by the redevelopment agency outside of the civil service structure. Overall, SJRA reports no problems with attracting qualified staff. Most of the staff reports to the agency director only, but in one project area closely linked to city efforts, the agency staff reports to the city manager as well.

### **Contract Authority**

The executive director, acting as the secretary of the redevelopment agency, can make decisions regarding expenditures up to \$100,000 without board/council approval, as well as assign, amend or correct contracts, and some other similar duties. For staff below the level of deputy director, the executive director makes personnel decisions for the agency independent of board/council approval.

### **Advisory Bodies**

There is one active PAC as a result of Strong Neighborhoods Initiative (SNI). SNI is joint city/agency initiative in which several neighborhood business districts were brought into a project area. In this project area, agency staff reports to both the executive director and the city manager. The planning department staff facilitates the development and implementation of the plans and guidelines for the revitalization of these business districts through the city's permit process. The SNI area PAC is influential in redevelopment decision-making in this project area. San Jose also has Neighborhood Action Committees (NAC) that are appointed by their respective neighborhoods.

### **Interface with City Planning Functions**

SJRA and planning department staff report that the agency works closely with other city agencies and generally has not experienced conflicts between the city's planning process and redevelopment. Planning and redevelopment have very clear roles and responsibilities. Agency staff identifies projects and works to bring the developers to San Jose – they handle the deal-making side of redevelopment, while the planning staff handles permitting and entitlement aspects as in all other districts. There was a time when the redevelopment agency was responsible for permitting for downtown redevelopment area, but this did not work.

Because the agency board is council and the agency is housed in city hall, logistically coordination is easy. The planning and redevelopment directors respond to the same entity and staff is able to work together easily. The current redevelopment director is a former planning director, so he is able to facilitate communication between the agency and the department. The directors get together regularly through an interdepartmental economic development team and managers see each other daily.

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The planning and redevelopment staff don't always agree, but communication systems are very good, including around creating policies that support redevelopment efforts, such as traffic policies. It has been a long time since San Jose created a new redevelopment area or plan, so coordination of those tasks is not critical. For the last new redevelopment area, the agency paid consultant to write the redevelopment plan and the planning staff reviewed it for consistency with other plans before it was adopted. Redevelopment plans only occasionally trigger changes to the general plan. Overall, SJRA reports that it has not missed out on significant redevelopment opportunities due to constraints of the general plan.

The role of the planning commission is limited to the responsibilities mandated in the Community Redevelopment Law, such as adopting the preliminary redevelopment plan and acting in an advisory capacity to council.

### **Past Structure Changes**

In 2003-2004, the San Jose City Council reviewed the SJRA structure to determine if an alternative system would better meet its needs. It concluded that the current structure was functioning well and resulted in fairly efficient decision-making so long as good internal and external communications are maintained. This requires staff and elected officials to spend lots of time with the public, and the city has been willing to make that commitment.

### **Reported Strengths and Weaknesses**

The ability of the agency to maintain a staffing level of about 100 employees was identified as a strength. A second perceived strength was that because city council serves as the agency board, the agency "can turn on a dime". Redevelopment projects move quickly because the city council and redevelopment agency review are one and the same. Council enjoys working in the context of an independent agency rather than through the city bureaucracy, because there are fewer constraints and increased ability to "jump on opportunities" that arise. SJRA reports very few weaknesses with the current structure. Occasionally, some citizens express concerns about how funds are spent, but not often.

### **Summary**

The structure of SJRA allows for strong coordination at the leadership level, with the council serving as the agency board and the executive leadership reporting to both council and mayor. The joint function of council as the agency board also requires fewer levels of review and, therefore, faster decision-making. The executive director has been given a middle-range of autonomy in contracting, which also creates procedural efficiency. An agreement with the city allows the remaining hiring to occur outside the civil service structure, giving the agency more flexibility over hiring and other personnel issues.

Table 5 below summarizes the governance structure of the seven case study cities compared to San Diego's current structure.

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Table 5: Comparison of Key Governance Factors								
City (population)	San Diego (1,294,000)	Chula Vista (209,000)	Long Beach (475,000)	Los Angeles (3,912,000)	Oakland (410,000)	Sacramento (445,000)	San Francisco (792,000)	San Jose (926,000)
<b>Government Structure</b>	Strong Mayor	Mayor-Council	Council-Manager	Strong Mayor	Strong Mayor	Council-Manager	Mayor-Council, Weak Mayor	Council-Manager
<b>Redevelopment Structure</b>	Council led agency	Commission plus CDC	Independent agency	Independent agency, strong council oversight	Council led agency	Commission, Joint Powers Authority of city & county	Independent agency	Council led agency
<b>Redevelopment Board</b>	Council	Commission: council, mayor & four experts appointed by council	PACs nominate 3, mayor nominates 4, council approves all	Mayor appoints & council approves	Council	Independent commission appointed by council & supervisors	Mayor appoints & council approves	Council including mayor
<b>Executive Management</b>	In transition, city manager was ED.	501(c)(3) CDC CEO is city redevelopment director, reports to council	ED reports to board & city manager	CEO selected by board, vetted by mayor/deputy mayor; reports to deputy mayor & board	ED & management report to mayor	ED appointed by council & supervisors, reports to board	ED nominated by mayor, reports to board	ED appointed by & reports to mayor & council
<b>Mayor's Involvement</b>	Was Chair of the council, new role TBD	Active day-to-day in policy decision	Low	Mayor's office reviews agency budget; deputy mayor oversees agency	Direct, regular oversight of executive staff	Low	Large scale projects often combined effort with mayor's office	Low except special budget review
<b>Legal Counsel</b>	City attorney	City attorney	A city attorney is assigned 20% to the agency	Combination city & outside counsel as decided by city attorney	City attorney	Agency has own counsel.	Agency has own staff counsel	City attorney

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<b>Personnel Within Civil Service Structure?</b>	Yes, except Deputy Director level and above.	Yes, except CEO who is employee of the 501(c)(3) CDC	Yes	Executive: No, but "cleared" by mayor & council. Other staff: No, but unionized	Yes	No, but occasionally city loans staff.	No, but Agency has own similar structure & MOA with same unions	Management level: Yes. Other staff: no
<b>Interface with City Planning</b>	Staffed by city; closely linked	Agency & CDC staffed by city	Recently, coordinated, processes have improved what had been slow & disconnected reviews.	Combined effort for entitlements & continuity. If agreement not reached between board & PC, council resolves	Staffed by city, includes all planning, building, economic development and housing functions	Not available	Regular meetings of agency & planning director. PC reviews entitlements	Close working relationship between city & agency staff.
<b>Advisory Bodies*</b>	PACs, CPGs	Commission, Appointed RAC	PACS	PACs, CACs. agency board is mainly advisory	PACs	PACs, Appointed RACs	PACs and CACs	PACs, NACs
<b>Citizen Involvement</b>	PACs continue after 3 years in several project areas.	PACs have expired. New RAC expected to have influence on commission & agency	Mayor Nominates 3 board members who also attend PACs.	PACs and CACs influence board but CC member has more influence on project approvals.	PACs continue after 3 <sup>rd</sup> year with CEDA funding. Influence is through the city council member	PACs have mostly expired. RACs have more influence	CACs are appointed by Mayor & very involved. Strong influence on board, not so much on planning commission & city council	PAC active & has influence in one area.

\* PAC = Project Area Committee, CAC= Citizen Advisory Committee, RAC= Redevelopment Advisory Committee, NAC= Neighborhood Advisory Committee, CPG= Citizen Planning Group.