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APA Policy Guide on Public Redevelopment

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I. Introduction

The redirection of a growth into the nation's central cities, urbanized areas, inner suburbs, and other areas already served by infrastructure and supported by urban services is an essential element of the American Planning Association's vision. Local government redevelopment programs provide critical tools for accomplishing this goal. The purpose of this Policy Guide is to establish policies that will increase the effectiveness of planners and the planning process in formulating and implementing redevelopment policies and programs. Redevelopment generally involves the development or improvement of an area that was developed at some time in the past but presently suffers from real or perceived physical deficiencies such as blight or environmental contamination or is developed for uses that have become obsolete or inappropriate as a result of changing social or market conditions.

A. REDEVELOPMENT DEFINED

The private sector may initiate redevelopment projects without any active public involvement beyond the government's traditional regulatory role. As used in this policy guide, however, the term "redevelopment" is meant to describe one or more public actions that are undertaken to stimulate activity when the private market is not providing sufficient capital and economic activity to achieve the desired level of improvement. This public action usually involves one or more measures such as direct public investment, capital improvements, enhanced public services, technical assistance, promotion, tax benefits, and other stimuli including planning initiatives such as rezoning.

Public agencies typically offer a combination of incentives and undertake redevelopment programs pursuant to a statutory system for creating, financing, and operating redevelopment areas.¹

II. Statement Of Issues

The American Planning Association's *Policy Guide on Smart Growth* promotes refocusing a larger share of regional growth within central cities, urbanized areas, inner suburbs, and other areas that are already served by infrastructure and supported by urban services.² Local government redevelopment programs are a critical means for accomplishing this goal. Also integral to Smart Growth, as APA defines it, is the use of comprehensive planning to guide, design, and develop programs to develop, redevelop, and revitalize communities. With this framework in place, the American Planning Association identifies the following issues as critical aspects of redevelopment policy to be addressed in this policy guide:

Reuse and Redevelopment of Underutilized Property: Although most frequently associated with older central cities, public actions to promote reuse and development of underused and vacant sites may also be critical to the continued economic viability of maturing suburban cities and towns and even rural communities. Redevelopment and infill development may be the only options available to cities trying to respond to new market demands and population growth and can help older urban and suburban areas to maintain their desirability as places to live and conduct business. The transformation of strip retail

corridors and the creation of urban activity centers in mature suburban areas can be achieved through redevelopment programs. In contrast to central cities, however, suburban and rural communities often lack the technical expertise that can be provided by an organized redevelopment authority. While many redevelopment organizations focus on the traditional model of urban redevelopment, there is increasing interest and need for policy direction in the areas of rural redevelopment. APA and its chapters recognize that the nation's rural areas need and deserve tools and resources to promote and implement redevelopment in rural communities.

Legislative Trends: Trends in state legislation and case law threaten the ability of local government to use redevelopment as a tool to implement public policy objectives including the promotion of Smart Growth. Legislative action over the past decade has weakened agencies' power, expanded citizen participation, increased the avenues for legal challenge, changed the formulas for tax sharing in states where tax increment (or tax allocation) financing is used as the principal vehicle, and changed the rules for public financing of projects. Redevelopment practices are also inconsistent from state to state, and the quality of the resulting redevelopment varies widely across the nation. An increasing number of local government officials view redevelopment as an economic development program rather than a catalyst for community revitalization that is a component of the jurisdiction's larger plan for growth and development. Attitudes and practices that diminish the role of comprehensive planning make it more difficult to ensure equitable distribution of the costs and benefits of redevelopment.

Maintaining Planning's Role in Redevelopment Practice: APA, as a representative of the planning movement, has not consistently consulted with those organizations that serve similar roles to the community of housing and redevelopment officials. When planners remain a significant component of redevelopment practice, redevelopment can provide a significant link between the development of plans for revitalization of urban areas, and the implementation needed to see those plans executed. Moreover, redevelopment agencies across the country remain a significant source of funding for planning programs and their implementation.

