

California Redevelopment Association

Redevelopment. Building Better Communities

April 10, 2012

Dear CRA Member:

Subject: The Future of the California Redevelopment Association

In 1979 a group of city managers realized that local redevelopment agencies in California would benefit from having a strong, dedicated voice in Sacramento to address a growing number of legislative issues and to provide training and education services to the redevelopment professionals across the state. From this vision emerged the California Redevelopment Association (CRA), the statewide association of city and county redevelopment agencies and professionals.

At the time the CRA was established the California Redevelopment Law was twenty-eight years old, and the state legislature had begun to look at enacting a series of reforms that required a level of organizational attention that only the CRA could provide. From its inception CRA was an active organization for promoting best practices within the profession and in lobbying for local and redevelopment interests.

Thirty-three years later we are confronted with the unfortunate reality that the years of incredible success with redevelopment—building affordable housing, creating jobs, cleaning up and reusing contaminated sites, and revitalizing communities—have now come to an end due to a policy choice of the State of California to address its fiscal imbalance in part by dissolving redevelopment agencies. As a result, cities and counties in California will, at least for a time, have to address community revitalization needs without this incredibly powerful tool.

With the dissolution of local redevelopment agencies as of February 1, it has become clear to the board and executive staff that the business plan for CRA is no longer sustainable. When combined with other legal and financial obligations related to pension liability, the CRA Board of Directors has now concluded with great reluctance that it has no other prudent choice but to initiate the dissolution of the association. This process will take a period of time, but we want you to know that, effective April 30, 2012, most CRA staff will no longer be in the employ of CRA. A limited number of personnel led by Tom Hart will proceed to wind down the affairs of the CRA under the direction of the board of directors and with the guidance of CRA's legal counsel. This wind down process will include a membership vote to affirm dissolution actions that the Board of Directors will be asked to take.

Member agencies and the passionate and committed staff working for them should be proud of their work since 1979. For the CRA and its staff it has been a privilege working with you. The value of what you and your agencies have created for California communities will be sorely missed. We believe that the State Legislature is beginning to realize this, and has already begun the discussion of the "next generation" of community revitalization tools.



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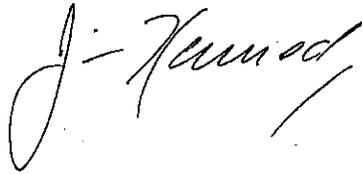
The League of California Cities has already convened a Next Generation Task Force to assist in these discussions. While it may be unlikely that significant new tools will emerge near term given the continuing State fiscal challenges, be assured that the League will continue to be a vehicle for shaping the conversation going forward. The imperative for California's communities to continue addressing their infrastructure, affordable housing, jobs/economic development, brownfield reuse, and military base reuse challenges remains. The next generation of tools and practitioners will build on the foundation left by redevelopment agencies. We encourage CRA members to stay active with your local legislators and the League of California Cities as the State Legislature discusses both fixes to current law, and the next generation of local government tools for community revitalization.

Thank you for your support for the CRA over these many years. The CRA board and contract staff will keep you informed of our next steps.

Sincerely,



Julio Fuentes, President
City Manager, Alhambra



Jim Kennedy
Interim Executive Director



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April 10, 2012

SUBJECT: League Commitment to the "Next Generation" of Urban Economic Development

Dear CRA Members:

We share the deep appreciation expressed in the companion letter from CRA President Julio Fuentes and Interim Executive Director Jim Kennedy for the incredible work of the CRA board, staff and membership since the inception of the CRA in 1979. In the face of tremendous odds, including opposition by interests that ultimately benefitted greatly from visionary, long-term redevelopment planning and investments, the CRA fought the good fight for so many years and made a phenomenal difference for the better.

The League was proud to support the CRA's ongoing efforts to modernize, improve and reform redevelopment law over the years, but the credit for so many legislative and community accomplishments goes to the former CRA boards, executive directors, staff, and members who believed passionately that redevelopment could change the face of urban California, turning blighted community liabilities into vital, exciting places to live and work. We are deeply committed to representing the desires and interests of cities in continuing this enviable record of accomplishment by working with the legislature, governor and you to ensure that you have the legal and financial tools you need in the future to create jobs, eradicate blight, clean-up contaminated properties, and build affordable housing.

We will continue to draw on the expertise of local officials around our state who understand economic development leadership is all about having a consistent vision, keeping commitments and making steady, planned progress even through the political and financial upheavals that typify a state as dynamic as California. While state government may have temporarily postponed its commitment to urban redevelopment and revitalization, the seeds of its rebirth are already appearing and state leaders will likely find their footing in the near future if we keep our focus, offer sound guidance and insist on solid progress. As a former White House Chief of Staff remarked, "you don't want a crisis to go to waste."

The League will keep you posted on legislative, educational and other developments affecting the next generation of urban revitalization and economic development in California. Our board of directors will be considering recommendations later this month from our Next Generation Task Force that will guide our advocacy efforts. The past will most certainly only be a prologue to what we hope is a stronger future for California's cities and the over 80% of Californians who call them home.

Sincerely,

Handwritten signature of R. Michael Kasperzak.

R. Michael Kasperzak, President
Mayor, Mountain View

Handwritten signature of Christopher McKenzie.

Christopher McKenzie
Executive Director

c. League Board of Directors