

Glossary of Redevelopment Words & Phrases

Assessed Value (AV): The amount used by county tax assessor to value real property for tax purposes (generally the market value of the property). Proposition 13 limits annual increases in this value to a maximum of 2 percent. Assessed value multiplied by the tax rate determines property tax.

Base Value: The total assessed value of all the properties within a project area in the year in which the redevelopment plan is adopted.

Base Year: The year in which a redevelopment plan is adopted.

Blighted Areas: Area and/or structures of a community which constitute either physical, social, or economic liabilities requiring redevelopment in the interest of the health, safety, and general welfare of the people of the community.

Brownfield: Properties that are contaminated or thought to be contaminated which are underutilized due to perceived remediation costs and liability concerns.
California Redevelopment Law: The laws regarding redevelopment as contained in the California Health and Safety Code, Division 24, Part 1 ([Section 33000 et seq.](#)).

Development Disposition Agreement (DDA): A binding agreement between the agency and the developer regarding the sale and development of certain property in the redevelopment project area.

Eminent Domain: Authority of a government agency to acquire property when it can be shown that the property is acquired for a public purpose and for the public good and that the owner has received a just compensation. The power of eminent domain (also known as condemnation) is NOT available in the Riverbank Reinvestment Plan.

Environmental Impact Report: A detailed report required by the California Environmental Quality Act to describe and analyze the significant environmental effects of a proposed project, i.e. noise, traffic, sewage, and air quality, and identifies measures to mitigate these impacts.

Exclusive Negotiation Agreement (ENA): Although not required by the Community Redevelopment Law, the ENA is an agreement between the agency and the developer specifying a period of time in which the parties will negotiate exclusively.

Excess Surplus: An unexpended and unencumbered amount in the housing fund that exceeds the greater of \$1 million or the total amount deposited in the housing fund during the preceding four years. The agency must transfer the funds to a housing authority within one year or spend or encumber the excess surplus funds within two additional years.

Fair Re-use Value: The value of a piece of property being sold by a redevelopment agency, reflecting additional conditions and limitations beyond those permitted by land use and zoning codes. These conditions result in a lower value because the "highest and best use" cannot be achieved under the limitations imposed.

Ground Lease: A long-term lease (usually in excess of 55 years) between the agency and developer that contains provisions for the development and financing of the property.

Housing Set-Aside: Twenty percent (20%) of tax increment must be used by the agency to increase and improve the community's supply of affordable housing for persons and families of low and moderate income.

Infrastructure: Public improvements which support development, including street lighting, sewers, flood control facilities, water lines, gas lines, telephone lines, etc.

Infill: The use of vacant land and property within a built-up area for further construction or development, especially as part of a neighborhood preservation or limited growth program.

Land Write-Down: The difference between the market value and the fair re-use value for the uses and restrictions proposed by the redevelopment agency is commonly known as land write-down. The lowering of land prices by a redevelopment agency occurs when the agency assumes part of the acquisition, demolition, and improvement costs because it imposes more stringent development requirements on the land.

Market Value: What a seller could reasonably expect to receive if the property were sold on the open market.

Mixed-Use Development: A type of development that combines residential, commercial, and/or office uses into one development or building. For example, a mixed-use building could have several floors, with the bottom floor dedicated to retail or offices and the remaining floors above for apartments or condominiums.

Negotiated Sale: The sale price for land and improvements as mutually agreed upon by the buyer and seller.

Owner Participation Agreement (OPA): A binding agreement between the agency and the owner of the property that wishes to redevelop property that he or she owns in conjunction with adjacent property to be acquired by the agency and sold or leased to the owner.

Project Area: The area designated in the redevelopment plan for development and revitalization.

Request for Proposal (RFP): A method of selecting a prospective developer for a specific project. RFPs require developers to respond to agency solicitations with information about program, design, and business terms as well as their qualifications and a description of their experience with similar projects.

Request for Qualifications (RFQ): A method of selecting a prospective developer for a specific project. RFQs tend to be used when time is of the essence or when the agency has only been able to identify a few developers likely to be interested in and capable of meeting the agency's goals for a particular site.

Redevelopment: Planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of all or part of a project area.

Redevelopment Agency (RDA): The organization that acts as the legislative body by which the powers or redevelopment are exercised. The Riverbank's City Council comprises the Agency Board and staff within the Housing & Economic Development department carries out their policy directions.

Redevelopment Plan: Plan for revitalization and redevelopment of land within the project area in order to eliminate blight and remedy the conditions that caused it.

Rehabilitation: To improve, alter, modernize, or modify an existing structure to make it safe, sanitary, and decent and/or bring it up to building code standards.

Tax Allocation Bond: A bond or financial obligation issued by the agency in order to generate funds to implement the redevelopment plan. The bond is repaid with tax increments as a result of the agency's revitalization of the project area.

Tax Increment (TI): Tax increment is the primary source of revenue that redevelopment agencies have to undertake redevelopment projects. It is based on the assumption that a revitalized project area will generate more property taxes than were being produced before redevelopment.

When a redevelopment project area is adopted, the current assessed values of the property within the project area are designated as the base year value. Tax increment comes from the increased assessed value of property, not from an increase in tax rate. Any increases in property value, as assessed because of change of ownership or new construction, will increase tax revenue generated by the property. This increase in tax revenue is the tax increment that goes to the Agency.

Riverbank's Redevelopment Agency has no taxing authority, but receives its tax increment from the County. Redevelopment generates new investment within a project area, and the new development generates new tax revenue that is reinvested back into the community to help underwrite the cost of redevelopment and public improvements. Commercial development creates jobs and economic opportunities in the community. Public improvements upgrade the infrastructure, i.e., streets, sidewalks, street lighting, and streetscape.