Unique Places: In too many cases, communities chasing sales and property tax revenues fail to recognize the role of redevelopment as a tool for creating a sense of place based on a community's unique natural and cultural assets. The perception of redevelopment as a tool for economic development, rather than a part of a comprehensive strategy for promoting physical revitalization and financial reinvestment, has wide-ranging implications for how the redevelopment process functions. With increases in historical tourism across the United States, communities increasingly find that historic resources, including both built and landscape components, provide critical texture and context to redevelopment areas that improve economic and social vitality. Effective preservation in redevelopment projects that reuse historic structures delivers tangible economic and financial benefits. The American Planning Association has previously adopted a National Policy Guide on this subject (see *Policy Guide on Historic and Cultural Resources*, amended and ratified April 10, 1997).

Public/Private Partnerships: Government and the private sector commonly inhabit different and distinguishable realms. Derived from the constitutional responsibility to protect the health, safety, and welfare via state enabling legislation, communities have been granted broad powers. These powers guide community growth and change; protect and regulate the use of private property; hold, maintain, and use property for public use and purposes; use eminent domain to acquire property for public use and purposes; and use the power of taxation for public purposes. Private property owners are motivated by economic, social, and moral influences to use their property for its most appropriate and valuable purpose.

Typically, increasing private opportunities and increasing public sector responsibilities have accompanied urbanization, but there has been a general reluctance to have the public act in a way that either competes with or unnecessarily substitutes for private action. Only when it is demonstrated that the private markets are incapable of self-correction or acting in a way that furthers the public good should states, municipalities, or special governments be driven to act as if they were substituting for the private sector. Many communities have observed through experience that the private sector is most often more nimble, more capable of making appropriate risk/reward decisions, and, in general, more effective at being developers or redevelopers than is the public sector. At the same time, use of the authority and power of the public to act in the best interest of the community may be, in some circumstances, the only means by which development or redevelopment may overcome market forces in a way that best promotes the larger public interest.

Given traditionally distinguishable skill sets, and the mixed experience of success and failure of governments acting as redevelopers, it has become increasingly popular for governments to act in concert with private developers to effectively take advantage of the best that both have to offer. These consortiums, most commonly referred to as public/private partnerships, have become an important vehicle by which redevelopment is implemented. Such public/private partnerships are typically not recognized as a "partnership" as defined by the state laws governing incorporation and liability, and their form and function range widely. In some cases, they are formal relationships that are accompanied by written agreements that articulate the roles, responsibilities, liabilities, and commitments of each party

over time. In other cases, they are one-time baton-passing, the product of government taking action to assemble or prepare property in advance of desired private redevelopment activity, with or without the use of a Request for Proposals (RFP) or similar means of developer selection.

These partnerships, in whatever form they take, are central to a considerable portion of the public debate over the propriety of redevelopment. Public agencies believe that these partnerships present the most legitimate, effective and successful practices of implementing public objectives, public purposes, and public benefits. Property owners who desire to continue to use their property for their own purposes want to keep the public and private roles separate and distinct, and view the use of public authority, public funds, and public property for the perceived benefit of another's private interests as abhorrent and unconstitutional.

There are some things the public can do better than the private sector; there are other things that the private sector can do better than the public sector. Working together, the public and private sectors can achieve more than working independently or at cross purposes. The unique nature of community growth and development in the United States is a product of the balance between public rights and responsibilities and private property rights and motivations. For planners to play a successful role in this process, they need to gain a better understanding of what motivates the private sector to partner with the public sector.

Changing Definition of Blight: In many cases, the "blight" to be eliminated is not the grotesque living conditions or deteriorated industrial areas that urban renewal programs were thought to address in the 1950s and 1960s. Rather, they are under-performing or obsolete land uses or buildings that exist where the rational private investment cannot overcome market forces. In such situations disinvestment and blight may have already occurred or are deemed likely to occur.

