

# COMMUNITY WORKSHOPS FOR THE PROPOSED 2011 AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE MERGED DESERT HOT SPRINGS REDEVELOPMENT PROJECT

Sponsored by the  
Redevelopment Agency of the City of Desert Hot Springs

April 18<sup>th</sup> & 25<sup>th</sup>, 2011 - 5:00 p.m.

April 21<sup>st</sup>, 2011 – 6:00 p.m.

*City Council Chambers, Carl May Community Center*

11711 West Drive, Desert Hot Springs 92240





# WORKSHOP QUESTIONS TO BE ANSWERED

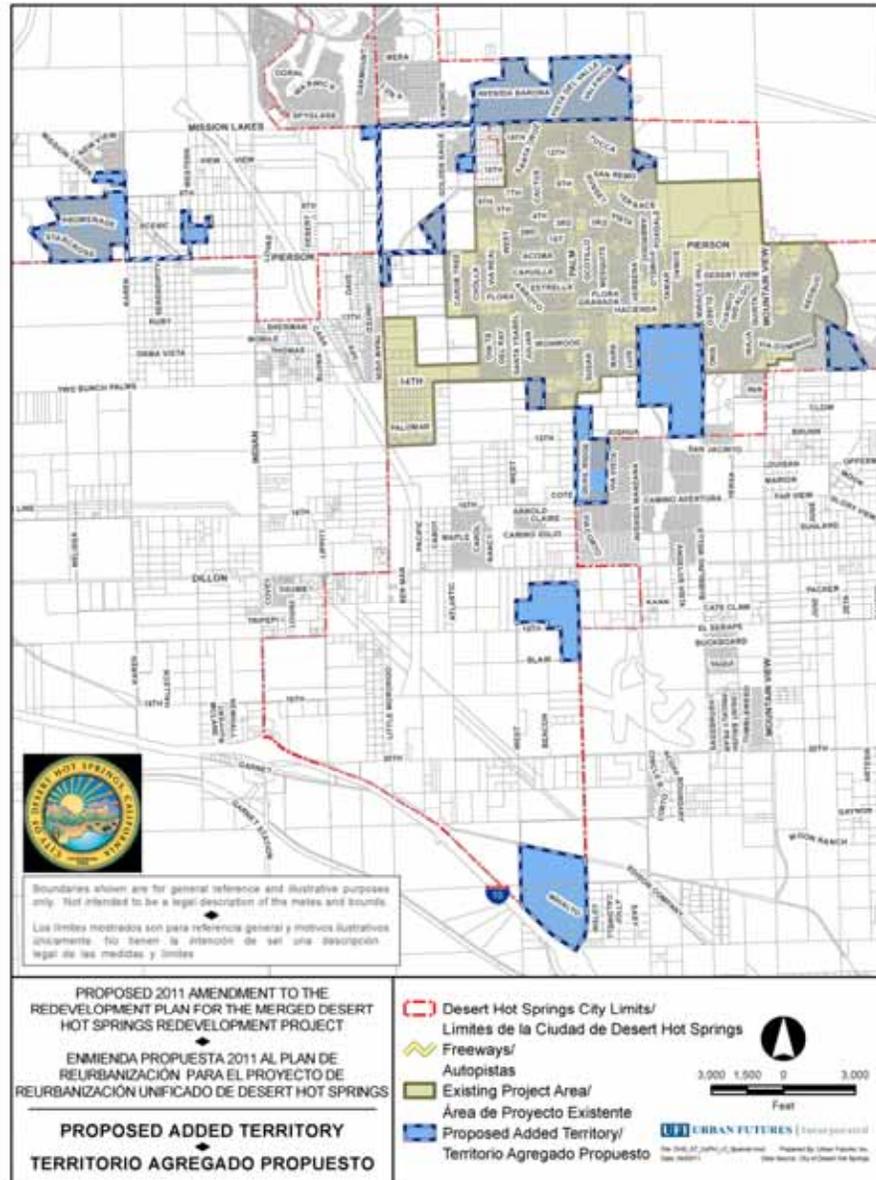
- Why is the City proposing a Plan Amendment?
- What areas of the City are included?
- How will a Plan Amendment affect me?
- How is the proposed Plan Amendment going to assist the City in achieving its goals?
- What has been accomplished to date?

