



THE CITY OF
NOVATO
CALIFORNIA

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January 14, 2011

The Honorable Jerry Brown
Office of the Governor
c/o State Capitol, Suite 1173
Sacramento, CA 95814

RE: Opposition to State Budget Proposal to Eliminate Redevelopment Agencies

Dear Governor Brown:

As Mayor of Novato, I and my colleagues on the City Council write in strong opposition to your proposal to eliminate redevelopment agencies. As the City Council, we also serve as the Board of the Novato Redevelopment Agency and we can attest to the substantial benefits derived from our redevelopment programs in Novato. The permanent elimination of all future redevelopment benefits will have significant negative effects on our community.

The City of Novato realizes that the state is facing an estimated \$25.4 billion budget deficit and that many difficult decisions have to be made to restore California's fiscal house. However, we believe that this particular proposal is shortsighted, because it eliminates key economic development tools available to local governments. Redevelopment is critical in Novato's efforts to finance economic development, address our own budgetary challenges and ultimately, provide services to our community.

Below, I have outlined some of the positive ways in which Novato has utilized redevelopment to rehabilitate blighted areas, foster economic growth and provide affordable housing. Eliminating redevelopment will severely and adversely affect Novato's ability to further reduce blight, improve our local economy and produce affordable housing.

MILITARY BASE REUSE: The Hamilton Field Redevelopment area (600 acres) is a former blighted military base which continues to undergo redevelopment. To date over 2,000 new homes have been built (over one third are deed restricted and affordable). The former hangars have been renovated and transformed into first class offices, a library, YMCA and home to technology and biomedical firms. Open space, trails, parks and a community swim center and other community amenities have been redeveloped. However, land in the area remains fallow, plus vacant and dilapidated buildings are still on the property. These structures are environmentally impaired and are in need of remediation. Without essential

redevelopment funds, there will be no resources to complete these improvements.

DOWNTOWN REVITALIZATION: Novato, like many other communities, has struggled to revitalize its downtown. Several years ago, \$5 Million in redevelopment funds were used to assist in a total reconstruction, renovation of our downtown main street. The improvements helped to attract more shops and restaurants and attract infill mixed-use development. This public investment has served as a catalyst and is helping our downtown to return as an attraction for the community while creating jobs and revenue for the City. However, additional improvements to the greater downtown are needed and currently under discussion in the community. Once again, redevelopment funds are desperately needed to fund the ultimate community vision.

AFFORDABLE HOUSING: As you aware, 20% of redevelopment funds must be set aside for affordable housing. In a 48-month period, the Novato Redevelopment Agency financed 748 deed restricted units both in the Downtown and in the aforementioned Hamilton Field. Novato is an example of a Redevelopment Agency that has truly implemented the vision of using set-aside funding to create affordable housing in the community. Redevelopment funds are needed to fund future affordable housing that meets that community's vision and interests.

On behalf of the Novato City Council, we respectfully request that you remove this proposal from your budget. We look forward to working with you to find solutions that will address the state's fiscal problems while also supporting economic growth and the ability for Novato to have redevelopment as a tool to improve the vitality of our local community .

Respectfully,



Madeline Kellner
Mayor, City of Novato

cc: Novato City Council
Michael Frank, City Manager
Assembly Member Jared Huffman
Senator Mark Leno
Dan Carrigg, Legislative Director, League of California Cities
California Redevelopment Association