The *American Heritage Dictionary of the English Language*, 4th ed., offers what may be the simplest definition of blight: "Something that impairs growth, withers hopes and ambitions, or impedes progress and prosperity." Within planning and redevelopment practice, blight may refer to these impairments on the physical fabric (buildings, properties, public improvements, etc.) on community structure and social fabric (neighborhood vitality, security, public health and welfare, etc.) or on the economy (property values, tax base, facility obsolescence, employment base, etc.).

It has been well recognized that there are many events, conditions, and causes that lead to blight. One or more of the following provisions commonly, but not uniformly, appear within state enabling legislation as the definition or the determination of blight and its causes:

- Buildings in which it is unsafe or unhealthy for persons to live or work due to dilapidation; deterioration; defective design or physical construction; inadequate utilities; lack of ventilation, light, or sanitary facilities; contamination by hazardous substances; or below minimum code;
- The predominance of defective or inadequate street layout;
- Improper subdivision or obsolete platting;
- Inadequate public improvements, parking facilities, or utilities;
- Obsolete buildings or inadequate parcels which hinder the economically viable use or capacity of property;
- Multiple ownership of properties which inhibits the assembly of economically viable properties that meet current development standards;
- Environmental hazards;
- Unsanitary or unsafe conditions;
- Deterioration of site improvements;
- Excessive land coverage and overcrowding of structures or community facilities;
- The existence of conditions that endanger life or property by fire or other causes;
- Conditions that retard the provision of housing accommodations;
- Constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare;
- The incompatibility or deleterious use of adjacent land or buildings;
- Excessive vacancy, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities;
- Extraordinary local crime rate that constitute a serious threat to the public safety and welfare;
- Extraordinary local decline in property values or tax delinquencies that diminish the equitable delivery of public services and improvements;
- Abandoned quarries, mines, railroads, or similarly extensive facilities that pose a threat to public health, safety, morals, or welfare;
- Persistent unemployment or lack of reasonable proximity or viable accessibility to employment.

Other issues that dictate the need for this policy guide include the following:

Effectiveness of Planning in Redevelopment: Planning has not been as effective as we might like in keeping a central place in the economic engine. One result has been a failure to recognize that the circumstances that lead to blight often require a more comprehensive set of remedies than "economic redevelopment" proposals that simply change existing physical conditions.

Several factors may account for this shift in redevelopment practice. Planners, who in the early years of redevelopment practice were leaders in defining the scope and practice of redevelopment, are often eclipsed today by special interest redevelopment organizations that may or may not have the broadest possible perspective. While redevelopment has emerged as a significant specialty in public practice, there are few degree programs across the country focused specifically on urban and rural redevelopment.

Erosion of Local Government's Redevelopment Authority: Bills introduced over the past five years in the Arizona and California legislatures, for instance, sought to limit or repeal local governments' authority to sell condemned property to developers. This is fueled in part by increasing public perception that redevelopment laws are used to favor wealthy developers rather than to promote the public good. Correcting this perception will require more transparent processes that allow open competition for opportunities to participate in redevelopment efforts.

Increasing Complexity of Redevelopment Finance: The tools and techniques of redevelopment now require a large and complex team of financing specialists, underwriters, fiscal analysts, and others. In some people's minds, the original purposes of redevelopment — the provision of safe, sanitary, and affordable housing, the elimination of blight, and the revitalization of local economies — have been replaced by a zero-sum game. In this game, communities compete for increasingly small shares of retail activity by pouring redevelopment resources into retail recruitment and attraction. Tax and land use laws in some states promote the zero-sum game to the detriment of effective planning, and many redevelopment agencies are reluctant to give up what little they have been able to acquire.

Abuse of Process: The same procedural protections that we count on to protect the rights of individual property owners can also be used to thwart legitimate redevelopment. Where enabling legislation is badly written or misinterpreted, it may be possible that abuse of redevelopment authority undermines the public perception of the legitimate use of these powers elsewhere.