# WHY A REDEVELOPMENT PLAN AMENDMENT IN DESERT HOT SPRINGS?

To further extend the Agency's ongoing and successful redevelopment program to:

- Eliminate physical and economic blight
- Improve the general welfare of community residents and business people
- Make redevelopment/development activities in the community economically feasible
- Increase affordable housing opportunities
- Implement City goals and objectives outlined in the City's General Plan.

# PROPOSED ADDED TERRITORY & EXISTING PROJECT AREA





**PROPOSED ADDED TERRITORY  
BLIGHT INDICATOR IDENTIFICATION &  
ANALYSIS**

# THE METHODOLOGY USED TO IDENTIFY *PHYSICAL* BLIGHT INDICATORS

- Key Analysis Activity
  - Field Reconnaissance\*
    - Parcel Specific & Block Level
  - 47 Physical Indicators
    - Generally derived from government building and safety codes
  - Review of Public Infrastructure
  - Land Uses
  - Indicators are weighted by severity (2-20); parcel scores are cumulative
  - **Non-blighted parcels may be included**

*\* Observations generally taken from public rights-of-way .*

## FOUR PHYSICAL BLIGHT INDICATOR CODE DESIGNATIONS AND THRESHOLD *EXAMPLES*\*



**GC - Garage Conversion (20)**  
Serious Building Code Violation §33031(a)(1)



**GAS – Unprotected Gas Meter (5)**  
Condition That Make Buildings Unsafe or  
Unhealthy §33031(a)(1)



**UST – Unsafe Stairway/Walkway (5)**  
Condition of Dilapidation and Deterioration §33031(a)(1)



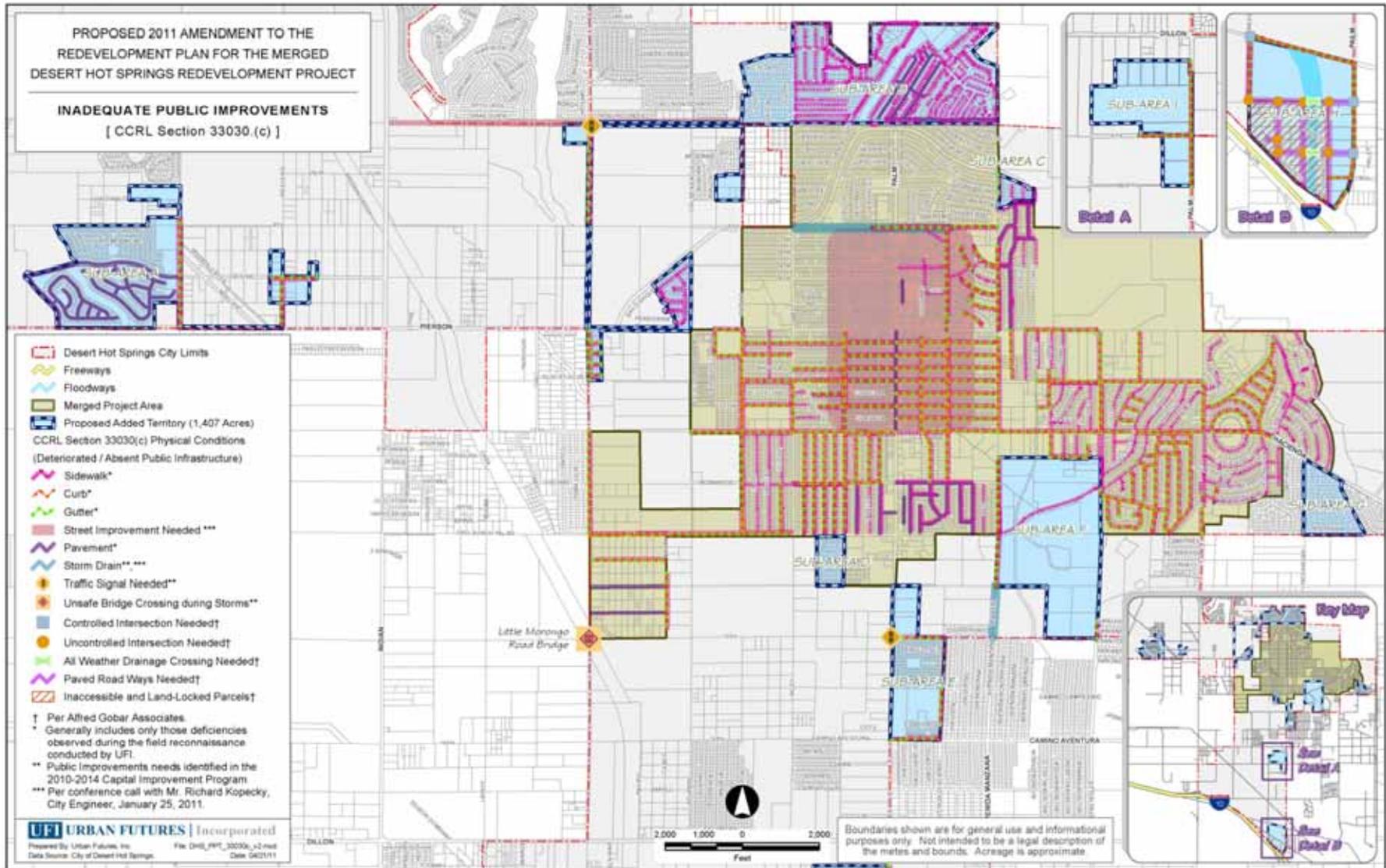
**FO – Functional Obsolescence (20)**  
Condition That Prevents or Substantially Hinders  
Viable Uses §33031(a)(2)

\* From UFI macro photo database

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# INADEQUATE PUBLIC IMPROVEMENTS

