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Healthy Cities in a Post-Redevelopment Era: Envisioning Sustainable Economic Development

By Cecilia V. Estolano

One month after 400+ redevelopment agencies (RDAs) throughout California ceased to exist, cities, counties and developers are only beginning to sort through the wreckage of a complicated winding down of the state's primary tool for economic development. The question of how to build healthier communities is far from the minds of many of the practitioners and local government officials consumed by the puzzle of how to implement ABX 1 26, the statute that ended redevelopment on February 1, 2012.

Stepping back from the new lexicon of "EOPS", "ROPS", successor agencies, and oversight boards, we can view the end of redevelopment as an opening to take our state along a more economically and environmentally sustainable path. We have only to build on the leadership California has already provided in the areas of greenhouse gas emission reductions, integrated land use, transportation and climate change policies, and advances in the clean energy economy to leap-frog into a new model of economic development.

It's time to remake California in the image of our boldest vision – that of **healthy communities** with good schools, innovative companies in new and emerging sectors, quality open space, a range of mobility and housing options, and above all – a prosperous and productive middle class equipped with the skills and education to create a better future.

It's time to get serious about designing a real economic development program linked to investments in healthy communities. I recently led a "Think Tank" sponsored by the ULI-Los Angeles District Council, where six of us from commercial real estate, affordable housing, urban infill building, economic development and clean tech sorted through the parts of redevelopment worth retaining and retooling and some newer elements of economic development necessary to realize this vision of healthy communities. Some great ideas emerged from the discussion.

First, the group detailed a list of redevelopment tools that need to be retained in some manner to enhance our state's vision for a low carbon economy that generates good paying jobs: the promotion of infill development and transit-oriented developments, the flexible and nimble assembly and disposition of land, the cleanup and redevelopment of brownfields, the production of affordable housing, and infrastructure investment.

The group also honed in on a function that a few RDAs were beginning to tackle before their demise – support for business formation, growth and spin-offs in competitive growth sectors that generate good-paying jobs. Whether cleantech in Los Angeles, biomed in San Francisco or biotech in San Diego, the intellectual capital emerging from California's institutions of higher learning needs an

ecosystem of innovation to create the new companies that will power our economy into the future. Local and state governments can play an important role in nurturing the growth of these ecosystems. They can help to form the collaborative groupings that are so critical to aligning the real estate, regulatory support, and capital investment necessary to support the companies that will generate the good paying jobs we need.

In the areas of promoting urban infill development, TODs and the nimble assembly of land, including brownfields, our group kicked around the idea of creating a new public-private predevelopment and acquisition fund that could be backed by public sector dollars and leverage philanthropic program related investment funds and private capital sources. We affirmed the need for a permanent source of funding from affordable housing at the state level. One of our members eloquently spoke of the need to promote healthy communities by including in any strategy the poorest neighborhoods and making sure that those communities have a good balance of affordable housing, open space, and the other elements that comprise healthy communities.

We also explored the idea of creating a new economic development approach that would guarantee local governments a certain amount of funding annually based on a formula but would require them to compete for a separate pot of money in a "Race to the Top" program. A portion of the estimated $1 billion annual Cap and Trade program revenues could be used to fund California's Race to the Top.

To access this fund, local governments would need to collaborate on a regional economic basis to craft data-driven strategies that start with an analysis of the sectors for which the region is most competitive and which hold out the best promise for good-paying jobs. The collaborations would need to include universities, workforce development entities, labor, business and other key stakeholders in evaluating an area's best strategy for supporting and growing its most promising sectors. Applications for this program would be judged based on their consistency with the Strategic Growth Council's Strategic Plan and a new California Sustainable Economic Development Strategy, the extent of creative collaboration among business, labor, university and community groups, and the extent to which a proposal creates a healthy community. A similar idea was considered by a Sustainable Economic Development Roundtable convened at UC Berkeley last November.

It will take years to wind-down RDAs. But we can't afford to wait on crafting a new approach to sustainable economic development worthy of the Golden State. AB 32, SB 375 and the Strategic Growth Council's Strategic Plan have given us an outline for this vision and could be a platform for the State's new economic and community development program. Let's meaningfully engage Californians of all stripes to help craft our strategy to rebuild a California with better long-term economic opportunities, healthy communities and a culture that cherishes innovation and creativity.

***Cecilia V. Estolano** is an expert in sustainable economic development and urban revitalization. She is co-founder of Estolano LeSar Perez Advisors LLC (ELP Advisors) which provides consulting services to public agencies, foundations, business associations and other stakeholders seeking to grow thriving, healthy and vibrant communities. Ms. Estolano previously served as Chief Executive Officer of the Community Redevelopment Agency of the City of Los Angeles (CRA/LA), where she redefined the role of the organization, rebuilt its housing department, shepherded CRA/LA's adoption of landmark policies on local hiring in construction jobs and the promotion of Healthy Neighborhoods, and created a $42 million Land Acquisition Fund to jumpstart development in underserved markets like South Los Angeles. Ms. Estolano is a graduate of Boalt Hall School of Law and holds an M.A. in Urban Planning from UCLA and she received her undergraduate degree in Social Studies with honors from Harvard-Radcliffe Colleges.*