Social Equity and Environmental Justice: "Social Equity" has been defined by APA (*Planning & Community Equity*, 1994) as "*the expansion of opportunities for betterment that are available to those communities most in need, creating more choices for those who have few.*" Redevelopment activities can be used to create or leverage better housing choices, better access to good and services and employment opportunities. This would most appropriately be done in conjunction with an overall community strategy that matches services such as job training programs with physical improvements. Communities may also choose to use redevelopment tools to create choices in underserved communities where blighting conditions have not yet taken hold in order to achieve a better balance of access and choice throughout the area. In all cases, planners need to guard against redevelopment activities that are not respectful of a community's existing societal and cultural fabric.

Redevelopment can provide an opportunity to redress issues of environmental justice. Without adequate assessment of environmental impacts, however, redevelopment may have disproportionately adverse effects on the lower-income households that reside in or near redevelopment project areas. The Hazardous Substances Research Center at Michigan State University defines environmental justice as "the fair treatment of people of all races, cultures, incomes, and educational levels with respect to the development and enforcement of environmental laws, regulations, and policies. Fair treatment implies that no population should be forced to shoulder a disproportionate share of exposure to the negative effects of pollution due to lack of political or economic strength." Communities committed to achieving environmental justice plan the location and design of public improvements and projects that are likely to have adverse environmental and aesthetic impacts — such as highways, industrial plants, and correction facilities — to ensure that they do not disparately affect areas with a substantial number of disadvantaged households.

III. General Policies

POLICY 1. APA and its Chapters support the adoption of state legislation requiring that a redevelopment area may be established only if the local government agency performing redevelopment has adopted a local comprehensive plan and the redevelopment area plan conforms to the comprehensive plan insofar as the plan applies to the redevelopment project, and intergovernmental cooperation to ensure that actions of single purpose agencies are not inconsistent with local adopted redevelopment plans.

A local comprehensive plan based on an understanding of the wide range of social, economic, and environmental issues and conditions that affect a community will provide a sound framework for rational decisions regarding long-term physical development. Like specific plans and neighborhood plans, a plan for a redevelopment area should be consistent with the overall plan for the jurisdiction.

Redevelopment should also be recognized as a tool that local government can use to implement its comprehensive plan. Requiring a redevelopment area plan to be consistent with the comprehensive plan as a prerequisite to redevelopment ensures that the selection of redevelopment approaches and resources will help to implement and not conflict with the comprehensive plan's goals and objectives for the entire community. Where there is no comprehensive plan, the redevelopment plan itself must be comprehensive, long-range, contemporary, and formulated with public input to achieve the larger vision for the entire community.

Although each state and community may take a different approach as to what constitutes a comprehensive plan and the degree of consistency with that plan, redevelopment actions should be planned within the same overall framework. Without reference to a community's overarching goals and objectives for its growth and development, redevelopment plans are at risk of losing their connection to an important public purpose.

POLICY 2. While recognizing that the enabling legislation in each state must be developed in light of the opportunities and constraints posed by the entire body of land use legislation, APA and its chapters believe that there are certain basic premises that should underlie and support all redevelopment statutes. Well-written enabling legislation governing redevelopment authorities, and the practices of effective, equitable redevelopment should include:

- A clearly defined process for determining eligibility of designating areas in which the municipality or other governments have the authority to engage in redevelopment projects including both prevention and elimination of blight and provision for public/private partnerships.
- A means of choosing partners that is fair, open, equitable, transparent (while protective of trade secrets or other proprietary data), and demonstrated to be the best choice for the public interest.
- Mechanisms to prevent the use of partnerships to subvert the responsibilities that are imposed on the public agency through enabling legislation or case law to provide due process, demonstrate public purpose, and establish a nexus between the public purpose for redevelopment and the means to achieve that purpose.
- Assurance that public/private partnerships adhere to the adopted plans of the jurisdiction.
- Requirements for clearly defined responsibilities and liabilities of public and private partners.

