The Fox Theater in Jerry Brown's redeveloped downtown Oakland

As Rick chronicled, California Governor Jerry Brown has pushed for the elimination of redevelopment agencies to help close the state's budget gap. While Rick alluded to the mismanagement problems that plague some redevelopment agencies, most advocates for infill development view redevelopment as critical for revitalizing neighborhoods and creating more walkable, transit-friendly communities. Without the upfront investments provided by redevelopment funds to upgrade infrastructure and support affordable housing, many infill real estate developers are reluctant to build in blighted areas.

Redevelopment can also pay for itself by improving the tax base in derelict areas. For proof, look no further than Governor Brown's own record as mayor of Oakland, where he used redevelopment funds to launch a downtown housing boom. And even the trendy Sacramento loft that the governor now calls home was made possible in part through redevelopment funds.

But who can argue that redevelopment is more important than paying for firefighters, police, and teachers during this budget crisis? As the state grapples with the legacy of the previous governor's $6 billion-a-year structural deficit (hope you're enjoying your reduced vehicle license fee!), sacrifice and pain — mostly for students and low-income residents of course — is in order.

So what should redevelopment advocates do? Here is what I would recommend as a counter-proposal for the governor:

1. Insist that any redevelopment money that is redirected to city and county general services be used first for infill-friendly neighborhoods. If cities and counties are going to take redevelopment funds for infrastructure and services, those investments should benefit areas that are ripe for redevelopment.
2. Develop an "opt back in" mechanism for when the financial storm passes. Once the budget stabilizes in a few years (we can hope, can't we?), cities and counties ought to be able to resurrect redevelopment efforts, in conjunction with Point 3 below.
3. After the "opt-in" is triggered, any new redevelopment should be focused strictly on the most promising infill areas within each city and county. These areas should be served by transit and be able to support more compact and

walkable development. Investing in their redevelopment will help the state carry out its AB 32- and SB 375-related mission to limit sprawl, reduce driving, and revitalize existing town centers.

For budget hawks and redevelopment advocates, this compromise is as close to a win-win as we're likely to get. Scarce existing funds will still support redevelopment areas, while redevelopment financing mechanisms in the long-term will be saved. In addition, critics of redevelopment agencies, who have seen these entities waste money or focus on non-environmentally sustainable projects, can use this crisis as an opportunity to reform the process and ensure smarter use of these funds in the future.

If we truly love redevelopment, perhaps we should set it free.