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Report to the Colorado General Assembly:

URBAN RENEWAL IN COLORADO



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LEGISLATIVE COUNCIL
REPORT TO THE
COLORADO GENERAL ASSEMBLY

Research Publication No. 39

November, 1960

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REP. ALBERT J. TOMBIC

November 18, 1960

To Members of the Forty-third Colorado General Assembly:

As directed by the terms of Senate Joint Resolution No. 41, 1959 session, the Legislative Council has completed its study concerning urban renewal in Colorado and submits herewith its report of findings and conclusions.

The committee appointed to carry out this study submitted its report for consideration at the Council's meeting November 17. At that time the report was adopted, without change, for transmission to the Forty-third General Assembly.

Respectfully submitted,

Charles Conklin
Charles Conklin
Chairman

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ROOM 343, STATE CAPITOL
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October 12, 1960

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REP. RAYMOND H. SIMPSON
REP. ALBERT J. TOMSIC

Honorable Charles Conklin, Chairman
Colorado Legislative Council
State Capitol
Denver 2, Colorado

Dear Mr. Chairman:

Your committee appointed to carry out the study requested in Senate Joint Resolution No. 41, 1959 session, relating to urban renewal, has completed its assignment and submits herewith its findings together with accompanying research material.

The committee desires to point out, however, that the constitutionality of our urban renewal law is presently at issue before our State Supreme Court. Furthermore, since there has been only limited activity experienced under our 1958 law, the committee would suggest that the Council's Committee on Problems of Local Government may well want to include urban renewal within its area of study.

Our appreciation is extended to representatives of the following organizations who ably assisted us with our work: Denver Urban Renewal Authority, Pueblo Urban Renewal Authority, Denver Planning Commission, Colorado Municipal League, Colorado Public Expenditures Council, Denver Chamber of Commerce, and Downtown Denver Improvement Association.

Respectfully submitted,

Rep. Peter H. Dominick, Chairman
Rep. Joe Dolan, Vice Chairman
Senator Vernon A. Cheever
Senator Richard F. Hobbs
Senator Allegra Saunders
Rep. Ivan C. Crawford
Rep. Ben Klein

FOREWORD

The accompanying report results from the committee's efforts over the past year and a half to obtain an insight into the workings of urban renewal programs in Colorado. In the course of its activities, the committee held conferences with representatives of interested groups and organizations to discuss the condition of urban renewal projects in relation to the state law enacted in 1958. In addition, as directed by the committee, the staff collected information regarding methods of financing used in other states.

Contained in subsequent pages herein are the committee's findings and conclusions, followed by a report on the status of urban renewal programs in Colorado and local financing methods in other states. Also included in the appendices is a glossary of basic urban renewal terms, a list of publications of the Federal Urban Renewal Administration, and the text of the Colorado Urban Renewal Law of 1958, as amended in 1959.

Mr. Phillip E. Jones, senior research analyst, had primary responsibility for this study.

November 1, 1960

Lyle C. Kyle
Director

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COMMITTEE FINDINGS

Colorado's Urban Renewal Law of 1958 authorizes a public program of land purchase and clearance with subsequent re-sale of the land to private developers who will then redevelop the area in accordance with the renewal plan established for this area. The authority itself does not engage in redevelopment work as such nor are any special tax-abatement programs afforded the private redevelopment companies.

Senate Joint Resolution No. 41, 1959 session, directed a study of "methods which may or shall be authorized and employed by the Urban Renewal Authority to raise funds and provide for payments in lieu of taxes, and particularly for reimbursement to a school district or districts for loss of revenue incurred by reason of such tax exemption." Because S.J.R. No. 41 appeared to be addressed primarily to the question of tax revenues which might be lost by school districts or other local taxing bodies as a result of urban renewal projects, the committee undertook an immediate examination of this question. However, it was found that no problem need exist as far as the removal of ad valorem property from the tax rolls due to urban renewal is concerned.

In this connection, the federal government as a matter of policy allows taxes, or loss of taxes, in these cases to be claimed as a credit for local grants-in-aid by the local renewal agency for its one-third share of net project costs. As a practical matter, the payment of these taxes, or payments in lieu of taxes, may be only a book transaction with the urban renewal agency entering the amount as a project cost and the city claiming local cash grant-in-aid credit.

With this question resolved, the committee directed its attention to determining what deficiencies, if any, exist in our present urban renewal law and what statutory changes, if any, might be needed. Following conferences with representatives of the Denver Urban Renewal Authority, Pueblo Urban Renewal Authority, Denver Planning Commission, Downtown Denver Improvement Association, Colorado Municipal League, Colorado Public Expenditures Council, and the State Chamber of Commerce, the committee has concluded that, on the whole, the present provisions of the state's urban renewal law are adequate except with respect to financing. No one indicated to the committee that there is any need for additional legislation to broaden the powers of urban renewal authorities.

More importantly, however, as a result of its deliberations the committee believes that part of the lag in urban renewal projects in this state stems from the inability of local agencies to finance their one-third share of project costs. For example, the city of Durango abandoned its urban renewal program because

it seemed impossible for the city to raise the necessary money and to find housing for the residents who would have had to be moved. Furthermore, even now the city of Pueblo is not certain how it will finance its Union Avenue Project. And the chairman of the Denver Urban Renewal Authority informed the committee that the city does not have the finances at this time to undertake a project in the lower downtown area.

In view of the problems reported with respect to financing, the committee explored various urban renewal financing methods used in other states. The methods surveyed are summarized in the accompanying report, beginning on page 12. One of these, which has been utilized in California, provides that until the indebtedness which the renewal authority incurs in undertaking a renewal project has been retired, local taxing bodies continue to receive taxes from the area as if no redevelopment or increase in assessed valuation had occurred, with the increment being used to retire the bonds issued to finance the project.

Another method of financing, adopted by the state of Missouri, in effect authorizes a limited-profit private development corporation rather than a public agency to receive any would-be increment in tax revenue for the first ten years. Also, for the next 15 years, the corporation pays taxes on the basis of a reduced (50%) assessed valuation, after which time, or a total of 25 years, taxes are paid on the basis of a 100 per cent assessed valuation.

A third method of financing involves state programs of direct grants or loans for urban renewal purposes. The committee has reviewed these programs as administered in the states of Connecticut, Illinois, New York, and Pennsylvania. In some cases, the net effect of the state's participation is to reduce the local agency's share of net project costs from one-third to one-sixth or to effectuate renewal in commercial and industrial areas which are ineligible for assistance under the federal urban renewal program.

The final point the committee wishes to mention is that there are many communities in this state which either are not interested in urban renewal or are not well enough informed about its workings to feel that the program would benefit their cities. For those communities in the latter category, the accompanying report includes a list of publications which may be of interest.

URBAN RENEWAL IN COLORADO

In 1958, the Colorado General Assembly enacted an urban renewal law for the purpose of providing a method of reconstructing, redeveloping, rehabilitating, or clearing blighted areas in communities throughout the state (Chapter 58, Session Laws of 1958). The General Assembly declared in this act:

"...that there exist in municipalities of the State slum and blighted areas which constitute a serious and growing menace, injurious to the public health, safety, morals and welfare of the residents of the State in general and of the municipalities thereof; that the existence of such areas contributes substantially to the spread of disease and crime, constitutes an economic and social liability, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blight is a matter of public policy and state-wide concern in order that the State and its municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, and consume an excessive proportion of its revenues because of the extra services required for police, fire, accident, hospitalization, and other forms of public protection, services and facilities." (Section 2, first paragraph, Chapter 58, Laws of 1958)

Under the Urban Renewal Law of 1958, urban renewal authorities are authorized to be established by any incorporated town, city, or city and county in the state. The law also includes rather broad grants of power to these authorities, but urban renewal authorities are specifically denied the power of taxation.

Also included in the law is a provision exempting property owned by an authority from ad valorem taxation. This provision led to the introduction and passage of Senate Joint Resolution No. 41 in the 1959 session. S.J.R. No. 41 directed the Legislative Council "to study methods which may or shall be authorized and employed by the Urban Renewal Authority to raise funds and provide for payments in lieu of taxes, and particularly for reimbursement to a school district or districts for loss of revenue incurred by reason of such tax exemption."

The committee appointed by the Legislative Council to carry out the study thus directed its attention to (1) the question of losses of tax revenues which might be incurred by local taxing bodies as a result of urban renewal projects, and (2) financing methods for urban renewal authorities as well as their other powers in general.

The Federal Urban Renewal Program

Responding to an expressed need for a program to prevent as well as to eradicate slums in urban areas, Congress adopted the Housing Act of 1954. As reported by the Urban Renewal Administration of the Federal Housing and Home Finance Agency, "'Urban Renewal' is a name for an effort to revitalize our city areas which are decaying, and to prevent good areas from starting to decay. It is for the benefit of all Americans.

"It is a technique through which the citizen exercises a control over, and makes use of, the persistent vitality of the urban environment in order better to meet the needs of the people who live and work in it.

"It is a system for preventing the premature obsolescence of urban neighborhoods and facilities.

"It is a tool for the restoration of declining areas which can and should serve a longer period of useful life.

"It is a device for the re-creation of areas which are worn out, without leaving them and the people in them to stagnate until some accident of history in the unforeseeable future stimulates new growth.

"It is a program under which cities in partnership with, and with maximum reliance on, private enterprise undertake urban renewal with Federal government support.

"Above all it deals with humans; it is trying to provide a satisfactory living and working environment for humans."(*)

The Urban Renewal Administration of the Housing and Home Finance Agency has seven regional offices in order to provide better service and closer contact with localities interested in or actually engaging in urban renewal projects. These regions, the states and territories which they include, and the addresses of the regional offices are as follows:

Region I: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont.
Office - 346 Broadway, Room 906,
New York 13, New York

(*) Urban Renewal Manual: Policies and Requirements for Local Public Agencies; Urban Renewal Administration, Housing and Home Finance Agency; p.1.