Planners and communities are concerned not simply with the elimination of blight, but also the prevention of blight. As such, it is appropriate that any state enabling legislation define those conditions that lead to blight (or characterize the state of a "district" which may become blighted if left unchecked) and, perhaps separately, those conditions that can characterize blight.

Effective enabling legislation will empower public agencies with authority to intervene to prevent those conditions that may lead to blight and to eliminate blight with a measured response that reflects the degree of potential or existing blight. Lower levels of impairment or dysfunction may require public intervention, but do not necessarily call for eminent domain, which would be reserved for the most serious cases. Such an effective enabling legislation may also indicate the requirement for a direct correlation between the degree of public intervention and the degree of public involvement and public notice of the planning and implementation processes.

POLICY 3. APA and its Chapters support the adoption of legislation that authorizes the appointment of a representative of the Planning Commission as a regular or ex officio member of the redevelopment agency's governing board and encourages local government to include a planning commission representative as a regular member of the agency board when such appointments are already permitted. Where state law does not require a redevelopment agency as a prerequisite, the process should provide for review and a recommendation by the body responsible for the comprehensive planning function before adopting any redevelopment program.

State enabling acts commonly allow the local government's legislative body to appoint itself as the governing board of the redevelopment agency. In such cases, the same body that makes redevelopment decisions is also responsible for approving both the comprehensive or general plan for the community. In a number of larger jurisdictions, however, the redevelopment agency's board is composed of individuals appointed by the legislative body. Including an appointed member of the Planning Commission would help to ensure that agency board's are cognizant of relevant comprehensive plan policies and their decisions reflect broader planning issues and concerns. When the redevelopment decision-making body is separate from the City Council or County Board of Supervisors the public body making redevelopment decisions should include a planning commissioner as a voting or advisory member to ensure that the redevelopment agency's decisions reflect the broader goals of the comprehensive plan.

POLICY 4. APA and its Chapters encourage state and local governments to organize so that redevelopment and economic development functions are assigned to the same agency or department that is responsible for comprehensive long-range planning and are also linked to planning, housing, and community development activities as part of a coordinated and multi-functional approach. When

it is not feasible to assign these functions to the same agency, state and local governments should use inter-departmental committees, cross-training, and other approaches to promote integration of planning, housing, and other community development considerations in the redevelopment process.

At one time, redevelopment agencies were often directly associated with planning agencies; today, the sheer financial and implementation power associated with these programs, and the state laws that support them, often shift all power to the office of the CAO, Mayor, or City Manager. Assigning redevelopment and economic responsibility to the same line agency that is responsible for comprehensive planning is recommended. Where this is not possible, local governments should identify other approaches for ensuring coordination including cross-training. Coordination at the staff level and cross-training will help to ensure that redevelopment strategies are consistent with comprehensive plan policies and will also promote planning that is based on a sound understanding of economic and market issues.

POLICY 5. APA and its Chapters encourage state legislation preserving the ability of cities to use redevelopment tools and techniques, including eminent domain, when appropriate to achieve a well-defined public purpose adopted through an inclusive public process.

Redevelopment is an appropriate use of public resources to promote public purposes. The array of redevelopment tools available to cities includes powerful control over public funds and private land, and should be used in a judicious manner only when necessary to achieve a well-defined public purpose. The correction of blighted conditions or preventive measures to forestall blight should be the primary motivating factors for the use of redevelopment powers when there are conditions that make it impractical or impossible for market forces to act in the public interest. Public intervention to address these conditions should be aligned with the degree of need. Communities should use incentive-based tools to assist and extend the value and impact of private investment, not to supplant private investment, in overcoming market deficiencies. Incentives should be used to strengthen and grow the community and regional economic base, not simply to lure existing business away from neighboring communities. To the extent possible, communities should choose incentives as their primary redevelopment tool and rely on their eminent domain powers as a tool of last resort when incentives are insufficient to implement redevelopment plans.

