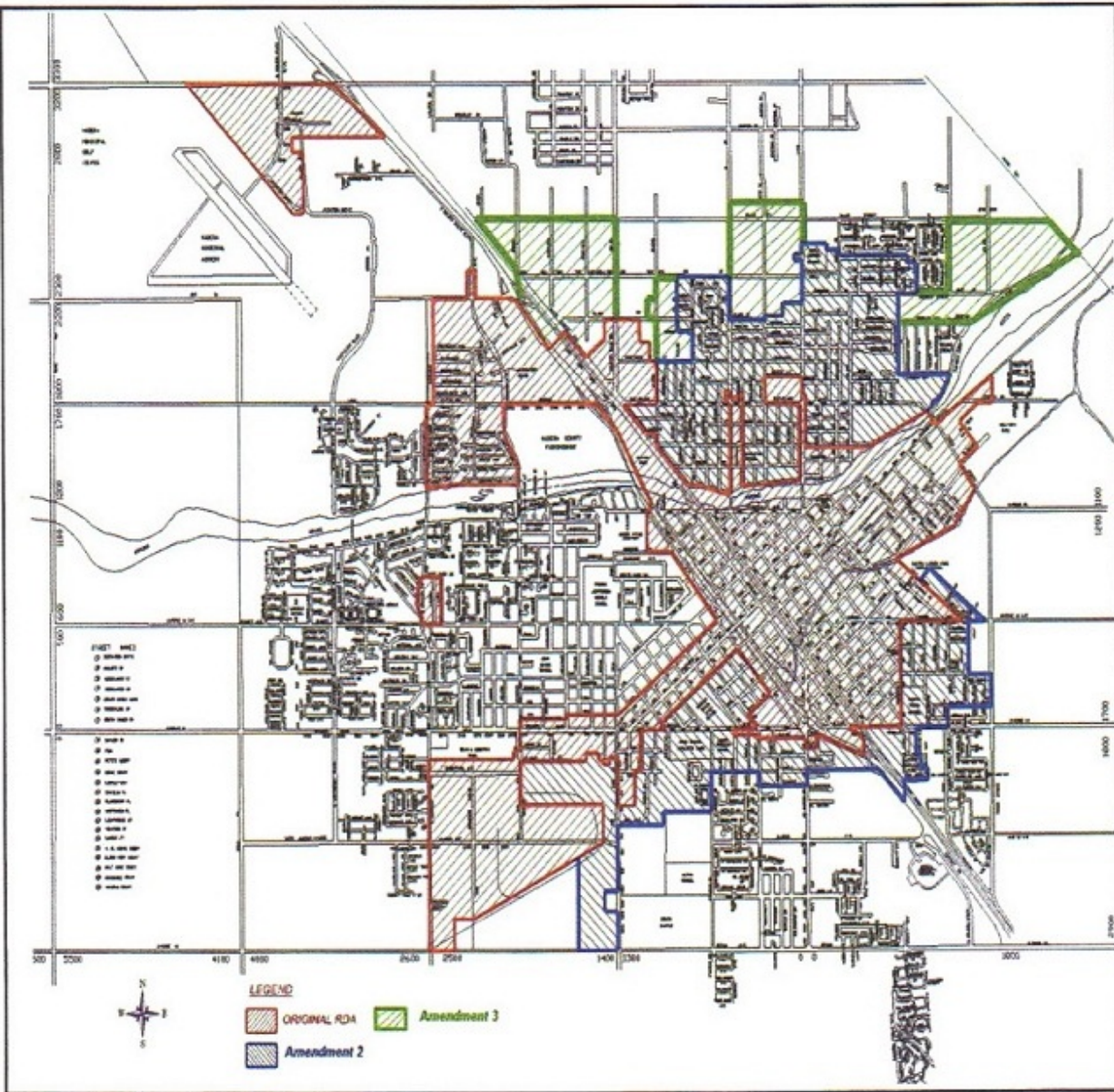


Project Area Map



2010 - 2011 Madera County Grand Jury Final Report Madera Redevelopment Agency

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Introduction:

During review of various City of Madera departments and agencies, the Grand Jury interviewed the Executive Director of the Redevelopment Agency (RDA), Mayor, City Administrator, City Engineer, Planning Director, Public Works Director, and Streets Operations Manager. The Grand Jury also toured the redevelopment projects in the City.

The goal of redevelopment is to rebuild and improve neighborhoods that already exist, rather than build new ones further away from the urban core. Through redevelopment, finances may become available to reverse deteriorating trends, create jobs, increase the availability of affordable housing, and encourage private investment that would not otherwise occur.

Redevelopment is primarily financed by tax increment. Tax increment comes from the increased assessed values of property, not from an increase in tax rate. Current California Redevelopment Law requires that 20% of new property taxes collected be set aside in a Housing Fund. These funds can only be used to increase and improve affordable housing opportunities for very low, low, and moderate income households.