- Region II: Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, and West Virginia.
Office - Widener Building, Room 1004,
Chestnut and Juniper Streets,
Philadelphia 7, Pennsylvania
- Region III: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.
Office - Peachtree-Seventh Building, Room 645,
Atlanta 23, Georgia
- Region IV: Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
Office - Bankers Building, Room 2000,
105 West Adams Street,
Chicago 3, Illinois
- Region V: Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas.
Office - Federal Center, Room 2000,
300 West Vickery Boulevard,
Fort Worth 4, Texas
- Region VI: Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, Wyoming, and Guam.
Office - 989 Market Street, 3rd Floor,
San Francisco 3, California
- Region VII: Puerto Rico, Virgin Islands.
Office - P.O. Box 9093,
1608 Ponce de Leon Avenue,
Santurce, Puerto Rico

One way to appraise the status of the federal urban renewal program is to review the number of projects underway in the various states. As of March 31, 1959, the Urban Renewal Administration reported the following as the situation in all of the various states and territories:

<u>Type of Project</u>	<u>Number Underway</u>
<u>C</u> - "disaster area" project authorized under amendments in the Housing Act of 1956	17
<u>D</u> - demonstration project authorized under amendments in the Housing Act of 1954	27
<u>G</u> - general neighborhood renewal planning authorized under amendments in the Housing Act of 1956	27
<u>R</u> - urban renewal project authorized under amendments in the Housing Act of 1954	423
<u>S</u> - project feasibility survey authorized under amendments in the Housing Act of 1956	11

<u>Type of Project</u>	<u>Number Underway</u>
<u>U</u> - slum clearance and urban renewal project authorized under Title I of the Housing Act of 1949, including amendments prior to those in the Housing Act of 1954	<u>179</u>
TOTAL	<u><u>684</u></u>

The following tabulation lists the projects by type on a state-by-state basis as of March 31, 1959:

<u>Region I</u>	<u>C</u>	<u>D</u>	<u>G</u>	<u>R</u>	<u>S</u>	<u>U</u>	<u>Total</u>
Connecticut	12	0	0	16	0	6	34
Maine	0	0	0	2	0	1	3
Massachusetts	0	1	1	11	0	13	26
New Hampshire	0	0	0	3	0	3	6
New York	0	1	1	34	0	21	60
Rhode Island	0	2	0	2	0	4	8
Vermont	0	0	1	0	0	0	1
	<u>12</u>	<u>7</u>	<u>3</u>	<u>68</u>	<u>0</u>	<u>48</u>	<u>138</u>
<u>Region II</u>							
Delaware	0	0	0	1	0	0	1
D. C.	0	2	0	4	0	1	7
Maryland	0	2	2	4	0	3	11
New Jersey	0	1	1	32	0	13	47
Pennsylvania	0	1	2	42	0	21	66
Virginia	0	0	0	9	1	5	15
West Virginia	0	0	0	2	0	0	2
	<u>0</u>	<u>6</u>	<u>5</u>	<u>94</u>	<u>1</u>	<u>43</u>	<u>149</u>
<u>Region III</u>							
Alabama	0	0	0	17	1	12	30
Florida	0	0	0	0	0	0	0
Georgia	0	1	3	27	0	0	31
Kentucky	3	0	0	4	0	1	8
Mississippi	0	0	0	1	0	0	1
North Carolina	1	0	3	2	0	0	6
South Carolina	0	0	0	1	0	0	1
Tennessee	0	1	1	22	0	6	30
	<u>4</u>	<u>2</u>	<u>7</u>	<u>74</u>	<u>1</u>	<u>19</u>	<u>107</u>

<u>Region IV</u>	<u>C</u>	<u>D</u>	<u>G</u>	<u>R</u>	<u>S</u>	<u>U</u>	<u>Total</u>
Illinois	0	3	2	23	0	12	40
Indiana	0	0	0	6	0	1	7
Iowa	0	0	0	2	0	0	2
Michigan	0	2	1	19	0	4	26
Minnesota	0	0	0	5	0	3	8
Nebraska	0	0	0	0	0	0	0
North Dakota	0	0	0	1	0	0	1
Ohio	0	1	1	10	1	5	18
South Dakota	0	0	0	0	0	0	0
Wisconsin	0	0	1	2	0	3	6
	<u>0</u>	<u>6</u>	<u>5</u>	<u>68</u>	<u>1</u>	<u>28</u>	<u>108</u>
<u>Region V</u>							
Arkansas	0	0	0	5	0	2	7
Colorado	0	0	0	4*	1**	0	5
Kansas	1	0	0	5	1	0	7
Louisiana	0	1	0	0	0	0	1
Missouri	0	1	1	10	1	3	16
New Mexico	0	0	0	1	0	0	1
Oklahoma	0	0	0	0	0	0	0
Texas	0	0	1	22	3	0	26
	<u>1</u>	<u>2</u>	<u>2</u>	<u>47</u>	<u>6</u>	<u>5</u>	<u>63</u>
<u>Region VI</u>							
Alaska	0	0	2	5	0	0	7
Arizona	0	0	0	5	0	0	5
California	0	3	3	28	1	6	41
Hawaii	0	0	0	2	0	1	3
Idaho	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0
Nevada	0	0	0	2	1	0	3
Oregon	0	0	0	4	0	0	4
Utah	0	0	0	0	0	0	0
Washington	0	0	0	2	0	0	2
Wyoming	0	0	0	0	0	0	0
Guam	0	0	0	0	0	0	0
	<u>0</u>	<u>3</u>	<u>5</u>	<u>48</u>	<u>2</u>	<u>7</u>	<u>65</u>
<u>Region VII</u>							
Puerto Rico	0	1	0	24	0	29	54
Virgin Islands	0	0	0	0	0	0	0
	<u>0</u>	<u>1</u>	<u>0</u>	<u>24</u>	<u>0</u>	<u>29</u>	<u>54</u>

* Includes Avondale Neighborhood, Blake Street, and Whittier School Area Projects in Denver, and Union Avenue Project in Pueblo.

** Includes Downtown Area Project in Denver.

As the foregoing tabulation indicates, some states are much more involved with urban renewal projects than others. In this connection, five states and one territory - Illinois, California, New Jersey, Puerto Rico, New York, and Pennsylvania - are reported as having 40 or more projects. At the other extreme, 26 states and territories, including Colorado, are listed as having five or fewer projects. These states and the number of projects reported are: Maine (3), Vermont (1), Delaware (1), West Virginia (2), Florida (0), Mississippi (1), South Carolina (1), Iowa (2), Nebraska (0), North Dakota (1), South Dakota (0), Colorado (5), Louisiana (1), New Mexico (1), Oklahoma (0), Arizona (5), Hawaii (3), Idaho (0), Montana (0), Nevada (3), Oregon (4), Utah (0), Washington (2), Wyoming (0), Guam (0), and Virgin Islands (0).

Urban Renewal Projects in Colorado

The number of urban renewal projects in Colorado has remained unchanged since March 31, 1959 - four in Denver and one in Pueblo. While interest in an urban renewal program has been expressed to the federal agency by a few other Colorado cities, some apparently are awaiting developments of a suit before the state supreme court contesting the constitutionality of Colorado's Urban Renewal Law of 1958. If the law is upheld, then these cities may also begin actively undertaking programs of urban renewal.

Summary of Denver Urban Renewal Program

Projects Involved

At present the Denver Urban Renewal Authority has three renewal projects underway in various stages of development: Avondale, Blake, and Whittier.* Each of these projects involves a program of land purchase and clearing by the authority with subsequent re-sale of the land to private companies who will then redevelop the area in accordance with the authority's renewal plan established for that project. Under this program, the authority expects the property to be off the tax rolls for not more than a year as a rule.

In the Avondale Project, the renewal plans have been completed and approved, and the Authority has begun purchasing property in the area as well as some actual demolition being started on the purchased property. Again, here as elsewhere in Colorado, the project is being slowed somewhat due to the case before the state supreme court challenging the urban renewal law.

* However, Denver also has made applications to the Federal Urban Renewal Administration for planning advances for two additional projects - Jerome Park and West Colfax.

A final report on the Blake Project has been approved by the Urban Renewal Administration and the federal agency and the Denver Urban Renewal Authority have entered into a loan and grant contract. A final plan for the Whittier Project has been approved by the local authority and is now ready for application to the federal agency for a loan and grant contract.

In addition to the aforementioned three projects, Denver has received federal funds for a feasibility survey of the downtown area. However, the Authority reports that this project has reached a standstill, at least for the time being.

Estimated Costs and Financing

As shown in Table I, two-thirds of the net cost for the three Denver urban renewal projects, or approximately \$3 million, will be met by federal grants, as provided by the Federal Housing Act of 1954. The remaining one-third of estimated net project costs, totaling \$1,589,159, will be provided by the City and County of Denver. However, not all of this latter amount will involve actual cash outlays for urban renewal on the part of Denver as certain credits are granted under the federal program, namely, "non cash grants-in-aid" and "tax credits."

"Non cash grants-in-aid" includes expenditures by the city for such items as streets and parks in the renewal area and, while they are not direct grants to the project, may be claimed as a part thereof for federal matching purposes. Similarly, "tax credits" are granted by the federal government in the amount of the revenue not collected by the city as a result of the land being taken off the tax rolls while in the possession of the urban renewal authority.

For example, under the schedule for the Avondale Project in Table I, the local one-third requirement totals \$754,658. Of this amount, however, only \$400,000 will be a local cash outlay as \$638,884 will be credited as a local non cash grant-in-aid and \$20,000 will be credited as a real estate tax credit. Moreover, as this will result in a total of \$1,058,884 for local effort compared to its requirement of \$754,658, the Denver Urban Renewal Authority will carry over some \$304,226 in credits to be applied to its local share on another urban renewal project.

Estimate of Tax Increases in Avondale Area

The Denver Urban Renewal Authority estimates a substantial increase in assessed valuation for the Avondale area -- from \$808,430 to \$2,466,703, based on 1957 valuations. Correspondingly, on the basis of an identical tax levy, substantially more

TABLE I

COMPUTATION OF LOCAL GRANTS-IN-AID AND PROJECT CAPITAL GRANT
DENVER URBAN RENEWAL PROGRAM

	Avondale (a) 1-59-1-60	Blake (b) 9-59-12-60	Whittier (c) 9-59-9-61	Total 3 Projects
Project Expenditures	\$ 2,480,906	\$ 1,528,225	\$ 962,439	\$ 4,971,570
Non-Cash Local Grant-in-Aid	638,884	0	269,500	908,584
Gross Project Cost	3,119,790	1,528,225	1,231,939	5,879,954
Recovery Land Dispositions	855,817	697,584	72,120	1,625,521
Net Project Cost	2,263,973	830,641	1,159,819	4,254,433
Local 1/3 Requirement	754,658	276,880	386,606	1,418,144
Local Grant in Aid Provided Non-Cash	638,884	0	269,500	908,384
Local Grant in Aid Provided Real Estate Tax Credit	20,000	6,125	4,650	30,775
Local Grant in Aid Cash Total	400,000 \$ 1,058,884	250,000 \$ 256,125	0 \$ 274,150	650,000 \$ 1,589,159
Local 1/3 Balance	+304,226	-20,755	-112,456	+171,015 (d)
Federal 2/3 Project Capital Grant Payable	1,509,315	553,761	773,213	2,836,289
Federal Relocation Grant Total	26,336 \$ 1,535,651	25,320 \$ 579,081	24,640 \$ 797,853	76,296 \$ 2,912,585

Footnote:

- (a) Cost Estimate based on proposed revised plan.
- (b) Cost Estimate based on suggested revisions by Urban Renewal Administration.
- (c) Estimate based on Part I Loan and Grant.
- (d) If Denver School Board decides not to build new school in Whittier Project Area, this will reduce the estimated balance by \$269,500, leaving a figure of \$-98,485.