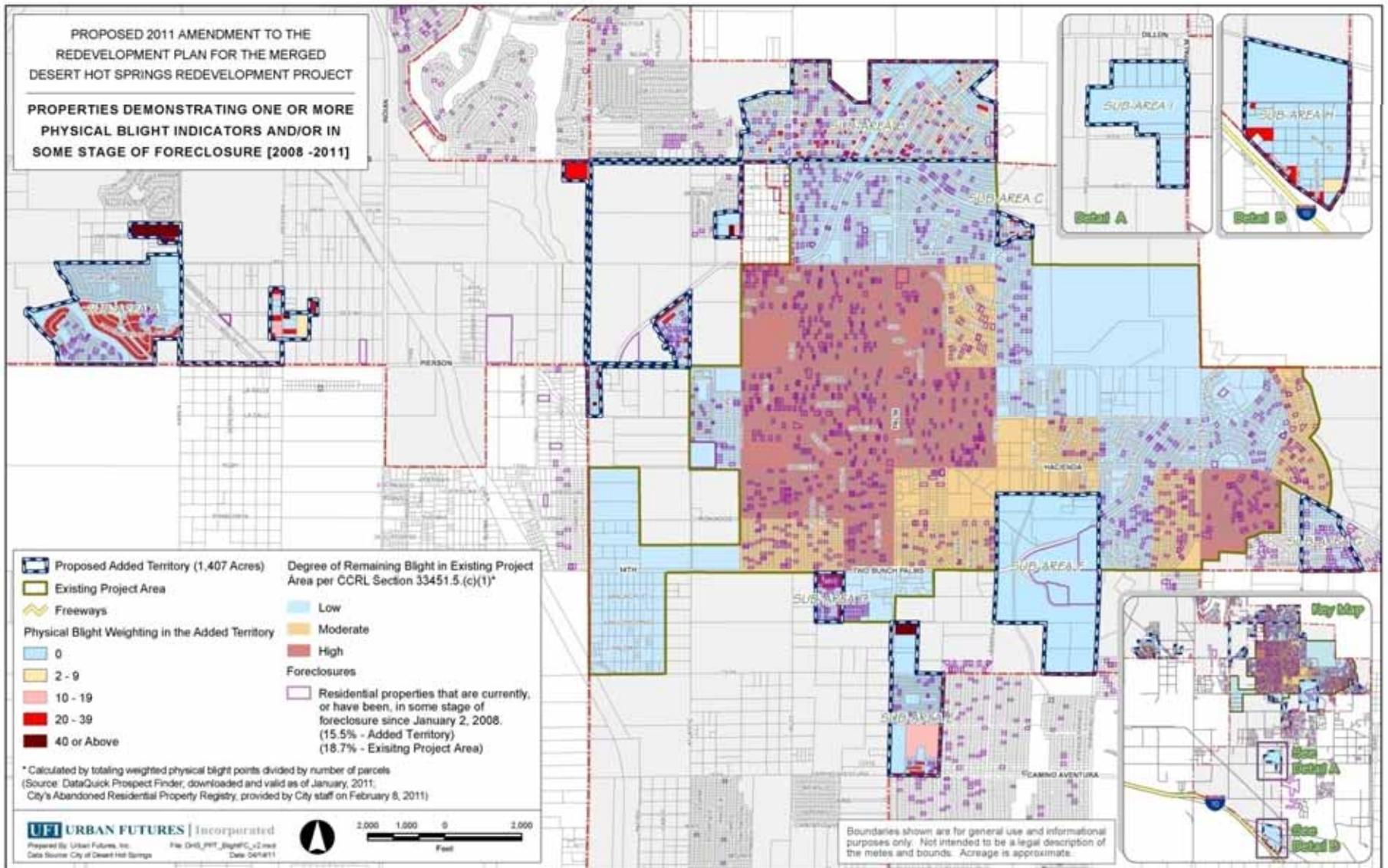


## THE IDENTIFICATION & ANALYSIS OF *ECONOMIC* BLIGHT INDICATORS

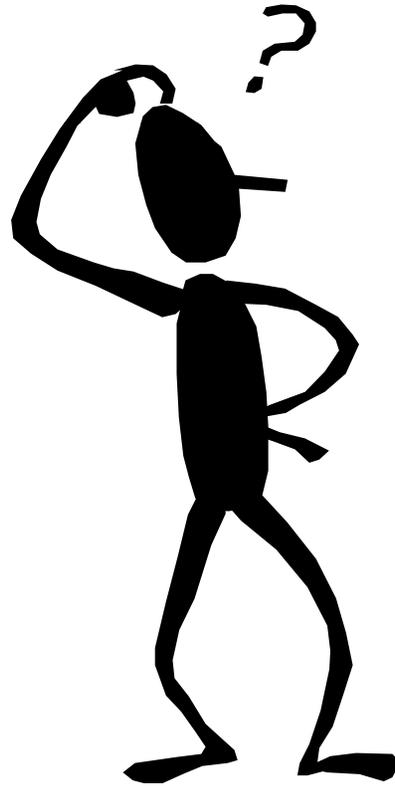
- **Household Overcrowding**
  - 18.2% of Existing Project Area households live in over-crowded or severely over-crowded housing conditions
- **Public Safety**
  - Demand for police service within the Existing Project Area is 2.2 times higher than the California benchmark
- **Lack of Needed Commercial Facilities**
  - The number of retail options within DHS is less than one-half the level that existing in most communities
- **Depreciated and Stagnant Property Values**
  - Residential property value within redevelopment areas has depreciated by 72% compared to 66% in other areas on the City
- **Foreclosure Activity**
  - Residential foreclosure is significantly higher within the project areas of the City

*(cont.)*

# ECONOMIC BLIGHT: FORECLOSURES



# HOW WILL A REDEVELOPMENT PLAN AMENDMENT AFFECT ME?



# COMMON REDEVELOPMENT MYTHS/QUESTIONS

**Myth:** My home/business will be marked as blighted and affect resale.

- Your home **will not** be classified as “blighted” on any Real Estate transaction documents (preliminary title report, deed); upon sale, the preliminary title report will only state that your property is located within a Redevelopment Project Area.

