



**COUNCILMEMBER DAVID ALVAREZ**  
**City of San Diego**  
**Council District Eight**

**MEMORANDUM**

**DATE:** October 16, 2015

**TO:** Councilmember Myrtle Cole, Chair, Economic Development and Intergovernmental Relations Committee

**FROM:** Councilmember David Alvarez

**SUBJECT:** Creation of Community Revitalization and Investment Authority and Area

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The economic revitalization of San Diego's most neglected communities is critical as we pursue responsible and sustainable planning, growth and development in the coming decades. Since the dissolution of redevelopment agencies throughout the state, municipalities have struggled to find planning and financing tools to invest in and support the revitalization of these communities. The passage of AB 2 (Alejo), *Community Revitalization Authority*, has created such a funding mechanism and it is imperative that the city move forward as soon as possible in utilizing the tools provided within AB 2 to create a Community Revitalization Authority and a Community Revitalization and Investment Area. Many of the communities and neighborhoods that would qualify under AB 2 are located in Districts 3, 4, 8 and 9. Taking such action would ensure funding is available to invest in the communities that need economic development the most.

AB 2 authorizes the creation of Community Revitalization and Investment Authorities to invest property tax increment revenue to relieve conditions of unemployment, reduce high crime rates, repair deteriorated or inadequate infrastructure, promote affordable housing and improve conditions leading to increased employment activities. The City Council may adopt a resolution creating an authority and appoint a governing board consisting of three members of the City Council and two public members. The Authority would be a public body and subject to the Ralph M. Brown Act.

A Community Revitalization Authority can invest in Community Revitalization and Investment Areas in a number of ways, including but not limited to providing funding for infrastructure improvements,

affordable housing, and seismic retrofits of existing structures, as well as acquire and transfer property, issue bonds, and make loan or grants for structure improvements.

AB 2 outlines the characteristics for Community Revitalization and Investment Areas and requires the following conditions:

1. An annual median household income that is less than 80 percent of the statewide annual median income, and;
2. Three of the following four conditions:
  - a. Non-seasonal unemployment at least 3 percent higher than the statewide median unemployment;
  - b. Crime rates that are 5 percent higher than the statewide median crime rate;
  - c. Deteriorated or inadequate infrastructure such as streets, sidewalks, water supply, sewer treatment or processing, and parks;
  - d. Deteriorated commercial or residential structures.

I appreciate you docketing a discussion of this issue at an upcoming Economic Development and Intergovernmental Relations Committee meeting. I would request that the committee consider directing city staff to bring back an action plan to take the preliminary steps necessary to begin initiation of the process to create San Diego's Community Revitalization and Investment Authority and associated area. Moving forward on utilizing the tools afforded in AB2 would ensure San Diego makes use of the tools provided by the state to invest in areas that require enhanced financial investment to encourage urban revival efforts. Additionally, the return of redevelopment area CDBG funding received by the city from the state should be considered for funding the creation of a Community Revitalization and Investment Authority and Area.