Effective enabling legislation will empower public agencies with the responsibility to intervene where market won't perform to prevent those conditions that may lead to blight and to eliminate blight with a measured response that reflects the degree of potential or existing blight. Lower levels of impairment or dysfunction may require public intervention, but do not necessarily call for eminent domain, which would be reserved for the most serious cases. Such an effective enabling legislation may also indicate the requirement for a direct correlation between the degree of public intervention and the degree of public involvement and public notice of the planning and implementation processes.

POLICY 6. APA and its Chapters encourage the use of redevelopment strategies that embrace sustainable, "smart" growth in that they:

- Conserve land resources by attracting new development to infill and brownfield sites rather than converting raw agricultural or undeveloped acreage;
- Take advantage of existing infrastructure rather than requiring the construction of expensive new infrastructure;
- Reuse existing resources;
- Recycle materials and structures;
- Conserve energy and other non-renewable resources;
- Adapt historic or culturally significant existing buildings to new uses;
- Improve or restore natural systems such as streambeds, drainage courses, wetlands, rivers, ports, ambient air quality, and other ecological features;
- Embrace the principles of sustainable community planning enunciated in the *APA Policy Guide on Planning for Sustainability*;
- Are designed to promote long-term economic sustainability.
- Address potential oversupply of land for development.

Redevelopment sites are typically infill, are already within the capacity of urban services, and have existing infrastructure in place. Overcoming market failures to promote the development of these sites more efficiently utilizes the limited resources of government and provides a viable alternative to fringe development. Redevelopment activities and programs should be an element of a sustainable economic policy rather than being driven by short-term or transient needs. This requires that redevelopment activities be designed to advance the community's comprehensive and long-term economic objectives. Smart economic strategies must also consider regional issues and impacts. To that end, redevelopment

programs should be used to overcome market deficiencies but not to disadvantage surrounding jurisdictions. For example, incentives should not be used to lure business away from neighboring communities.

POLICY 7. APA and its Chapters believe that planners should better understand the redevelopment process, and should take an active role in ensuring that redevelopment is informed by proper planning practice. To this end, APA should:

- Promote effective redevelopment planning through its publications, sponsored research, and materials;
- Identify best redevelopment practices that represent new or progressive models for community engagement, redevelopment planning and economics, sustainable practices and technologies, and effective implementation;
- Encourage and support the efforts of communities and state APA Chapters to actively track and participate in the development of new redevelopment legislation, to ensure that legislative responses are informed by good information about the manner in which redevelopment planning occurs;
- Support the development of post-graduate courses that train planners to properly formulate and implement redevelopment programs in accord with the principles set forth in this policy guide.
- Support the continuing education and outreach to elected planning board members and commissioners.

In many states, the legislatures make annual changes to statute, often without providing adequate opportunity for input from professional planners and organizations that promote public involvement in planning and redevelopment programs. Training of planners in the principles and practice of redevelopment will help them to become more effective participants.

POLICY 8. APA and its Chapters should work closely with other organizations involved in the practice and policy of redevelopment to define legislative models that reflect the principles and policies reflected in this policy guide and to coordinate effective responses to legislative initiatives that conflict with our mutual objectives.

APA and its members can benefit by cooperation with the National Association of Housing and Redevelopment Officials, National Housing and Redevelopment Association, National Association of Development Organizations, state associations of redevelopment agencies, and similar state and national redevelopment organizations. By doing so, they can identify and advocate a common agenda that promotes and supports public redevelopment action consistent with the policies expressed in this guide.

POLICY 9. APA and its Chapters believe that good redevelopment practice requires that the public have sufficient and appropriate opportunities to learn how effective redevelopment improves community life. APA supports the development of media strategies and educational programs that showcase successes in redevelopment planning, citizen empowerment, effective implementation, and improved quality of life resulting from redevelopment.

The negative attitude that some citizens and their elected representatives express toward the notion of public agency involvement in the redevelopment process results in part from inadequate opportunities for citizen involvement in redevelopment decisions. We firmly believe that implementation of the strategies that this policy guide proposes for promoting public involvement and better public information will serve to support the continued use of redevelopment as an appropriate investment of public agency resources.