**Myth:** All property included within a redevelopment project area must be “blighted.”

- Redevelopment Law makes clear provisions for the inclusion of non-blighted parcels which reflects practical and economic realities of most California communities.

**Myth:** My property value will decline due to inclusion within a redevelopment project.

- Your property values **will not** go down simply due to inclusion within a redevelopment Project Area; this occurrence would be contrary to the concept of tax increment financing.

**Myth:** My property taxes will rise, I will have to pay new fees or I won't be able to develop my land.

- Redevelopment **does not** affect your property tax rate, cause new fees, or affect land use controls.



## COMMON REDEVELOPMENT MYTHS/QUESTIONS (CON'T)

**Myth:** The Redevelopment Agency will take my home.

- The amended redevelopment plan will **prohibit taking property on which any person resides**. In fact, the Redevelopment Agency of the City of Desert Hot Springs has never used eminent domain.

**Myth:** The State is now acting to eliminate redevelopment agencies.

- This may or may not end up being a myth; currently, the State legislature is divided on what impacts such a draconian move would have on California's communities. In DHS, the Agency has moved forward with the Amendment anticipating redevelopment *will remain* a valuable City blight remediation and economic development tool.

**Question:** Once an area is designated for redevelopment, who decides what is done?

- The City Council is the Redevelopment Agency Board. The City's and Agency's funding decisions are stated in their annual budgets, which are considered during public meetings.

**Question:** When will a property owner be contacted regarding the Agency's plans?

- All participation is voluntary. It is up to the property/business owner to contact the Agency, if participation is desired.



# WHAT ABOUT EMINENT DOMAIN?

The Agency has adopted a Property Acquisition Program that *prohibits the Agency's use of eminent domain to acquire property on which any persons reside* within the Amended Project Area  
(Adopted by Agency Resolution No. RDA-2010-005, October 19, 2010).

- The Agency's adopted policy is more restrictive than Prop 99.