The Madera RDA was established in 1991 to alleviate the following blight conditions:

- Buildings that are unsafe and/or unhealthy for persons to live or work in,
- Incompatible uses that prevent economic development,
- Irregular lot size,
- Depreciated or stagnant property values,
- High business vacancies, low lease rates, and abandoned buildings,
- Deficiencies in infrastructure including sidewalks, curbs, gutters, and handicapped ramps.

Findings:

The Grand Jury found that RDA has two major purposes, to eliminate blight and to develop affordable housing. These are particularly needed due to economic conditions in Madera. The unemployment rate is high and a large percentage of the population is on some form of public assistance.

The Grand Jury found that since the RDA was established, the acquisition, demolition, and redevelopment of substandard buildings or incompatible land uses has been an effective tool in the elimination of blight and the revitalization of some older neighborhoods. Community residents are becoming less tolerant of poor property maintenance standards and other conditions of blight.

The Grand Jury found that RDA funds and maintains a revolving loan fund to encourage construction of affordable single-family homes within the RDA Project Area which encompasses approximately 4,207 acres.

The Grand Jury found that the RDA Down Payment Assistance Program is funded with HOME funds (state) and redevelopment tax increment funds. It is designed to provide assistance to persons or families in the targeted income group.

The Grand Jury found that the City received grant funds from the federal government for the RDA Neighborhood Stabilization Program, which provided assistance to first-time homebuyers purchasing foreclosed homes. Eleven home purchases were funded. There are approximately 500 foreclosed residences within the City. The City passed an ordinance to deal with the increased number of houses left vacant for long periods of time and left in a condition that is in violation of multiple building, sanitation, and public nuisance codes. The City Foreclosure Ordinance requires all property owners of foreclosed homes to be registered with the City and to maintain the homes in a manner that does not negatively impact adjacent properties. The registration process gives City departments the means of contacting those responsible for the upkeep and maintenance of these properties and the tools needed to ensure the property is secured and maintained.

The Grand Jury found that public nuisances include the accumulation of junk, animals, noise, dangerous buildings, unsanitary conditions, and encroachments on the public right-of-way. Most of the complaints relate to poor property maintenance standards, which have a negative impact on adjacent property values. In a majority of cases, the property owner voluntarily addresses the violations; however, there are a number of cases where fines are issued in order to obtain compliance.

The Grand Jury found that through its Infill Housing Project, RDA acquires and demolishes substandard structures and under-utilized parcels in established residential neighborhoods. The improved lots are sold to private builders as part of a Disposition and Development Agreement to construct single-family homes. Purchase of these homes is restricted to persons or families in the targeted income group.

The Grand Jury found that to preserve historical housing stock, RDA provides rehabilitation loans to homeowners residing in a targeted area of the City. Five of these projects have been completed. The RDA provides \$12,000 in exterior home improvement funding for eligible families. The property owner must execute an affordability covenant for a period of 45 years if owner occupied and 55 years if tenant occupied. Eligible improvements include exterior paint, new roof, and driveway/sidewalk repairs. There were 36 projects completed in 2009-2010.

The Grand Jury found that in Madera, the RDA has spent over \$15,000,000 to improve blighted areas and neighborhoods around the schools. There is no state or local funding available to finance these activities.

The Grand Jury found that the RDA has supported various City projects. It worked with the Public Works Division to fund the installation of handicapped ramps in designated areas of the City. Public Works provided the labor and RDA funded materials. Over 100 ramps have been constructed. Five underground utility districts were created.

The Grand Jury found that the governor and some legislators have identified redevelopment agency funds as sources of revenue to balance the state's budget.

The Grand Jury found that the City Council has transferred RDA's assets to the City and taken over 16 infrastructure and housing projects to be completed with the money which was dedicated to those projects.

Conclusions:

The Grand Jury concludes that the RDA has been instrumental in providing affordable housing, creating jobs, and addressing the City's infrastructure deficiencies.

The Grand Jury concludes that RDA has played a vital role in improving economic, health, and aesthetic conditions for local residents. Absent redevelopment funding, it is unlikely any of the following projects would have been completed:

- Development of over 600 affordable housing units over half of which provide an ownership opportunity for first-time homebuyers
- New Madera Police Facility
- John Wells Community Center
- Acquisition and clearing of land in preparation for Crossroads Shopping Center
- Acquisition and clearing of land in preparation for Madera County Courthouse and related parking facilities.

The Grand Jury concludes that the elimination of the RDA will result in the loss of one of the few tools available to eliminate blight and address infrastructure deficiencies in the City.

Recommendations:

The Grand Jury recommends that the City Council continue to support the retention of redevelopment agencies.

The Grand Jury recommends that the City Council seek alternate funding to eliminate blight and address infrastructure deficiencies in Madera.

Respondent: Written response required pursuant to PC 933(c)

Madera City Council
205 West Fourth Street
Madera, CA 93637

Respondent: Response optional

Madera Redevelopment Agency
428 East Yosemite Avenue
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