POLICY 10. APA and its Chapters support the adoption of state legislation that requires an inclusive and informative public notice and public participation process to ensure open and participatory redevelopment programs. APA and its Chapters support the inclusion of citizens, property owners, and businesses in redevelopment plans.

An open and inclusive public participation process should be a part of all redevelopment planning. Keeping the public informed and involved, especially those property owners and residents who are most affected, is essential for any successful redevelopment project. An extensive public participation process will prevent the frequent accusations of secret government maneuverings and developer favoritism that often plague redevelopment programs. Redevelopment programs involve a wide variety of stakeholders, not all of whom are located within the redevelopment area. Care should be taken to balance the diverse needs and agendas of these different groups. Assistance to displaced residents and business owners should be a consideration of all redevelopment projects.

POLICY 11. APA and its Chapters encourage local planning agencies to develop consistent planning practices and standards for redevelopment programs to support decision making.

Planners should strive to maintain consistent professional planning practices and standards over time in carrying out redevelopment objectives. Consistency in the articulation of public purpose, consistency in the definition of blight, and consistency in the designation of redevelopment areas should assist in rebutting challenges to the legitimacy of public actions. In cases where redevelopment activity is directed

by agencies separate from planning departments, planners should be integrally involved and supportive of redevelopment actions. Planners should look for opportunities to develop policies and ordinances that promote, not hinder, redevelopment.

POLICY 12. APA and its Chapters encourage intergovernmental and agency cooperation and budget cooperation to reduce conflict in redevelopment planning and implementation efforts.

IV. Specific Policies

SPECIFIC POLICY 1. APA and its Chapters support a fiscally responsible approach to redevelopment that ensures the amount of public or tax increment funding diverted to redevelopment projects can be shown to advance its economic, housing, and blight eradication goals without unduly diminishing the capability of other taxing entities to serve their consumers. To this end, APA and its Chapters support state and local legislation that:

- Places reasonable limits on the amount of tax increment that can be accrued by a redevelopment project area over a specified period of time;
- Sets reasonable performance standards to ensure that redevelopment funds are utilized within a certain period of time and in the manner intended by the redevelopment plan;
- Provides adequate opportunities for other governmental entities to receive the accrued taxes once a redevelopment project is completed or its statutory time period has expired;
- Provides sufficient guarantees and protections in the event that the private parties who receive tax benefits withdraw from participation.

Members of the public — and other public agencies affected by the creation of a redevelopment authority — have the right to expect that their redevelopment dollars will be used wisely and in concert with an appropriate, community-based plan. At the same time, redevelopment agencies must not be unduly prevented from having the resources to fulfill their mission: effective redevelopment.

SPECIFIC POLICY 2. APA and its Chapters support the use of redevelopment programs to expand opportunities for communities that are most in need responding to the need for inclusion, nondiscrimination, social and economic equity. Such programs may include a mandatory set-aside of redevelopment funds for below market-rate (BMR) housing or creation of job opportunities for unemployed/underemployed residents of project area. Plans must also guard against redevelopment activities that fail to recognize and respect existing societal and cultural fabric as well as promote jobs retention and minimize displacement of existing residents and businesses. Redevelopment for housing purposes shall be consistent with the adopted housing policies of APA.

APA is committed to promoting greater Social Equity, which it defines as "the expansion of opportunities for betterment that are available to those communities most in need, creating more choices for those who have few." (*Planning & Community Equity*, 1994.) Planners should strive to ensure that redevelopment activities are used to expand opportunities for those communities that are most in need. This can be accomplished by using redevelopment programs to create or leverage better housing choices, better access to goods and services, and employment opportunities as part of an overall community strategy that matches services such as job training programs with physical improvements. Planners should evaluate redevelopment programs to guard against redevelopment activities that fail to respect a community's existing societal and cultural fabric.