**Bottom line:** *The Agency cannot and will not take your home...*



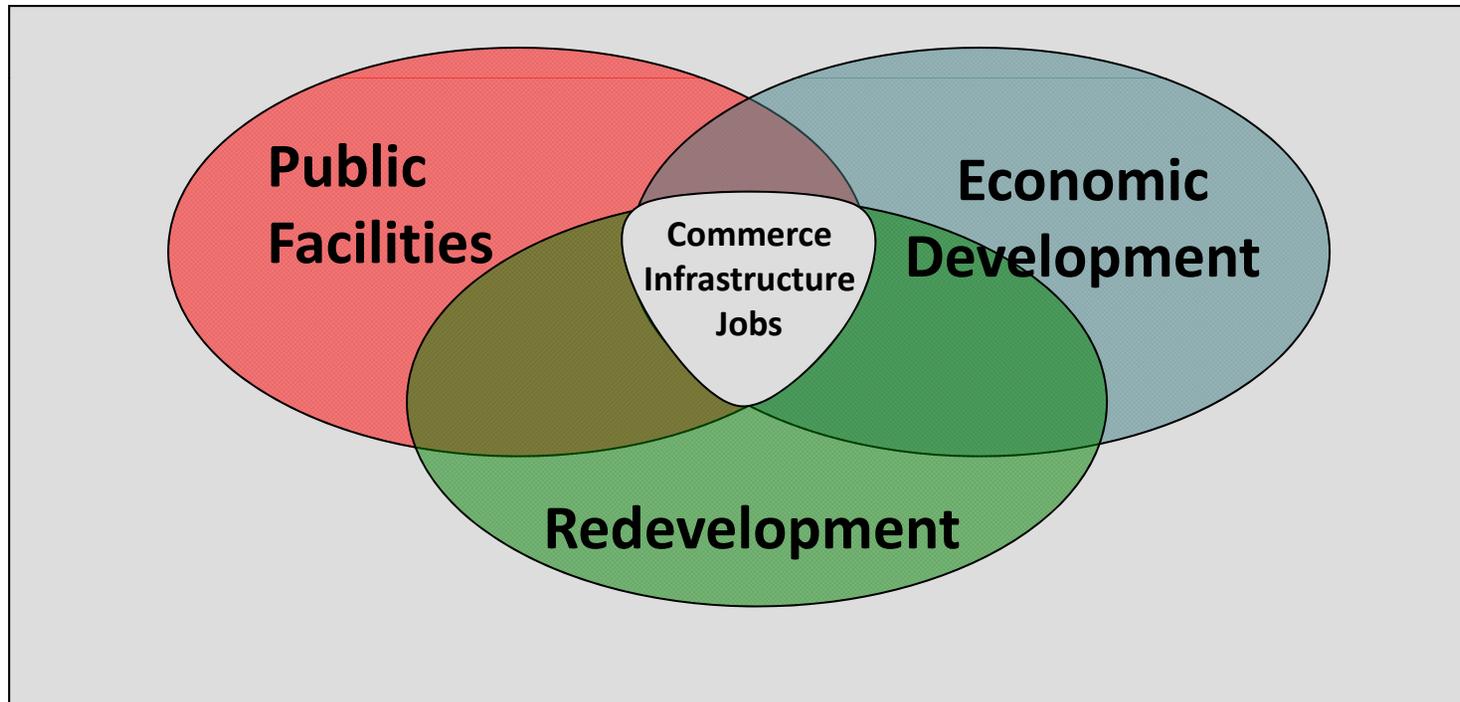
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## Eminent Domain May Be Necessary To:

- Facilitate reuse of old and functionally obsolete and/or non-operating commercial, industrial, and/or hospitality facilities
- Assist willing property owners with tax advantages through “Friendly Condemnation” and 1033/1031 exchanges
- Help to facilitate parcel consolidation and productive development of landlocked, multiple (scattered) ownership “dry” or “premature” subdivisions