Prepared by Denver Urban Renewal Authority
June 25, 1959

revenue can be anticipated as a result of the increased assessed valuations after the area has been redeveloped, as follows:

Before Urban Renewal

<u>Assessed Valuation</u>	1957 <u>Mill Levy</u>	<u>Total Tax Revenue</u>
\$808,430	53.71	\$43,421
		16,413 (city and county)
		24,142 (schools)
		2,866 (state)

After Urban Renewal

<u>Assessed Valuation</u>	1957 <u>Mill Levy</u>	<u>Total Tax Revenue</u>
\$2,466,703	53.71	\$132,487
		50,080 (city and county)
		73,663 (schools)
		8,744 (state)

As projected by the Denver Authority, these figures would mean that the city and county could expect to recover its share of the net project costs (\$516,938) in 15.3 years. That is, the difference between city and county tax collections before renewal (\$16,413) and after renewal (\$50,080) of \$33,667 would total \$516,938 after 15.3 years.

Current Denver Urban Renewal Difficulties

Mr. J. Robert Cameron, executive director of the Denver Urban Renewal Authority, reports that the current program in general is progressing satisfactorily, but that the authority does have one primary difficulty at the present time, namely, the fact that the City and County of Denver cannot commit funds for more than a one-year period restricts the planning of future renewal projects. This condition may have been alleviated by the passage of House Bill No. 424, 1959 session, but the Authority is not certain as to what the over-all effects of this measure will be. The specific provision in question, Section 3 of H.B. 424, reads as follows:

Section 3. Section 12 of Chapter 58, Session Laws of Colorado 1958, is hereby amended by the addition thereto of a new subsection (5) to read:

Section 12.(5) For the advancement of the public interest and for the purpose of aiding and cooperating the planning, acquisition, demolition, rehabilitation, construction, relocation, or otherwise assisting the operation or activities of an urban renewal project located wholly or partly within the area in which it

is authorized to act, a public body may, upon such terms as it may determine, do any and all things necessary or convenient and may enter into agreements, which may extend over any period, notwithstanding any provision of law to the contrary, with an Authority respecting action taken, or to be taken, pursuant to any of the powers granted by this act. Such agreements may include payments to an Authority to be used for the purpose of retiring indebtedness incurred by the Authority, and interest on such indebtedness; provided, however, that the aggregate amount of such payments shall not exceed an amount equal to that portion of the taxes levied by the public body in excess of the amount which would be produced by the rate upon which the tax is levied each year by or for a public body upon the total sum of the assessed value of the taxable property in the urban renewal project as shown upon the assessment roll used in connection with the taxation of such property by such public body, for the year immediately prior to the year in which such agreement is executed. For any public body which did not include the territory in an urban renewal project on the effective date of such agreement but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the county or city and county on the effective date of said agreement shall be used in determining the assessed valuation of the taxable property in the project on said effective date.

Two other aspects of urban renewal, which were not mentioned as particularly presenting problems by Mr. Cameron, may be classed as unknown factors and hence might possibly represent sources of difficulties in the future. These are (1) the relocation of families and businesses from the urban renewal area and (2) the availability of private firms for redeveloping the areas. Until some experience has been had with these two factors, their effect on the Denver urban renewal program remains uncertain.

Summary of Pueblo Urban Renewal Program

Pueblo, with its Union Avenue Project, has not progressed as far as has Denver with urban renewal, but Pueblo represents the only other Colorado city outside of Denver to have received federal funds for this purpose.

Unlike the projects in Denver, Pueblo's Union Avenue Project is a "ten per cent exemption project." That is, the general rule is that an urban renewal project must be clearly predominantly residential in character (at least 55 per cent or more residential) either when the project is undertaken or after

renewal has been carried out in order to qualify for federal funds. However, the federal law permits use of not more than ten per cent (increased to 20 per cent by 1959 amendment) of the aggregate capital grant appropriated by Congress for use in project areas where the nonresidential character predominates both before and after renewal. Even under this exception, the area must contain a substantial number of substandard living accommodations, the elimination of which is justified by considerations of public health, safety, and welfare.

Briefly, the following paragraphs summarize the chronological history of Pueblo's urban renewal program:

January 1956 - City Planning and Zoning Commission recommended, and City Council authorized, the filing of an application for a planning advance from Housing and Home Finance Agency (HHFA) for Union Avenue Project on behalf of the city as a ten per cent exception project in a commercial area.

May 1956 - City Council approved the filing of an application for \$44,415 from HHFA.

August 1956 - HHFA approved application totaling \$44,415 - \$21,503 for preliminary planning and \$22,912 for final planning.

November 1956 - Ordinance passed by City Council accepting federal funds.

April 1957 - Budget approved for project by City Council.

December 1957 - Project Eligibility and Relocation Report submitted to HHFA covering survey of area, number and condition of buildings, uses of buildings, number of families, family characteristics, etc.

January 1958 - Report found acceptable by HHFA.

July 1958 - Workable Program submitted to HHFA for certification. (Workable Program is based on the theory that only those communities which help themselves should be eligible for federal assistance. This program is designed to insure that slum and blighted conditions will not continue to breed nor to grow.)

October 1958 - Workable Program certified for one year by HHFA.

December 1958 - City discovered it had insufficient funds to do job correctly and submitted a Revised Survey and Planning Application to HHFA.

January 1959 - HHFA rejected revised application on the ground that, under the 1958 Colorado Urban Renewal Law, they could not legally advance further funds except to an urban renewal authority and suggested the creation of an authority and the transfer of obligations thereto.

April 1959 - Petition filed with Secretary of State establishing Pueblo Urban Renewal Authority. At the same time, however, letter received from HHFA saying it was considering the termination of contract for project and withdrawing all aid and obligations.

June 1959 - Pueblo received extension of deadline to December 31, 1959, for submission of urban renewal plan, and to January 31, 1960, for submission of its application for loan and grant funds.

April 1960 - Pueblo Urban Renewal Authority tentatively approved redevelopment plans for the 60-acre Union Avenue Project. The estimated cost of the project will total approximately \$2.5 million, with HHFA already having reserved \$1.7 million as its share. As yet, however, it has not been determined how the local share of the project cost, or approximately \$.9 million, will be financed.

Local Financing Methods for Urban Renewal

As reported previously, the federal urban renewal program provides two-thirds of the net costs for projects qualifying under its provisions. The remaining one-third of the net project cost is supplied by the local governmental unit, although not all of this need be in the form of direct cash outlays. Credits may be received for non cash grants-in-aid and for taxes lost while real estate in the project area is off local tax rolls (see Table I for illustration).

However, the question remains of how the local governmental agency will raise the money required. Here in Colorado, Denver's share of project costs is being financed by cash grants from the City and County of Denver's capital improvements fund, and Pueblo has not yet decided how it will finance the local one-third share of its urban renewal project. In this connection, while the Colorado Urban Renewal Law authorizes urban renewal authorities to issue general obligations bonds, no taxing powers are granted these agencies.

In some other states, programs have been adopted to facilitate local financing of urban renewal projects. These programs include authorizing local financing through a tax-increment measure, as in California, and the providing of state loans or direct grants-in-aid to local urban renewal authorities in Connecticut, Illinois, New York, and Pennsylvania.

The California Plan

In 1951 the California legislature adopted, and the electorate subsequently approved, a community redevelopment law providing one method of financing redevelopment projects. Under this program, the increased difference in tax revenues resulting from the greater assessed valuations added by a redevelopment

project is allocated to the agency to retire the indebtedness incurred in redeveloping the area from which the taxes are collected. For example, if an area had an assessed valuation of \$100,000 prior to redevelopment, a levy of 50 mills would have produced \$5,000; if after redevelopment the area had an assessed valuation of \$500,000, the same 50-mill levy would result in tax collections of \$25,000 and the difference between the two collection totals, or \$20,000, would be the amount allocated to the redevelopment agency.

The first application of this new program was made in Sacramento. The following paragraphs summarize the initial project thereunder, based largely on publications of the Sacramento Redevelopment Agency and correspondence and conversation with Mr. Robert E. Roche, assistant to the director of this agency.

Background of Capitol Mall Project 2-A. The Sacramento City Council first passed a resolution in February, 1950, designating a redevelopment area and directing the City Planning Commission to make preliminary studies and plans, including a financial analysis. As a result of the study, the City Council decided in February, 1954, to designate a portion of the redevelopment area for an initial project. In July, 1954, a tentative plan and report of the Sacramento Redevelopment Agency, which was prepared in cooperation with the City Planning Commission, was approved.

In November, 1954, a general obligation bond issue to provide the local share of funds needed to finance the Capitol Mall Project 2-A was presented to the electorate of Sacramento, but it received only 58% instead of the necessary 66 2/3% affirmative vote. On November 24, 1954, after the election, the City Council by resolution authorized and directed the Redevelopment Agency to prepare a final plan for the project including the issuance of Redevelopment Agency bonds under the California Community Redevelopment Law of 1952. Under this law, these redevelopment agency (or tax allocation) bonds are designed to be redeemed from the increment in tax revenues resulting from the increased assessed valuations accompanying the redevelopment in the project area.

Financing the Capitol Mall Project Area 2-A. The net cost for the Capitol Mall Project Area 2-A is estimated to be \$6,334,752, with the Federal Housing and Home Finance Agency contributing two-thirds of this amount, or \$4,223,168, through a capital grant. The remaining one-third, or \$2,111,584, will be provided by non-cash grants from the City of Sacramento and the Sacramento Municipal Utility District amounting to \$924,874, and by \$1,186,710 from the proceeds of the sale of Redevelopment Agency (or Tax Allocation) bonds.

The Sacramento Redevelopment Agency issued \$2 million of these tax allocation bonds, payable over a 30-year period, at an interest rate of 4.49%. The Bank of America purchased 25% of the issue and the remainder of 75% was sold primarily to individuals,

most of whom reside in California. The principal and interest on these bonds are expected, of course, to be repaid from the increased tax yield resulting from the redevelopment within the project area.

Since this bond issue was the first of its kind, considerable groundwork had to be undertaken by the city. Mr. Herbert H. Jaqueth, vice chairman of the Sacramento Redevelopment Agency, in an article in Western City for June 1958, on page 23, reported the following:

As a pioneer in the field of anticipated tax return bonds, the city had to hire special consultants and deal with a number of unique problems to show that the system was workable. Steps taken included: (1) a reuse and market ability report was prepared for the area being considered (included minimum estimates of volume of construction by dollar value); (2) tax studies by selected years; (3) established evidence of sound cost estimates, with sufficient safety factors; (4) exhaustive research to afford the legal stature necessary for the sale of bonds; (5) getting an opinion from the State Attorney General in various and detailed legal aspects in the interpretation of the State law; (6) winning interest of prospective redevelopers, since salability of the bonds would hinge on this support.

