

Questions Received at Community Workshops

Does being included in the El Cajon Redevelopment Project Area raise my taxes?

No! Being in a Redevelopment Project Area changes how the tax receipts are allocated, but does not change the total tax amount due.

Why is El Cajon proceeding with a Redevelopment Plan Amendment at this time?

The Governor has proposed the elimination of Redevelopment Agencies as a way to increase State revenues this year. However, Redevelopment Agencies throughout the State have accomplished a great deal of good through elimination of blight, creation of affordable housing, and stimulating economic development. There is a lot of support for retaining Redevelopment and the Legislative Counsel has determined that the proposal to eliminate Redevelopment Agencies is unconstitutional under California's laws. While no one can predict with certainty what will happen in the coming legislative session, El Cajon remains optimistic that Redevelopment will remain, although it is probable that some of the laws governing Redevelopment may change.

The process to renew a Redevelopment Agency's powers is a lengthy and complex process, and it is important that El Cajon begin this process to ensure that its plan and powers remain current.

Does Redevelopment change zoning or other City requirements?

No. Redevelopment is a method of financing reinvestment in the Redevelopment Project Area. It does not change zoning, parking requirements, sign regulations, or other City land use requirements.

If I own property in the Project Area, what impact will eminent domain have?

Eminent domain gives the Agency the right to acquire property for redevelopment purposes and must meet a very strict test of blighting conditions. However, the Agency must still pay fair market value and provide relocation benefits for displaced residents or

businesses. The intent of this power is to make people financially “whole” in the event that their property is required.

As was noted at the Community Workshop, the Redevelopment Agency has used this power only three times in more than twenty years. Generally, when the Agency has required properties for a project, the property owner has been a willing seller. When a property is acquired under the threat of eminent domain (even under “friendly” circumstances), the property owner is entitled to certain tax advantages. This is another reason that retaining the power of eminent domain is advantageous for the Agency and property owners.

Are the areas that are currently within the Redevelopment Project Area blighted?

State laws require that areas meet certain thresholds of blight to be eligible for inclusion in a Redevelopment Project Area. This does not mean that every property is blighted, rather the area as a whole must meet those thresholds. The State’s requirements for blight have changed over time, and part of the effort of the current Redevelopment Plan Amendment will be to see if the current and possible additional areas meet the State’s current thresholds for blight.

The City has changed its standards for parking in the downtown area, and I believe that this has resulted in a parking shortage. What can redevelopment do to address this situation?

Parking standards in the downtown area are less than in other parts of El Cajon. This is due to a number of reasons, including the presence of on-street parking, the presence of public and private parking lots, the relatively greater availability of public transportation, and the desire to create a “downtown” feel to the area. However parking standards are a City zoning issue, rather than created by redevelopment per se. Redevelopment is a tool for El Cajon and other cities to help achieve their vision. In this case, being part of a redevelopment project area will give El Cajon the ability to more easily create public parking areas at such time as the City determines that creation of additional parking is necessary.

I am a property owner in the portion of El Cajon’s Redevelopment Project Area that is near Gillespie Field and is not within the city limits of El Cajon. If I construct a residential housing project, why am I required to provide some affordable housing units or pay an in-lieu fee?

Generally, properties outside the city limits of El Cajon are subject to the rules of the County of San Diego, and not the rules of the City of El Cajon. However in this unique instance, the property owner must conform to El Cajon’s Affordable Housing Ordinance whenever three or more new units are built or three or more units are substantially

rehabilitated with Agency assistance. The Affordable Housing Ordinance can be found under Section 15.82 of the El Cajon Municipal Code.

What is the focus of El Cajon's Redevelopment Activities?

The focus of El Cajon's Redevelopment Activities since at least 1987 has been the elimination of blight, the creation of affordable housing, provide infrastructure improvements, develop public facilities and to stimulate economic development. Most of the focus of this effort has been in the downtown area, but there are a number of examples of commercial and residential projects in other areas of El Cajon's Redevelopment Project Area. Since inception, the Agency has participated in the acquisition and construction of City Hall and Regional Courthouse, the Library, Fire Station 6 and Ronald Reagan Community Center on Douglas, SW and NW Corner Plaza Projects, the Parking Structures at Parkway Plaza, Center Pointe Business Park, Cajon Valley Middle School Gym and numerous other school projects through negotiated pass-through agreements.

What efforts have been made to revitalize downtown El Cajon?