# THE PROPOSED PLAN AMENDMENT PROVIDES MUCH NEEDED RESOURCES TO ACHIEVE CITY GOALS



# REDEVELOPMENT CAPTURES MORE OF YOUR PROPERTY TAX DOLLARS FOR REINVESTMENT BACK INTO THE COMMUNITY

Without Redevelopment  
For Each

**\$100,000**

of Property Tax Revenue

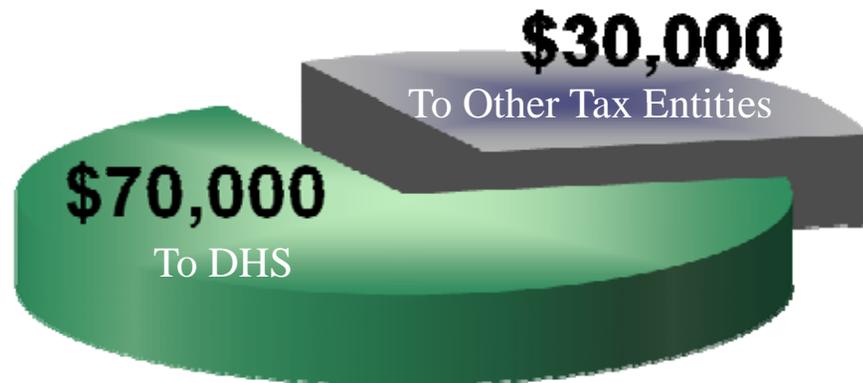
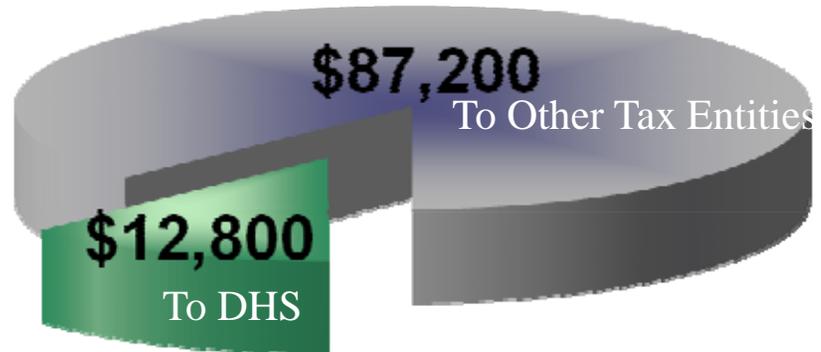
*Based Upon 12.8%  
City Property Tax Rate*

With Redevelopment  
For Each

**\$100,000**

of Tax Increment

*Agency Tax Increment Share  $\approx$  70%*





**PROPOSED PLAN AMENDMENT  
ESTIMATED LONG-TERM COMMUNITY FISCAL BENEFIT**

**\$132,000,000\***

**\*With Adoption of 2011 Amendment (Assumptions)**

- ♦ Over 45 years @ 3.7% average annual compounded growth rate
- ♦ 2010-11 Base year value of \$232 million
- ♦ Housing projects/programs to be approximately \$39 million (LMI-Fund)
- ♦ Non-housing projects/programs to be approximately \$93 million
- ♦ No additional State takes
- ♦ General Plan build-out scenario over 30 years

## REDEVELOPMENT IS A SOURCE OF *LOCAL* OPPORTUNITY

Among other benefits, over the long-term in  
Desert Hot Springs, you will continue to see:

- ❑ More local tax dollars staying in the City  
Agency will retain about 70% of all property taxes
- ❑ An increase in property values  
Agency Grants and Loans for Home and Business Improvements
- ❑ More affordable housing opportunities  
1,193 units assisted to date in DHS

*(cont.)*

## REDEVELOPMENT IS A SOURCE OF *LOCAL* OPPORTUNITY...

- An increase in public/private partnerships
  - **76** projects have been completed with Agency assistance in last two years (**\$27MM** investment)
  
- An increase in employment and business opportunities
  - **1,183** jobs created (annual average FYs 2008/09 and 2009/10)  
& retention of professional services from **260** private companies
  
- Improvements to infrastructure
  - Agency has funded **40 miles** of road improvements just since 2007

*(cont.)*

# The Redevelopment "Story" Our Accomplishments



Redevelopment



# EXAMPLES OF PREVIOUS AGENCY ACCOMPLISHMENTS



Before



After\*



Before



After

## Economic Development

- Contributed to an estimated \$189MM of economic activity over the past three years in Desert Hot Springs
- Assisted in facilitating the:
  - Oasis Master Planned Community
  - Pierson Professional Center
  - Downtown District improvements
  - Palm and Pierson Downtown Façade Program

(cont.)

## EXAMPLES OF PREVIOUS AGENCY ACCOMPLISHMENTS



Cabot's Pueblo Museum



Streetscape Improvements



Boys and Girls Club

### Public Infrastructure & Facilities

- Upgraded Cabot's Pueblo Museum
- Funded City Senior Center rehabilitation
- Established the Workforce Development Center
- Rehabilitated City streets within redevelopment areas
  - Palm and Pierson Street Project
- Funding construction of new Boys and Girls Club, with teen center, pool/gym

# EXAMPLES OF PREVIOUS AGENCY ACCOMPLISHMENTS



Before



After



Pierson Blvd.