Excluding any disadvantages which might be connected with this type of financing, Mr. Jaqueth also wrote:

The following advantages to the "redevelopment pays-for-itself plan" should be pointed out: (1) no referendum is required; (2) in the eyes of the taxpayer, a bond which is not an obligation of the city in any way can be offered as proof positive of the self-supporting nature of a well planned renewal action; (3) to many people, the dynamic concept of the project's paying its own way, as far as the local share is concerned, by virtue of the size and quality of the redevelopers' improvements, is a healthier concept for city growth than property tax forgiveness methods sometimes employed in efforts to attract industrial developments.

Problems Encountered. In reply to an inquiry concerning problems encountered, the Sacramento Redevelopment Agency did not mention financing. The only problem cited concerned the length of planning time necessary to arrive at a final redevelopment plan under California law.

The law formerly required a preliminary, a tentative, and a final plan, and further provided that public hearings must be held on the latter two. According to the Sacramento Agency in a letter dated June 24, 1959, this provision "was very time consuming and delayed our moving into the execution stages of a project. This past week the State Legislature eliminated the need of a tentative plan much to our gratification."

Future Financing Prospects. The Sacramento Redevelopment Agency reports that the maximum interest rate on redevelopment agency or tax allocation bonds has been increased from 4.5% to 6%. With this increase in mind, the agency expects within another 12 to 18 months to finance its next project with general obligation bonds, which have a maximum interest rate of 3 1/4%. Concerning the approval of the voters necessary for the issuance of these general obligation bonds, the agency believes that, after seeing the results of redevelopment in Capitol Mall Project Area 2-A, the required two-thirds of the electorate will approve the issue.

The Missouri Plan

Under Missouri's Redevelopment Act, similar to California, local taxing bodies such as cities and school districts do not immediately share in increased revenues as a result of a redevelopment project. In this case, however, unlike California's program, limited-profit private development corporations are in effect provided with the would-be tax increment rather than a public renewal agency.

The Missouri program offers an abatement in taxes to limited-profit private development corporations for a 25-year period. For the first ten years, only the tax on the land before redevelopment begins is collected (\$694 in the case of the Kansas City Quality Hills Project). During the next 15 years, the private corporation, whose profit is limited to 8% of costs, pays taxes on the basis of a 50% assessed valuation; in the 26th year the assessed valuations are increased to the full 100% level. It is estimated that, in the Quality Hills area, Kansas City will collect some \$1.3 million in taxes over the 25-year abatement period, or \$1.1 million more than if the land had not been redeveloped. Annually thereafter the city is estimated to receive about \$160,000 as compared to \$694 the city was receiving prior to redevelopment.

The Connecticut Plan

The State of Connecticut, through its state development commission, administers three redevelopment aid programs: (1) Flood Redevelopment Assistance Program, (2) State Program of Urban Renewal, and (3) State Program of Industrial and Commercial Redevelopment.*

* This information is based on rather extensive material and comments supplied by Mr. Milo D. Wilcox, Jr., Redevelopment Planner, Connecticut Development Commission.

Each of these programs provides a direct financial grant based on the local redevelopment agency's local share of the net project costs. Each follows the same basic procedure: First, a reservation, or allocation, is made of the amount requested by the local redevelopment agency as the state's grant-in-aid. Second, a contract is executed for the state grant-in-aid. And third, the actual payments of the grant-in-aid are made to the municipality.

Payments made under the Flood Redevelopment Assistance Program and the Urban Renewal Program may be made in advance of any expenditure of local or federal grant money. Reportedly, Connecticut has adopted this procedure in order to expedite the commencement of project execution for federally-approved projects and to eliminate the necessity for local borrowing at the outset of the projects.

However, the Industrial and Commercial Redevelopment Program provides that, before any state grant-in-aid may be made, the municipality must have first appropriated the local share of the project cost to the redevelopment agency. Thus, since this money is therefore available, the state will make payments on a matching basis for actual expenditures made during the preceding quarter.

Because of the chronological development of these various state-aid programs in Connecticut, the Flood Redevelopment Assistance Program is the first of the summary descriptions presented in the following paragraphs.

Flood Redevelopment Assistance Program. In November of 1955, immediately following severe floods in August and October, the Connecticut General Assembly in Special Session enacted legislation offering state grants-in-aid up to one-half of the local share of the net project cost of a federally-approved redevelopment project which was such a project because of the floods. This program made it possible for a municipality to undertake a redevelopment project and pay only one-sixth of the net project cost instead of the normal one-third.

From the financial standpoint, the funds made available for grants under this program were of two kinds. Of the total of \$4,200,000 appropriated for this purpose, \$1,750,000 was set aside for the redevelopment part of the program and \$2,450,000 was made available as a bond authorization under this program.

Actually, under the enabling legislation, three types of financial assistance were made available. First, as mentioned, direct grants-in-aid were provided. Second, a state guaranty of bonds issued by municipalities was authorized and, third, a state guaranty of temporary notes issued by municipalities was also authorized. However, these two guaranty provisions were not widely used by the municipalities under this program and early in 1959 their use was cancelled by action of the Connecticut State Bond Commission.

The intent of the two guaranty provisions was to make it easier for municipalities to obtain outside financing where necessary. However, Mr. Wilcox reports, "It is my opinion from our experience in this program that practically speaking they were not necessary. In the establishment of this program, the Connecticut Development Commission was authorized to administer the program and to establish rules and regulations. The Commission, in order to distribute the amount of money available in an equitable fashion, decided to allocate the funds for properly authorized projects in proportion to the requested amounts. At the beginning of this program this meant that municipalities received in allocation about 90 per cent of the amount requested. Some dropped their proposed projects and those remaining now receive a full 100 per cent in allocation of their requested grant-in-aid."

As of July, 1959, 12 municipalities were undertaking 16 projects under the Connecticut Flood Redevelopment Assistance Program.

State Urban Renewal Program. As a result of the experience under the Flood Redevelopment Assistance Program, in a Special Session in March of 1958 the General Assembly decided that the state's grant-in-aid program should be extended to all qualified redevelopment and urban renewal projects. Accordingly, Public Act 24 was passed.

To finance the grants-in-aid authorized under the urban renewal program, the General Assembly authorized the issuance of state bonds in an amount not exceeding \$10 million, but no direct appropriation was made. Also, no provision was made for guaranties of municipal bonds or notes for redevelopment.

The Connecticut Development Commission, which was named to administer the urban renewal program, established administrative procedures designed to lessen the work required by the local redevelopment agencies, based on the Commission's prior experience with the flood redevelopment program. For example, while some eight forms were used in the earlier program, only four forms were required under the Urban Renewal Program.

An additional lesson learned by the Commission in the flood program and applied to urban renewal projects concerned the timing of the execution of contracts with municipalities for grants-in-aid. Under the flood program, the Commission would execute a contract with a municipality on request for qualified projects at any time following the execution of a survey and planning advance contract with the federal government. However, it was found that as projects were refined, costs changed and amended contracts were necessary. Consequently, under the urban renewal program, while the Commission will make allocations following approval of a survey and planning advance contract, it will not execute a contract until Part I of the Loan and Grant has been approved by the federal government. At this point the costs are fairly well established and amendments may be kept to a minimum.

Allocations under the urban renewal program have been made on a "first come, first served" basis and, as with the flood program, are made only to federally-approved projects. The Commission anticipates that, as allocations begin to approach the limit of the \$10 million bond authorization, it will be necessary to withhold perhaps \$500,000 for possible increases in project costs.

As shown in Table II, "Summary of Current Projects," on July 8, 1959, nine municipalities had urban renewal projects under-way with a total of \$8,172,748 being set aside for state grants-in-aid.

State Industrial and Commercial Redevelopment Program. In the Special Session of March, 1958, the Connecticut General Assembly also established a program for redevelopment grants-in-aid to projects which cannot qualify for federal assistance because of their present use or proposed re-use (Public Act 8). As mentioned previously herein, except for the so-called 20 per cent exemption type of project, federal assistance is not available for a blighted industrial or commercial area for new commercial or industrial uses.

It is reported that the General Assembly felt that this provision constituted a gap in the federal program and, through the enactment of Public Act 8, undertook to fill this gap in Connecticut. Because of the nature of this program, the Connecticut Development Commission states that it had to proceed carefully in establishing the procedures thereunder.

A \$5 million bond issue was authorized for grants-in-aid under the Industrial and Commercial Redevelopment Program, similar to the bond issue authorization under the Urban Renewal Program. Because the federal government does not participate in this redevelopment program, the net project cost is shared by a municipality and the state on a 50-50 basis. In this connection, while the Commission is authorized to make survey and planning advances similar to those permitted in the federal urban renewal program, the statute places a restriction thereon by allowing no greater than 1½ per cent of the \$5 million to be used for such advances and by permitting advances of no greater than 75 per cent of the cost of survey and plans for each project.

In establishing administrative procedures for the Industrial and Commercial Redevelopment Program, since the Commission would not have federally-approved projects to rely on, it has made liberal use of federal experience in redevelopment, as reflected in the Commission's manual for the administration of this program. The series of administrative steps provided in the manual are: (1) Application for allocation; (2) Procedures applying to the use of advances; (3) Project planning stage; (4) Actual execution of contracts for grants-in-aid; (5) Procedures to follow in the project execution stage; and (6) Final completion of a project.*

* Final procedures have not as yet been adopted by the Commission under (2) and (6).

It is the Commission's intention that the administrative procedures established will enable a project to be accomplished as expeditiously as possible consistent with the proper use of public funds. To this end, while drawing heavily on federal procedures, the Commission has shortened procedural requirements in most instances. Also, because of the size of the state, the Connecticut Development Commission believes that it will be able to expedite projects further by virtue of closer personal contact with local redevelopment agencies.

As with the Urban Renewal Program, allocations under the Industrial and Commercial Redevelopment Agency were also made on a "first come, first served" basis upon receipt of properly executed applications under established program procedures. Before September 1, 1959, the total \$5 million authorized was either under contract or reserved by virtue of officially submitted applications in the hands of the Commission. As a result, no money is now available for any further projects under this program.

As of July 8, 1959, a total of \$4,735,725 in state grants-in-aid was included in the projects or proposed projects of four Connecticut municipalities -- Hartford (\$725,000), New Britain (\$1,022,000), New Haven (\$1,992,725), and Norwalk (\$996,000).

Administrative Problems Encountered. Of the various problems encountered by the Connecticut Development Commission in the administration of these three programs, one which has not yet been resolved concerns the payment for relocation costs under the Industrial and Commercial Redevelopment Program. The Commission has not determined whether to follow the federal procedures, which places a maximum on the amounts allowed therefor, or whether it would be more advisable to allow full reimbursement for business and industrial relocation costs. Involved in this is the question of fairness to industrial and commercial establishments forced to move and the question of expenses which should be borne by the state.

