




**City of Long Beach**  
*Working Together to Serve*

**Memorandum**

**Date:** August 25, 2004  
**To:** Mayor and Members of the City Council  
**From:** Gerald R. Miller, City Manager   
**Subject:** The Role of City Council in the Redevelopment Process

---

The following is meant to be responsive to the numerous concerns I have heard from the City Council concerning redevelopment and Council's role in the redevelopment process. In the past two years during which time I have served as Acting City Manager and later as City Manager, probably the single most often-repeated criticism from both the City Council and the community relates to the seeming lack of progress in our redevelopment project areas.

Even those Council people who don't have significant redevelopment project areas seem perplexed and frustrated by the complaints they hear in the community about redevelopment. This situation is heightened by the fact that almost half of the entire City's land area is within a redevelopment project area.

The redevelopment issue is exacerbated by the current condition of the General Fund, which threatens the Council's ability to fund on-going core City services while, at the same time, rising property taxes contribute to the cash balances in nearly all of the project areas. However, my interpretation of the current disconnect in redevelopment has less to do with fiscal concerns and much more to do with City Council's authority—or lack of authority—over what are some of the most fundamental decisions the City faces.

In my view, City Councilmembers are currently placed in a very difficult position as it relates to our redevelopment structure because each is held accountable at the ballot box for what does or doesn't happen in redevelopment project areas within their Council districts, yet, Councilmembers have virtually no authority to determine the direction, speed or quality of redevelopment decisions that occur within a given Council district.

I have received virtually countless complaints from Council concerning redevelopment. In following-up on such concerns with redevelopment staff I am invariably told, "that is not necessarily the direction the Agency Board wants to go in" or something to that effect. This disconnect between Council interest and the direction of the Agency Board affects many decisions from the very simple to the most complex and I think contributes to the dysfunction that seems so endemic to redevelopment in Long Beach.

The Redevelopment Agency of the City of Long Beach was established in 1961 and has always been governed by a separate redevelopment agency board. Most of California's 475 cities have established redevelopment agencies. For the vast majority, the city council serves as the governing board of the redevelopment agency. Some cities have redevelopment advisory boards to assist their city councils. Only three California cities, Long Beach, San Francisco and Los Angeles, have granted full redevelopment powers to a separate redevelopment agency board.

Arguably, there are important advantages in having a separate agency board. As an example, redevelopment agencies can benefit from the valuable expert and technical advice of board members. In Long Beach, our current redevelopment agency board includes architects, business people, community leaders, a banker and a realtor. Agency board members may be better able to take the time needed to learn the details of complex redevelopment projects and programs and solicit community advice. I am sure that the Long Beach City Council valued these advantages when it approved a separate redevelopment agency board more than forty years ago. Our Redevelopment Agency has many accomplishments of which to be proud. They have revitalized our downtown, created new retail centers and established an improved working relationship with the Project Area Committees.

However, there are also advantages to having the City Council serve as the redevelopment agency board. City Council members can better represent the public interest as they are directly elected and have more accountability to those affected by redevelopment projects and programs. Decision-making can be streamlined when only one body with one set of priorities is involved. Simplifying the decision-making process could lead to more rapid redevelopment, lower costs to both the Redevelopment Agency and the development community, and greater alignment between City Council goals and the outcomes of the redevelopment process. In looking back forty years, when the City Council established the Redevelopment Agency Board, there was only one redevelopment project area. Today, there are seven project areas. In 1964, the total General Fund budget was \$34 million. In Fiscal Year 05, the proposed budget for redevelopment alone is \$60 million.

Today, our City Council may be in a better position to assume the powers of redevelopment than the Council of forty years ago. The City Council is very active and engaged in community development issues, concerns and solutions. Each council office has capable staff to assist with the review and analysis of complex redevelopment projects. Moreover, Long Beach residents have an enhanced interest and understanding of redevelopment. They have demanded a voice in setting redevelopment policy. I believe that the voices of Long Beach residents would be heard most clearly by those that they have elected.

Mayor and Members of the City Council  
August 25, 2004  
Page 3

Given our severe budget situation, the most compelling argument for the City Council's assumption of the responsibilities of redevelopment is that all of Long Beach City government must work toward the same fiscal goals. But this is not the only concern. Our Redevelopment Agency has worked hard to cure blight, produce jobs, improve infrastructure and build affordable housing, but at times their priorities have not been the same as those of the City Council. This is a matter of fact.

The issue I have placed before you is a complex one. However, I think it merits your consideration. At the minimum, I would recommend that the Council's role in the oversight of the redevelopment process be incorporated into the independent study of redevelopment that is about to begin.

Or, if the City Council wishes to take a bolder step, the process required for you to assume the responsibilities of redevelopment is actually quite simple. The City Council must request that the City Attorney draft an ordinance, very specific noticing requirements must be met and a public hearing must be held before you may approve an ordinance establishing the City Council as the Redevelopment Agency. Approval of such an ordinance would not affect the status of the Project Area Committees whose existence is guaranteed by the redevelopment plans. In fact, the active involvement of Project Area Committees as critical advisory bodies to the decisions of the City Council seems very consistent with the open government philosophy the Council has embraced in a variety of arenas over the past few years.

In any case, City management and staff remain committed to doing everything within our power to ensure the necessary improvements in our community that are invaluable assisted by the tools that redevelopment provides.

GRM:trm  
MCC:cc The Role of City Council in the Redevelopment Process.doc

cc: Robert Shannon, City Attorney  
Gary Burroughs, City Auditor  
Melanie Fallon, Director of Community Development