SPECIFIC POLICY 3. APA and its Chapters support redevelopment approaches that recognize the value that historic and cultural resources and archaeological and paleontological resources provide, and that incorporate them into redevelopment project design. These tools include, but are not limited to:

- The adaptive reuse of historic structures to provide an alternative to demolition and new construction that preserves culturally and historically significant community resources;
- The use of historic preservation tax credits and state and local incentives to encourage the preservation of critical historic resources;
- The incorporation of cultural resources and landscapes into project design by protecting structures of architectural or historical merit, establishing conservation easements to protect specific portions of resources worthy of protection, and encouraging compatible design of new construction;
- The adaptation of permitting, fee reduction, and streamlining strategies to promote cultural resource preservation in redevelopment project areas;
- The incorporation of public art and interpretive exhibits into project design where they can provide economic, aesthetic, and cultural benefits.

SPECIFIC POLICY 4. The American Planning Association and its Chapters support adequate funding of federal and state programs that provide assistance to communities for community redevelopment, including support for neighborhood revitalization by providing funding for the development and

rehabilitation of urban parks.

Congress has authorized a wide variety of programs that offer critically needed resources to state and local governments aimed at spurring redevelopment. Such programs include, but are not limited to, the Community Development Block Grant program, brownfield redevelopment and remediation grants, municipal infrastructure aid (including revolving loan funds for water infrastructure), and Economic Development Administration project and planning grants. All too often these programs are under funded in the appropriations process. Federal investment in the redevelopment of local neighborhoods provides benefits for not only improving local quality of life but also increasing fiscal health through a strong tax base.

SPECIFIC POLICY 5. The American Planning Association and its Chapters encourage policies to ensure that federal and state redevelopment aid programs promote integration of local redevelopment and comprehensive planning.

Federal policy often acts as a powerful incentive for state and local action. Federally funded programs that provide assistance to state and local governments for redevelopment should specifically encourage a connection to the development of and coordination with comprehensive planning. Redevelopment projects integrated with a comprehensive plan offer important benefits, such as increased fiscal efficiency and improved citizen involvement. Discretionary and competitive federal grant programs targeting redevelopment should use plan coordination as an explicit criterion for selection. Additionally, federal policy should explore opportunities for planning technical assistance and capacity building for communities engaged in redevelopment.

SPECIFIC POLICY 6. The American Planning Association and its Chapters support the passage and maintenance of federal and state tax incentives for the reuse and rehabilitation of historic and other qualifying existing structures.

Current federal tax policy provides two key rehabilitation incentives critical to many local redevelopment efforts. A 20% tax credit is available for the rehabilitation of historic structures for commercial reuse, and a 10% tax credit is available for non-historic structures built prior to 1936. These two tax credits provide a valuable and significant incentive to restore buildings and channel investment in main streets and older neighborhoods. Congress should maintain these incentives and explore opportunities for additional tax incentives aimed at bolstering local redevelopment projects, including tax credits to allow for rehabilitation aimed at residential and mixed uses. (See also, APA's *Policy Guide on Historic and Cultural Resources*, Policies 2 and 3.)

SPECIFIC POLICY 7. The American Planning Association and its Chapters support state and federal investment and property management policies that promote local livability, downtown vitality, and neighborhood redevelopment and that discourage sprawl. Such policies include making siting and design decisions consistent with local planning, maintaining federal facilities in downtowns and historic districts, evaluating impacts on sprawl and redevelopment in decision making, and appropriate management of federal real estate, including coordination with local municipalities on vacant or abandoned property.

The federal government remains the nation's largest landowner; the impact of federal property management on the strength and vitality of local neighborhoods and communities is significant. The federal government should adopt real estate policies to ensure its policies make it a good neighbor to local communities and, where possible, support local's efforts at revitalization and smart growth. (See also, APA policy guides on Smart Growth [Policy A.9] and Historic and Cultural Resources.)

SPECIFIC POLICY 8. The American Planning Association and its Chapters support state and federal legislation that supports redevelopment of brownfields consistent with the provisions of APA policy guides on these topics.

V. Authority

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