The Commission has also spent a great deal of time on this Industrial and Commercial Redevelopment Program in attempting to simplify procedures and at the same time to insure that legitimate projects are undertaken and that public money is properly spent. The Commission is further facing a problem arising under this program in determining the criteria of blight and deterioration of commercial and industrial areas. On this point, the Commission presently places the burden of proof on the local redevelopment agencies in their submission of documents in support of their Application for Allocation. In addition, the Commission anticipates the advisability of determining policy and establishing criteria for the future determination of blighted characteristics of vacant areas which may be considered for industrial or commercial redevelopment projects.

Status of Local Redevelopment Agencies in Connecticut. In Connecticut, the local redevelopment agency does not have the status of an independent authority but is rather an arm of the local municipality with the same status as, for example, a municipal department of public works. Among other things, this means that the local redevelopment agencies may not buy land in their own names; instead, acquisitions of land are made by the municipality through the local redevelopment agency. Thus, contracts under the various programs are between the State of Connecticut, through its Development Commission, and municipalities acting by and through their local redevelopment agencies.

Other Administrative Duties of the Connecticut Development Commission. In addition to administering the three redevelopment and renewal programs herein, the Connecticut Development Commission is instructed to:

(a) study and investigate conditions affecting Connecticut industry, business, commerce, agriculture and recreational and residential facilities and promote and encourage the preservation, expansion, and development thereof within and without the state.

(b) promote and encourage the location and development of new industry, business, commerce, agriculture and recreational and residential facilities in the state.

(c) collect, compile, and disseminate information relative to the natural and economic resources of the state.

(d) cooperate with promotional and research groups and associations, with agencies of the state and its political subdivisions, and with agencies of the federal government and other states, in the execution of its duties.

(e) furnish technical, secretarial, and clerical assistance to the Tri-County Development Corporation and other nonprofit corporations and organizations when it deems that the giving of such assistance will promote the objects of this chapter (Sec. 32-3, 1958 General Statutes).

To insure the economic and orderly development of the state through the encouragement of sound community and regional planning and the proper utilization of the zoning police powers at the municipal level of government, the Connecticut Development Commission is also authorized to:

(a) define the logical economic and planning regions of the state.

(b) promote and assist the formation of local and regional planning authorities and zoning commissions.

(c) make available technical assistance to any municipality or metropolitan or regional area for surveys, land use studies, urban renewal plans and for any other functions for such agencies as required by law (Sec. 32-7, 1958 General Statutes).

TABLE II
SUMMARY OF CURRENT PROJECTS IN CONNECTICUT
July 8, 1959

Municipality	Est. Pop. 1958	Flood Redevelopment Assistance Program		State Program for Urban Renewal		State Program for Indus. & Commer. Redev.	
		No. of Projs.	Grant	No. of Projs.	Grant	No. of Projs.	Grant
Ansonia	19,700	1	\$ 521,784	2 ⁽¹⁾	\$ 630,000		\$
Bridgeport	169,200			2	1,468,416		
Danbury	42,500	1	900,000				
East Granby	1,700	1	60,398				
Farmington	9,200	2	13,372				
Hartford	187,300			1	1,250,000	2 ⁽²⁾	725,000
Killingly	11,800	1	37,000				
Meriden	51,300			1	769,334		
Middletown	30,900			1	458,694		
Naugatuck	19,600	3	566,985				
New Britain	87,200			1	750,000	1 ⁽³⁾	1,022,000
New Haven	166,900			1	2,528,979	1	1,992,725
Norwalk	61,100	1	564,513	1 ⁽⁴⁾	82,210	1 ⁽³⁾	996,000
Norwich	39,000			1	235,115 ⁽⁵⁾		
Putnam	10,200	1	641,844				
Seymour	9,700	2	144,639				
Torrington	30,400	1	405,957				
Washington	2,600	1	83,969				
Waterbury	113,700	1	157,128				
Total		16	\$4,097,589	11	\$8,172,748	5	\$4,735,725

- (1) Includes \$30,000 additional for the flood project
- (2) Includes \$175,000 for Talcott Street Project not yet approved by CDC
- (3) Not yet approved by CDC
- (4) This is an additional amount for the flood project
- (5) Includes \$52,715 increase not yet approved by CDC

Prepared by Connecticut
Development Commission

The Illinois Plan - 1945 and 1947*

In 1945 and again in 1947, the Illinois General Assembly appropriated monies to assist public housing and urban renewal programs in that state. Thus far these have been the only two appropriations made under a state-aid type of program for redevelopment and renewal in Illinois.

Under the first program, in 1945, the Illinois General Assembly appropriated \$10 million for allocation among the public housing authorities and land clearance commissions within the state on a pro rata basis. As a result of this appropriation, housing authorities or land clearance commissions were formed in every Illinois county but five and in every city with a population of 25,000 or more.

The Illinois State Housing Board was appointed as the state agency to distribute this money to the housing authorities and land clearance commissions, and all expenditures of these funds were subject to the board's approval. None of the \$10 million appropriation was used for direct financial aid for public housing, but was used at that time in a revolving fund manner for the construction of housing for returning veterans. Some of it, however, was also used by land clearance commissions for slum clearance projects.

In 1947, the Illinois General Assembly appropriated an additional \$20 million to housing authorities and land clearance commissions. Of this sum, one-half, or \$10 million, was designated for slum clearance projects on a 50-50 matching basis with cities and counties. In this particular case, however, the City of Chicago was the only one which, by bond issue, matched the state grant and consequently received the entire \$10 million available.**

* The information herein is based on material and comments supplied by Mr. F. T. McNicholas, managing director and secretary of the Illinois State Housing Board.

** Incidentally, Chicago's bond issue was for \$15 million, making a total of \$25 million which the Chicago Land Clearance had available for slum clearance. In addition, Mr. McNicholas reports, the Chicago Land Clearance Commission applied for federal assistance which amounted to two-thirds of the write-down value of a project. Thus, including federal monies, this would have totaled some \$75 million for slum clearance work in Chicago at that time.

Of the remaining \$10 million involved in the 1947 appropriation, \$3,333,000 was allocated for relocation housing; this money also had to be met by a matching grant on the part of cities or counties. Here again the City of Chicago, through an additional \$15 million bond issue, matched the entire \$3,333,000, and, together with the proceeds from the second bond issue, the Chicago Housing Authority constructed approximately 2,200 relocation housing units.

The final \$6,567,000 of the 1947 appropriation was allocated to all housing authorities and land clearance commissions on a pro rata basis, similar to the 1945 program.

The New York Plan*

Since 1958, the State of New York has provided a loan and subsidy program for local urban renewal assistance. In that year the electorate approved Chapter 955 of the Laws of 1958, Section 4 of which provided:

From the proceeds of the sale of bonds authorized by this act, the sum of one hundred million dollars (\$100,000,000), or so much thereof, as may be necessary, is hereby appropriated to the division of housing in the executive department, of which amount the sum of twenty-five million dollars, or so much thereof as may be necessary, shall be used for loans to cities, towns and villages for the clearance, re-planning, reconstruction and rehabilitation of sub-standard and insanitary areas pursuant to and in accordance with the public housing law, the general municipal law and any other laws authorizing cities, towns and villages to establish and carry out a federal program of urban renewal with federal aid, as hereinafter provided and seventy-five million dollars, or so much thereof as may be necessary, shall be used to provide low rent housing in one or two family attached or detached dwellings or in multiple dwellings for aged and other low income persons and families displaced by the clearance of such substandard and insanitary areas and for other low income persons and families, pursuant to and in accordance with the provisions of the public housing law. Such sum may be loaned, pursuant to the provisions of the public housing law and such

* The information herein is based on material and comments supplied by Mr. James Wm. Gaynor, Commissioner, State Division of Housing

other laws, under loan contracts made by the state commissioner of housing. No loan for the clearance, replanning, reconstruction and rehabilitation of a substandard area shall exceed one-half of the local grants-in-aid which the city, town or village has agreed to make under the provisions of the contract for federal aid. (Emphasis added.)

In 1959, the general provisions of the 1958 act were enlarged but the primary purpose and loan limitations remained the same (Chapter 601, Laws of 1959). Under the terms of the 1959 provisions, state loans thereunder are to be made at the rate of interest paid or to be paid by the state* plus a proportionate share of the actual direct cost of the borrowing as certified by the state controller. These loans are to be repaid in equal annual installments over or within a period of not to exceed 25 years.

Further, the 1959 amendments specifically provided that no loan shall be made by the state for an urban renewal program unless the commissioner of housing finds that:

(a) the municipality has entered into a contract to receive capital grants from the federal government under which such municipality is obligated to make local grants-in-aid, and that the state loan for which application is made will not exceed one-half of such local grants-in-aid;

(b) adequate provision has been made in a relocation program to provide housing for the persons and families to be displaced by the urban renewal program;

(c) such program is in conformity with a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of substandard and insanitary areas and for recreational and other facilities incidental or appurtenant thereto; and

(d) the estimated funds available to the municipality, including any federal grants for the urban renewal program, the local grants-in-aid and the state loan, will be sufficient to cover all probable costs of the program.

As the State Commissioner of Housing reports, "it is still too early for the experience of New York to be of much help to your Legislative Council." However, in regard to state administrative policy, he states that "it is our desire to make the State funds available to the municipality in the early phases of the execution stage and we have picked as the determining date,

* Interest rate limited to not exceeding five per cent annually.

that point at which the municipality has purchased 10% of the real estate to be acquired, because we feel that, at this point, the municipality has given evidence that the project will be completed."

Concerning problems encountered under the New York program, the Commissioner comments that "the New York program contemplates a Loan and Subsidy agreement with the municipality rather than an outright grant. This has presented problems inasmuch as the subsidy does not commence until the State Bonds are actually sold. This means that the interest on such temporary financing as must be done must either be borne by the municipality or must in some way be capitalized at the time that the definitive loan is made. We are attempting to have the interest on the temporary financing considered by the Housing and Home Finance Agency as part of the gross project cost. This would solve our problem since we could then capitalize the State's share of the interest on the temporary borrowings without exceeding our statutory loan limitation of 1/2 of the local grants-in-aid."

The Pennsylvania Plan*

In 1949, the Pennsylvania General Assembly inaugurated a combined state housing and redevelopment assistance program. Of the initial appropriation of \$15 million, the law placed a maximum of \$4.5 million on state grants for redevelopment purposes. Subsequently, an additional \$5 million for redevelopment assistance was appropriated by the 1955-56 General Assembly and another \$3.8 million was appropriated in 1957.

The Bureau of Community Development of the Pennsylvania Department of Commerce administers the housing and redevelopment assistance program. In order to obtain maximum utilization of state grants-in-aid and to insure local interest in the community's program, it is the policy of the administrative agency that state assistance to a community must be matched by an equal local contribution. Thus, over-all contributions would be state, one-sixth; local, one-sixth; and federal, two-thirds.