Police Department

## Public Infrastructure & Facilities

- Provided funding to renovate park buildings to accommodate space for police/code enforcement personnel, additional space for seniors and community/after school programs
- Upgraded Pierson Boulevard corridor
- Upgraded Police Department facilities and equipment



Tedesco Park



Mission Springs Park

## □ Upgraded public facilities

- Rebuilding of Wardman, Mission Springs and Tedesco Parks
- City Senior Center rehabilitation
- Remodeling and establishment of the Lozano Community Center
- Police substation at Tedesco Park
- Upgrades to Police Department facilities and equipment

- Construction of new sidewalks on Palm, and in many Project Area neighborhoods
- Installation of new traffic signal on Palm
- Upgrades of the Chamber of Commerce, Historic Society and Visitor Center Facilities
- Workforce Development Center
- Land write down for new, 10 doctor community medical clinic



*Photo taken by Flickr user Downtown DHS*

**Palm/Pierson Streetscape**



*Photo taken by Flickr user Downtown DHS*

**Sidewalk on Palm Drive**

# EXAMPLES OF PREVIOUS AGENCY ACCOMPLISHMENTS

## Housing ★

- ❑ Neighborhood Renewal Program
  - Provides grants of up to \$15,000 for exterior improvements and landscaping upgrades visible from the street
  - Emphasis on neighborhoods impacted by foreclosed/abandoned homes
  - Funding for code violation corrections, emergency repairs, home repainting, roof replacements, public right-of-way appearance, etc.
  - Available to low- and moderate income families



(cont.)

## EXAMPLES OF PREVIOUS AGENCY ACCOMPLISHMENTS

- ❑ New construction; assisted in development of
  - Arroyo de Paz, a 94-unit rent restricted affordable apartment community; and
  - Brisas de Paz, a 62-unit affordable rental housing project
  - 1,193 affordable housing units completed to date with Agency assistance
    - 63 units now under development
- ❑ 180 additional housing rehabilitation and CIP projects under development



# SFR REHABILITATION

*Before*



*After*



*Before*



*After*



*(cont.)*

# SFR REHABILITATION



*(cont.)*

## SAMPLE HOUSING FUND(S) RECIPIENT TESTIMONIALS

*"I have had a new curb, gutter, new driveway, landscaping, irrigation, new windows, rain gutter and updrafts installed for my water cooler. And everything was completed and it all looks beautiful. I am very pleased with everything that has been done to the house. And I really want to thank you, the city and all of the contractors for a fantastic job. And everyone was so friendly during the process. It makes one have faith in people again."*

*- P.S., property owner on Cahuilla Avenue*

*"I would like to compliment our City for providing such a wonderful program to the citizens of Desert Hot Springs. I have been unemployed for 2 years and I'm very grateful to have been a recipient of this program, certainly at this time I would not have been able to renovate my home."*

*- S.C., property owner on Vista Montana*

*"I was accepted into the Neighborhood Renewal Program. I would like to tell you how pleased I am with the way my yard turned out and most of all with the way I was treated by [City staff]. I am very grateful to have been chosen for this program!"*

*- B.L., property owner in the Existing Project Area*

*Please see Agency staff for additional information & testimonials.*

# WHAT'S NEXT?



## Next Workshops

April 21, 2011, 6:00 p.m.

April 25, 2011, 5:00 p. m.

## Joint Public Hearing

May 3, 2011

5:00 p.m., or as soon  
thereafter as possible



**Thank you for your attendance  
Comments and questions?**

**Gracias por su asistencia  
Preguntas y comentarios?**

**For additional information contact:**

**Jason Simpson, Assistant City Manager**

**Telephone: (760) 329-6411**

**Email: [jsimpson@cityofdhs.org](mailto:jsimpson@cityofdhs.org)**

Redevelopment Agencies must set-aside 20% of their gross tax increment revenue for the purpose of increasing, improving or preserving their community's supply of housing affordable to low- and moderate-income families.



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