The El Cajon Redevelopment Agency has partnered with property owners to create market rate and affordable housing through such projects as the Lexington Senior Apartments, Park Magnolia Villas, Prescott Square properties, and the Birchwood Lane single family home development now under construction, has reconstructed Main Street to create additional parking and create a pedestrian-friendly environment, has reconstructed the Prescott Promenade to create a gathering spot for community events, has constructed the downtown arch to give the area identity, has partnered with such businesses as Por Favor Restaurant, and the Downtown Café to remodel and invest in the downtown area, has sponsored numerous clean-up efforts, and facilitated improvements to the street environment through a façade improvement program and utility box art program. Many people who have visited downtown El Cajon, after being away for several years, remark at the pleasant transformation that has occurred to the look and feel of downtown El Cajon.

How much does it cost to run the Redevelopment Agency?

The Agency's budget is approximately \$15 million per year. Most of this money goes to make payments for bonds that were issued in prior years and to other taxing agencies such as the El Cajon School District and the County of San Diego. About \$1.5 to \$2 million per year is generally available for new projects, and about \$1.5 million per year is available for new affordable housing projects. The "cost to run" the Agency, including salaries, supplies, services, accounting, and overhead is approximately \$2 million per year.

Can Redevelopment Funds be used for seismic (earthquake) retrofit projects?

If the building is within the Redevelopment Project Area, funds are available, and if the project furthers the goals of the Redevelopment Agency, redevelopment funds can be used for seismic retrofit projects. As with other projects, the Agency looks at the economic viability of the business and looks to fund only those projects that could not be done without Agency assistance.

Can Redevelopment funds be used to promote local businesses? Also, what is being done to address vacancies in the downtown area?

The City has partnered with the El Cajon Community Development Corporation on a number of programs to promote local businesses, including listings of available properties, provided business success grants to businesses that moved into or expanded in the downtown area, provided façade improvement grants to make the storefronts more attractive, has attended the International Council of Shopping Centers Conference to promote El Cajon to prospective new businesses, and has streamlined development requirements in a number of areas. The City is currently exploring a program whereby shoppers in El Cajon are given credits at El Cajon restaurants for other purchases they make within the Redevelopment Project Area.

The economic downturn has hit El Cajon and virtually every other City very hard, but the City is committed to work with the business community to make El Cajon an attractive place to live, work, shop, play, learn, and conduct business.

Shouldn't the City encourage Antique Stores in the Downtown Area?

The City does have restrictions regarding the type and amount of used merchandise that is permitted under the City's zoning codes for the Downtown Area. These codes are separate from the Redevelopment Project and are periodically reviewed.

Does Redevelopment Affect the PBID District?

The Property Business Improvement District is an assessment district that is formed by a majority vote of the property owners within that district. El Cajon does have a PBID in the Central Business District whose mission is to help maintain and promote the economic development of the area. The PBID is currently administered by the El Cajon Community Development Corporation, which is a separate organization from the El Cajon Redevelopment Agency. The Agency participates in the PBID District by paying assessments for RDA owned properties in the District.

What is the CDC and how does it relate to the Redevelopment Agency?[MR1]

The El Cajon Community Development Corporation (CDC) is nonprofit corporation that is a separate entity from the El Cajon Redevelopment Agency. The mission of the CDC is to promote the economic and physical vitality of El Cajon's downtown area. As such, the CDC and the Redevelopment Agency have many common goals and have undertaken a number of projects together.

I have a property that I would like to redevelop. How should I proceed?

Start by contacting the City of El Cajon Planning Division at 619.441.1741 to determine the zoning, use, and development standards applicable to your property.

How does tax increment financing work?

Redevelopment Agencies are created to encourage reinvestment in areas that are considered blighted. The underlying premise is that without additional public investment, private investment would not occur in a blighted area. Tax increment financing is a method of financing that encourages public investment in such areas.

When a redevelopment agency is formed, the existing property tax level is considered the base level. As properties are redeveloped, the property tax levels increase. This increase above the base level is the tax increment. El Cajon receives about 16% of the base property tax level, but receives 60% of the tax increment. This additional tax amount allows El Cajon and other redevelopment agencies to invest in their redevelopment project areas.

What plans are there for the added areas if they are included in the Redevelopment Project Area.

The Agency does not have any immediate plans for the areas being studied for inclusion in the Project Area. However, inclusion would allow the Agency to undertake redevelopment projects should they be desirable and feasible.

What is the vision for Broadway?

The City and the Redevelopment Agency would like to see Broadway prosper as a vibrant commercial district, and this could occur whether or not the area is included in the Redevelopment Project Area. However, inclusion in the Redevelopment Project Area would give the Agency additional tools that could assist in this area's revitalization. In

any case, however, revitalization is a lengthy and uncertain process, even if included in a redevelopment project area.