In this connection, local contributions as recognized by the state need not be in the form of facilities and improvements necessary for the project's development. In general, items acceptable to the Federal Housing and Home Finance Agency as non-cash grants-in-aid are accepted for matching state funds and the amount of credit allowed is the same. As a matter of fact, it is reported that communities have usually been able to qualify their one-sixth share by non-cash grants, "so that very few projects have actually had to put in local cash."

* The information herein is based on material and comments supplied by Mr. Daniel Rogers, director, Bureau of Community Development, Pennsylvania State Department of Commerce.

Three types of redevelopment grants are made by the state: (1) a redevelopment planning advance grant; (2) a redevelopment grant; and (3) a combination thereof.

The redevelopment planning advance grant is intended to assist redevelopment authorities in doing the planning, making required studies, analyses and appraisals, and preparing documents and reports prerequisite to and necessary for the preparation and presentation of an application for a federal loan and grant contract, or such other interim stage as the state agency in consultation with the local agency may determine.

While these state planning advances allow redevelopment authorities to proceed with their planning and studies pending approval of their applications by the HHFA, work done by an authority prior to approval by the HHFA may not be credited as local matching funds. However, it is reported, "this loss to the communities of matching credit apparently has been greatly overbalanced by the gain in time, particularly when applications are held up pending availability of Federal funds."

The redevelopment grant is made in order to assist local communities in furnishing their one-third share of project costs as required for participation in the federal program. The combined redevelopment planning advance and redevelopment grant is used to assist local authorities in doing the necessary planning as well as assisting in meeting the community's share of local project costs. The regulations for each of the first two types of grants apply equally when they are combined in this single contract.

In determining allocations of state funds for redevelopment assistance, the state commerce department reports the following items as being considered:

- a. Priority as to date of filing application for state funds.
- b. Amount of request for state funds.
- c. Availability of state funds.*
- d. Amount of local contribution and interest, including community interest as evidenced by other programs related to community improvement.
- e. The existence or non-existence of federal funds.
- f. Status of the project development.
- g. The financial requirements of the project in view of available federal funds and any federal regulations that may limit the size of a federal capital grant to a particular locality or project. (This of course does not apply to projects already having an adequate federal reservation.)

* Includes availability to the particular section of the State, as required by law.

- h. Estimate of the department as to the time within which the project or particular stages of development can be completed.
- i. The estimate of the department as to the value of the project to both the community and to the Commonwealth as a whole.
- j. Consideration of the amount of state redevelopment assistance heretofore granted to the municipality.
- k. The past experience of the particular redevelopment authority seeking assistance.
- l. The current work load of the authority (including available staff and funds).
- m. General economic status of community -- i.e. financial condition of municipality (relative need for state assistance in redevelopment), degree of employment distress, etc.
- n. Any other facts or considerations that in the opinion of the department might be pertinent to the project or locality.

While there are three types of redevelopment assistance contracts in Pennsylvania's program, the terms and conditions contained in each are generally the same, as follows:

- a. The amount of state subsidy.
- b. The name of the redevelopment authority to which the subsidy will be paid.
- c. The name, location and boundaries of the specific project to be subsidized
- d. The purpose for which the subsidy will be utilized.
- e. The manner of payment (one, two or several installments).
- f. The limitations and conditions under which the grant or its installments will be paid.
- g. Requirement that if the subsidy is in excess of the amount required for the purpose granted, the excess shall be used as otherwise indicated or returned to the Commonwealth
- h. Budget estimates and accounting for all expenditures.
- i. Submission of all third party contracts to the department for approval prior to their execution.
- j. Submission to the department of all documents submitted to the HHFA.
- k. Submission of progress and financial reports.
- l. Evidence of completion of project or particular phase for which subsidy was granted.
- m. Time limit for prerequisites and termination of contract.
- n. Such other terms and conditions as the department may deem necessary.

Concerning the progress made under this program, since 1949 when the first appropriation was made, the number of local redevelopment authorities in Pennsylvania has grown from three to 47. During this time, approximately 85 projects either have been completed or are under development in 51 different communities.

In regard to the state administrative agency, the director thereof emphasizes "that we require the local governing bodies to request State funds by formal resolution so that there can be no doubt that we participate by invitation only." He also points out that, "in addition to the advantage of State financial assistance, we have been able to provide a great deal of aid in fostering renewal activities locally, providing speakers as a liaison between the communities and Federal agencies involved and similar functions."

APPENDIX A

Glossary of Basic Urban Renewal Terms*

Workable Program:

A locality's statement of where it stands today and what it will strive to do tomorrow to remove slums and blight, block their return, and achieve orderly community growth.

By law, this long-range plan of community action must be acceptable to the HHFA Administrator to qualify the locality for certain Federal aids. Under a workable program meeting statutory requirements, a community commits itself to accomplish, within a reasonable time, satisfactory objectives with respect to codes and ordinances, a comprehensive general plan, neighborhood analysis, administrative organization, financing, rehousing families displaced by governmental action, and citizen participation.

Workable Program Certification:

The action of the Housing and Home Finance Administrator approving a locality's workable program. It is effective for 1 year.

This certification qualifies the community to receive certain Federal aids for urban renewal activities initiated during the certification period, subject to compliance with prerequisites pertaining to the specific Federal aids.

Recertification by the Administrator each succeeding year follows if satisfactory progress has been made by the community toward its workable program objectives and its future plan of action.

Capital Grant:

The Federal cash contribution of up to two-thirds (under certain financing conditions up to three-fourths) of the net project costs of projects undertaken in a locality.

Clearance:

A term for a type of urban renewal project undertaking in which land acquisition, demolition and removal of structures, and preparation of the land for redevelopment are the predominant activities.

* Source: Federal Housing and Home Finance Agency

The Gross Project Cost may include outlays for planning, land purchase, clearance, site improvements, relocation, and carrying charges incurred up to the time of the project's completion. It also may include the value of local contributions such as donations of land, demolition work, streets and utilities, parks, public buildings, and other public facilities. (See "Net Project Cost.")

Loan and/or Grant Contract:

A contract between the Federal Government and a local public agency for the undertaking of an urban renewal project.

Under the contract, the Government agrees to make a loan and/or a capital grant to the local public agency to carry out the project, under the terms and conditions stated therein.

Local Grant-in-Aid:

A contribution made by State, local, or other entity to assist an urban renewal project.

A local grant-in-aid must amount to at least one-third of the net project cost, unless the locality bears the full planning, administrative, and legal expenses of the project, in which case the local grant-in-aid is required to cover at least one-fourth the net project cost. (This formula for Federal-local division of net project cost was in effect as of July 1, 1958.) Local grants-in-aid may be made in the form of cash, land, site clearance, project improvements, and supporting facilities.

Local Public Agency:

An LPA is an official body empowered to contract with the Federal Government for assistance in carrying out urban renewal projects.

A Local Public Agency may be a State, county, municipality, or other governmental entity or public body, or two or more such entities, authorized to undertake the project for which Federal assistance is sought. In most cases it is a separate body, such as a redevelopment agency or a housing authority, with an unpaid governing policy board or commission, usually appointed by the principal executive officer of a city, and has a professional staff.

Net Project Cost:

The net loss, or the deficit remaining after the proceeds from disposition of the renewal project land have been applied against the gross project cost.

Land disposition proceeds include total receipts from land sold, the imputed capital value of land that is leased rather than sold, and the capital value of land regained by the local public agency for use in accordance with the urban renewal plan. (See "Gross Project Cost.")

Payments in Lieu of Taxes and Tax Credits:

Payments made by a local public agency to a taxing body in relation to LPA-owned real property, where a State or local law does not require tax payment but does require or authorize payments in substitution of taxes.

The amount paid in the case of improved real property, such as a public housing project, is intended to compensate in whole or in part for facilities provided and services rendered. In the case of land acquired for urban renewal purposes, where neither ad valorem taxes or payments in lieu of taxes are required, gross project cost may include an amount equal to the ad valorem taxes which would have been levied had the property been subject to taxation. These tax credits are also considered to be cash local grants-in-aid.

Planning Advance:

A repayable advance of Federal funds to a local public agency to finance surveys and planning for an urban renewal project.

The Federal advance repayable with interest out of any funds which become available to the local public agency for the actual carrying out of the project.

Predominantly Residential in Character:

An area more than half of which is residential in character, taking into account vacant land as well as built-up land.

Generally, to meet requirements for approval under URA criteria for predominantly residential reuse, a project area must be at least 55 percent or more residential, or "clearly predominantly residential."

Project Eligibility and Relocation Report:

The report submitted by a local public agency to HHFA which presents the detailed data necessary for determining eligibility of a proposed urban renewal area for Title I financial assistance, and sufficient information to make a preliminary determination as to the feasibility of relocation.

The report is submitted as soon after approval of the survey and planning application as the necessary data can be assembled.

Project Execution:

The actual carrying out of a renewal project, after the urban renewal plan and other basic plans have been approved and a loan and grant contract entered into.

A project reaching the execution stage has passed from the planning to the doing phase. Basic execution stage activities are land acquisition and clearance, relocation of displaces, site improvements, disposition of cleared land, and the accomplishment of voluntary rehabilitation programs.

Redevelopment:

The development or improvement of cleared or undeveloped land in an urban renewal area.

In technical usage, this term includes erection of buildings and other development and improvement of the land, by private or public redevelopers to whom the land has been made available, but it does not include site or project improvements installed by a local public agency in preparing the land for disposition by sale or lease. The distinction between the popular and the technical meanings is significant in that necessary expenses of a local public agency in preparing land for disposition to a redeveloper may be considered part of gross project cost for Federally-assisted financing purposes. The expenses incurred by the redeveloper in the reuse of the acquired land, however, are entirely his obligation.

Relocation Plan:

The relocation plan is the local public agency's program for effecting relocating of occupants of an urban renewal area who will be displaced by project activities.

Survey and Planning Application:

The application submitted by a local public agency for an advance of Title I funds to conduct surveys and prepare plans necessary to bring a proposed urban renewal project to the point where it can be carried out under a loan and grant contract.

Temporary Loan:

A loan made to a local public agency by the Federal Government to provide the funds with which to carry out an urban renewal project.

This is an interest-bearing loan. It is repaid primarily from the Federal and local cash grants, and proceeds from land disposition.

Ten Percent Exception Project:

A project exempt from the general rule that Title I assistance may be extended only to an urban renewal area which is clearly predominantly residential in character when the project is undertaken, unless the area will be predominantly residential after the renewal has been carried out.

The statutory exception permits use of not more than 10 percent of the aggregate Title I capital grant authority for use in project areas where the nonresidential character predominates both before and after renewal.* Even under the 10 percent exception provision, the area must contain a substantial number of substandard living accommodations, the elimination of which is justified by considerations of public health, safety, and welfare.

Urban Planning Grant:

Funds the Federal Government furnishes to help pay for developing effective over-all community planning for municipalities, counties, and metropolitan and regional areas.

The grants, for up to 50 percent of the planning costs, are made to State, metropolitan and regional planning agencies. These grants are limited, with certain exceptions, to planning work for areas with less than 25,000 population and to metropolitan planning.

Urban Renewal:

The nationwide Federally-assisted program to prevent and eliminate slums and urban blight.

Urban renewal is predicated on local planning and use of community resources. Federal urban renewal aids, supplementing local effort utilizing clearance, rehabilitation, and conservation measures, include loans and capital grants for specific urban renewal projects technical advice, urban planning grants, and grants for demonstration projects.

Urban Renewal Area:

A slum area, a blighted, deteriorated or deteriorating area, or an open land area which is approved by HHFA as appropriate for an urban renewal project.

* In 1959, Congress increased the amount for this purpose to 20 percent of the funds appropriated.

Urban Renewal Plan:

A plan, developed by a locality and approved by its governing body, that guides and controls undertakings in a specific urban renewal project area.

It must conform to the locality's General Plan and Workable Program. An approved urban renewal plan is a prerequisite for a loan and grant contract for Federal financial assistance to a project. It indicates proposed new uses to which the land will be put, the types of treatment which are proposed to accomplish the renewal of the area, and the controls which will be exercised over the new uses.

Urban Renewal Project:

The name given to the specific activities undertaken by a local public agency in an urban renewal area to prevent and eliminate slums and blight.

The project may involve slum clearance and redevelopment or rehabilitation or conservation, or a combination thereof. Depending on the type of project involved, it may include acquisition of land, demolition of structures, installation of streets, parks and other improvements, disposition of acquired land for uses specified in the urban renewal plan, and carrying out plans for voluntary rehabilitation of nonacquired structures in the area.

Urban Renewal Service:

Technical or advisory assistance to communities in the preparation of workable programs and in planning and carrying out local urban renewal programs.

Professional staff guidance, authorized by the Housing Act of 1954, is furnished to communities at their request. The service also includes the assembly, analysis, and dissemination of technical and other materials, including reports of local experiences, which will be useful generally to communities.

APPENDIX B

Federal Government Publications - Urban Renewal Administration*

The following contains a list of publications of the federal government relating to urban renewal, some of which may be of help to communities or groups desiring to learn more about this activity.*

Free federal government publications are available directly from the issuing agencies, provided distribution stocks are still on hand. Publications offered for sale are available from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Orders should be accompanied by the exact remittance in the form of currency, personal check, or money order. Postage stamps are not acceptable.

Federal Laws Authorizing Assistance to Slum Clearance and Urban Renewal - Title I of the Housing Act of 1949, As amended, through 1957, and excerpts from other laws. October 1957. Free.

Provisions of Housing Codes in Various American Cities. 1956. 75¢

Relocation from Urban Renewal Project Areas Through December 1957. Free.

Second Report on Urban Renewal Demonstrations. 1957. Free.

Urban Renewal Administration - A Brief Background. 1958. Free.

Urban Renewal Project Characteristics. June 30, 1958. (Issued semiannually). Free.

Urban Renewal Project Directory. September 30, 1958. (Issued quarterly). Free.

Urban Renewal - What It Is. Revised 1957. 15¢.

* Note: The source for this list is "Publications - Housing and Home Finance Agency," revised May, 1959. Consequently, some more recent or additional publications may now be available.

APPENDIX C

Colorado Urban Renewal Law *

Section 1. - Short title - This act shall be known as the "Urban Renewal Law."

Section 2.- Findings and declaration of necessity - It is hereby found and declared that there exist in municipalities of the State slum and blighted areas which constitute a serious and growing menace, injurious to the public health, safety, morals and welfare of the residents of the State in general and of the municipalities thereof; that the existence of such areas contributes substantially to the spread of disease and crime, constitutes an economic and social liability, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blight is a matter of public policy and state-wide concern in order that the State and its municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, and consume an excessive proportion of its revenues because of the extra services required for police, fire, accident, hospitalization, and other forms of public protection, services and facilities.

It is further found and declared that certain slum or blighted areas, or portions thereof, may require acquisition, clearance, and disposition subject to use restrictions, as provided in this Act, since the prevailing conditions therein may make impracticable the reclamation of the area by conservation or rehabilitation; that other slum or blighted areas, or portions thereof, may through the means provided in this Act, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils hereinbefore enumerated may be eliminated, remedied or prevented; and that salvable slum and blighted areas can be conserved and rehabilitated through appropriate public action as herein authorized or contemplated, and the cooperation and voluntary action of the owners and tenants of property in such areas.

It is further found and declared that the powers conferred by this Act are for public uses and purposes for which public money may be expended and the police power exercised; and that the necessity in the public interest for the provisions herein enacted is hereby declared as a matter of legislative determination.

* Chapter 58, Laws of 1958, as amended by Chapter 269, Laws of 1959.

Section 3. - Definitions - The following terms, wherever used or referred to in this Act, shall have the following meanings unless a different meaning is clearly indicated by the context:

(1) "Authority" or "Urban Renewal Authority" shall mean a corporate body organized in accordance with the provisions of this Act for the purposes, with the powers, and subject to the restrictions herein set forth.

(2) "Municipality" shall mean any incorporated town, city, city and county, or any combination thereof in the state of Colorado whether organized under general laws or created in pursuance of article XX of the constitution of said state.

(3) "Public body" shall mean the State of Colorado or any municipality, board, commission, authority, district, or any other political subdivision or public corporate body of said state.

(4) "Local governing body" shall mean the Council or other legislative body charged with governing the municipality.

(5) "Mayor" shall mean the mayor of the municipality, except that in a municipality having a city manager form of government it shall mean the presiding officer of the local governing body of the municipality.

(6) "City clerk" shall mean the clerk or other official of the municipality who is the custodian of the official records of such municipality.

(7) "Federal Government" shall mean the United States of America or any agency or instrumentality, corporate or otherwise, thereof.

(8) "Slum area" shall mean an area in which there is a predominance of buildings or improvements, whether residential or non-residential, and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

(9) "Blighted area" shall mean an area which by reason of the presence of a substantial number of slum, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, unusual topography, defective or unusual conditions of title rendering the title non-marketable, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations or constitute an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

(10) "Urban renewal project" shall mean undertakings and activities in an urban renewal area for the elimination and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment, or rehabilitation or conservation, or any combination or part thereof, in accordance with an urban renewal plan. Such undertakings and activities may include:

- (a) Acquisition of a slum area or a blighted area or portion thereof;
- (b) Demolition and removal of buildings and improvements;
- (c) Installation, construction or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of this Act in accordance with the urban renewal plan;
- (d) Disposition of any property acquired or held by the Authority as a part of its undertaking of the urban renewal project for the urban renewal areas (including sale, initial leasing or temporary retention by the Authority itself), at the fair value of such property for uses in accordance with the urban renewal plan;
- (e) Carrying out plans for a program through voluntary action and the regulatory process for the repair, alteration, and rehabilitation of buildings or other improvements in accordance with the urban renewal plan; and

(f) Acquisition of any other property where necessary to eliminate unhealthful, insanitary, or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities.

(11) "Urban renewal area" shall mean a slum area, or a blighted area, or a combination thereof, which the local governing body designates as appropriate for an urban renewal project.

(12) "Urban renewal plan" means a plan, as it exists from time to time, for an urban renewal project, which plan (a) shall conform to a general or master plan for the physical development of the municipality as a whole, and (b) shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, building requirements, and the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.

(13) "Bonds" shall mean any bonds (including refunding bonds), notes, interim certificates or receipts, temporary bonds, certificates of indebtedness, debentures or other obligations.

(14) "Obligee" shall mean any bondholder, agent or trustee for any bondholder, or lessor demising to an Authority property used in connection with an urban removal project of the Authority, or any assignee or assignees of such lessor's interest or any part thereof, and the Federal Government when it is a party to any contract or agreement with the Authority.

(15) "Person" shall mean any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and shall include a trustee, receiver, assignee, agent, or other person acting in a similar representative capacity.

(16) "Real property" shall include lands, lands under water, structures, and any and all easements, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.

Section 4. - Urban renewal authority.

(1) Any twenty-five electors of the municipality may file a petition with the city clerk, setting forth that there is a need for an Authority to function in the municipality. Upon the filing of such a petition, the city clerk shall give notice of the time, place and purpose of a public hearing, at which the local governing body will determine the need for such an Authority in the municipality. Such notice shall be given at the expense of the municipality by publishing a notice, at least ten days preceding the day on which the hearing is to be held, in a newspaper having a general circulation in the municipality, or, if there be no such newspaper, by posting such a notice in at least three public places within the municipality, at least ten days preceding the day on which the hearing is to be held.

Upon the date fixed for said hearing, held upon notice as provided herein, a full opportunity to be heard shall be granted to all residents and taxpayers of the municipality and to all other interested persons. After such a hearing, if the local governing body shall:

- (a) Find that one or more slum or blighted areas exist in the municipality; and
- (b) Find that the acquisition, clearance, rehabilitation, conservation, development, redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of the municipality; and
- (c) Declare it to be in the public interest that the urban renewal authority for such municipality, created by this Act, shall exercise the powers herein provided to be exercised by such Authority;

the local governing body shall adopt a resolution so finding and declaring and shall cause notice of such resolution to be given to the mayor, who shall thereupon appoint, as provided in subsection (2), of this section commissioners to act as an Authority. A certificate signed by such commissioners shall then be filed in the office of the Secretary of State, and there remain of record, setting forth that the local governing body made the aforesaid findings and declaration after such hearing; and that the mayor has appointed them as commissioners. Upon the filing of such certificate, the commissioners and their successors are hereby constituted an urban renewal authority, which shall be a body corporate and politic. The boundaries of such authority shall be coterminuous with those of the municipality.

If the local governing body, after a hearing, shall determine that the above enumerated findings and declaration cannot be made it shall adopt a resolution denying the petition. After six months shall have expired from the date of the denial of such petition, subsequent petitions may be filed and new hearings and determinations made thereon; provided that there shall be at least six months between the time of filing of any subsequent petition and the denial of the last preceding petition.

In any suit, action or proceeding involving the validity, enforcement of any bond, contract, mortgage, trust indenture or other agreement of the Authority, the Authority shall be conclusively deemed to have been established in accordance with the provisions of this Act upon proof of the filing of the aforesaid certificate. A copy of such certificate, duly certified by the Secretary of State, shall be admissible in evidence in any such suit, action or proceeding.

(2) Any Authority shall consist of any odd number of commissioners which shall be not less than five nor more than eleven, each of whom shall be appointed by the mayor who shall designate the chairman for the first year. Such appointments and designation shall be subject to approval by the local governing body. Not more than one of the commissioners may be an official of the municipality. In the event that an official of the municipality shall be appointed as commissioner of an Authority, acceptance or retention of such appointment shall not be deemed a forfeiture of his office, or incompatible therewith or affect his tenure or compensation in any way. The term of office of a commissioner of an Authority who is a municipality official shall not be affected or curtailed by the expiration of the term of his municipality office.

The commissioners who are first appointed shall be designated by the mayor to serve for staggered terms so that the term of at least one commissioner will expire each year. Thereafter, the term of office shall be five years. A commissioner shall hold office until his successor has been appointed and has qualified. Vacancies other than by reason of expiration of terms shall be filled for the unexpired term. A majority of the commissioners shall constitute a quorum. The mayor shall file with the city clerk a certificate of the appointment or reappointment of any commissioner and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner. A commissioner shall receive no compensation for his services, but he shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties.

When the office of the first chairman of the Authority becomes vacant, and annually thereafter, the Authority shall select a chairman from among its members. An Authority shall select from among its members a vice-chairman, and it may employ a secretary, who shall be executive director, technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. An Authority may call upon the corporation counsel or chief law officer of the municipality for such legal services as it may require or it may employ its own counsel and legal staff. An Authority may delegate to one or more of its agents or employees such duties as it may deem proper.

(3) No commissioner, other officer, or employee of an Authority, nor any immediate member of the family of any such commissioner, officer or employee, shall acquire any interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any project. If any commissioner, other officer, or employee of an Authority owns or controls an interest, direct or indirect, in any property included or planned to be included in any project, he shall immediately disclose the same in writing to the Authority, and such disclosure shall be entered upon the minutes of the Authority. Upon such disclosure, such commissioner, officer or other employee shall not participate in any action by the Authority affecting the carrying out of the project planning or the undertaking of the project, unless the Authority shall determine that in the light of such personal interest, the participation of such member in any such act would not be contrary to the public interest. Acquisition or retention of any such interest, without such determination by the Authority that it is not contrary to the public interest, or willful failure to disclose any such interest shall constitute misconduct in office.

(4) The mayor, with the consent of the local governing body, may remove a commissioner for inefficiency or neglect of duty or misconduct in office, but only after the commissioner shall have been given a copy of the charges made by the mayor against him and had an opportunity to be heard in person or by counsel before the local governing body. In the event of the removal of any commissioner, the mayor shall file in the office of the city clerk a record of the proceedings together with the charges made against the commissioner and findings thereon.

Section 5. - Powers of an authority -- Every Authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Act, including, without limiting the generality of the foregoing, the following powers in addition to others herein granted:

(1) To sue and to be sued; to adopt and have a seal and to alter the same at pleasure; to have perpetual succession; to make, and from time to time amend and repeal, by laws, orders, rules and regulations, to effectuate the provisions of this Act.

(2) To undertake urban renewal projects, to make and execute any and all contracts and other instruments which it may deem necessary or convenient to the exercise of its powers under this Act, including, without limitation, contracts for advances, loans, grants, and contributions from the Federal Government, or any other source.

(3) To arrange for the furnishing or repair by any person or public body, of services, privileges, works, streets, roads, public utilities, educational or other facilities for or in connection with a project of the Authority; to dedicate property acquired or held by it, for public works, improvements, facilities, utilities and purposes; and to agree, in connection with any of its contracts, to any conditions that it may deem reasonable and appropriate under this Act, including, without limitation, conditions attached to Federal financial assistance, and to include in any contract made or let in connection with any project of the Authority, provisions to fulfill such of said conditions as it may deem reasonable and appropriate.

(4) To arrange with the municipality or other public body to plan, re-plan, zone or re-zone any part of the area of the municipality or of such other public body, as the case may be, in connection with any project proposed or being undertaken by the Authority under this Act.

(5) To enter with the consent of the owner, upon any building or property in order to make surveys, or appraisals, and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted. To acquire by purchase, lease, option, gift, grant, bequest, devise, or otherwise, any property; to acquire by condemnation any interest in property, including a fee simple absolute title thereto, in the manner now or which may be hereafter provided by the laws of Colorado for the exercise of the power of eminent domain by any other public body (and property already devoted to a public use may be acquired in a like manner except that no property belonging to the Federal Government or

to a public body may be acquired without its consent); to hold, improve, clear or prepare for redevelopment any such property; to mortgage, pledge, hypothecate or otherwise encumber or dispose of its property; and to insure or provide for the insurance of any property or operations of the Authority against any risks or hazards: Provided, however, that no provision of any other act with respect to the planning or undertaking of projects or the acquisition, clearance or disposition of property by public bodies shall restrict an Authority exercising powers hereunder, in the exercise of such functions with respect to a project of such authority, unless the General Assembly shall specifically so state.

(6) To invest any of its funds not required for immediate disbursement, in property or securities in which public bodies may legally invest funds subject to their control; to redeem such bonds as it has issued, at the redemption price established therein, or to purchase such bonds at less than redemption price, all such bonds so redeemed or purchased to be cancelled.

(7) To borrow money and to apply for and accept advances, loans, grants and contributions, from the Federal Government, or other source, for any of the purposes of this Act, and to give such security as may be required.

(8) To make such appropriations and expenditures of its funds, and to set up, establish and maintain such general, separate, or special funds and bank accounts or other accounts, as it may deem necessary to carry out the purposes of this Act.

(9) To make or have made and to submit or resubmit to the local governing body for appropriate action the Authority's proposed plans and modifications thereof necessary to the carrying out of the purposes of this Act. Such plans may include, without limitation: (a) plans to assist the municipality in the latter's preparation of a workable program for utilizing appropriate private and public resources to eliminate and prevent the development or spread of slum and blighted areas to encourage needed urban rehabilitation, to provide for the redevelopment of slum and blighted areas, or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program (which program may include, without limitation, provision for: the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning and occupancy controls and standards; the rehabilitation or conservation of slum and blighted areas or portions thereof by replanning, removing congestion, providing public improvements, by encouraging rehabilitation and repair of deteriorated or deteriorating structures; and the clearance and redevelopment of slum and

blighted areas or portions thereof); (b) urban renewal plans; (c) preliminary plans outlining proposed urban renewal activities for neighborhoods of the municipality to embrace two or more urban renewal areas; (d) plans for the relocation of those individuals, families and business concerns situated in the urban renewal area which will be displaced by the urban renewal project (which relocation plans, without limitation, may include appropriate data setting forth a feasible method for the temporary relocation of such individuals and families, and showing that there will be provided, in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the individuals and families so displaced, decent, safe and sanitary dwellings equal in number to the number of and available to such individuals and families and reasonably accessible to their places of employment); (e) plans for undertaking a program of voluntary repair and rehabilitation of buildings and improvements and for the enforcement of State and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the repair, rehabilitation, demolition, or removal of buildings and improvements; and (f) financing plans, maps, plats, appraisals, title searches, surveys, studies and other preliminary plans and work necessary or pertinent to any proposed plans or modifications.

(10) To make reasonable relocation payments to or with respect to individuals, families and business concerns situated in an urban renewal area which will be displaced as aforesaid, for moving expenses and actual direct losses of property (except good will or profit) resulting from their aforesaid displacement for which reimbursement or compensation is not otherwise made including the making of such payments financed by the Federal Government.

(11) To develop, test and report methods and techniques and carry out demonstrations and other activities for the prevention and the elimination of slum and blighted areas within the municipality.

(12) To rent or to provide by any other means suitable quarters for the use of the Authority, or to accept the use of such quarters as may be furnished by the municipality or any other public body, and to equip such quarters with such furniture, furnishings, equipment, records and supplies as the Authority may deem necessary to enable it to exercise its powers under this Act.

Section 6. - Disposal of property in urban renewal area.

(1) An Authority may sell, lease or otherwise transfer real property or any interest therein acquired by it as a part of an urban renewal project, for residential, recreational,

commercial, industrial or other uses, or for public use, in accordance with the urban renewal plan, subject to such covenants, conditions and restrictions, including covenants running with the land (and including the incorporation by reference therein of the provisions of an urban renewal plan or any part thereof), as it may deem to be in the public interest or necessary to carry out the purposes of this Act. The purchasers, lessees, transferees, and their successors and assigns, shall be obligated to devote such real property only to the land uses, designs, building requirements, timing or procedure, specified in the urban renewal plan, and may be obligated to comply with such other requirements as the Authority may determine to be in the public interest, including the obligation to begin within a reasonable time any improvements on such real property required by the urban renewal plan. Such real property or interest shall be sold, leased, or otherwise transferred, at not less than its fair value (as determined by the Authority) for uses in accordance with the urban renewal plan. In determining the fair value of real property for uses in accordance with the urban renewal plan, and Authority shall take into account and give consideration to the uses provided in such plan; the restrictions upon, and the covenants, conditions and obligations assumed by the purchaser or lessee; and the objectives of such plan for the prevention of the recurrence of slum or blighted areas. Real property acquired by an Authority which, in accordance with the provisions of the urban renewal plan, is to be transferred, shall be transferred as rapidly as feasible in the public interest consistent with the carrying out of the provisions of the urban renewal plan. Any contract for such transfer and the urban renewal plan (or such parts of such contract or plan as the Authority may determine) may be recorded in the land records of the county in such manner as to afford actual or constructive notice thereof.

(2) An Authority may dispose of real property in an urban renewal area to private persons, only under such reasonable competitive bidding procedures as it shall prescribe or as hereinafter provided in this subsection. An Authority may, by public notice by publication once each week for two consecutive weeks in a newspaper having a general circulation in the municipality, prior to the execution of any contract to sell, lease or otherwise transfer real property and prior to the delivery of any instrument of conveyance with respect thereto under the provisions of this section, invite proposals from and make available all pertinent information to any persons interested in undertaking to redevelop or rehabilitate an urban renewal area, or any part thereof. Such notice shall identify the area, or portion thereof, and shall state that such further information as is available may be obtained at such office as shall be designated in said notice. The Authority shall consider all such redevelopment or rehabilitation

proposals and the financial and legal ability of the persons making such proposals to carry them out, and may negotiate with any persons for proposals for the purchase, lease or other transfer of any real property acquired by the Authority in the urban renewal area. The Authority may accept such proposal as it deems to be in the public interest and in furtherance of the purposes of this Act: Provided, that a notification of intention to accept such proposal shall be filed with the local governing body not less than fifteen days prior to any such acceptance. Thereafter, the Authority may execute such contract in accordance with the provisions of subsection (1) of this section and deliver deeds, leases and other instruments and take all steps necessary to effectuate such contract.

(3) An Authority may temporarily operate and maintain real property acquired in an urban renewal area pending the disposition of the property for redevelopment, without regard to the provisions of subsection (1) above, for such uses and purposes as may be deemed desirable even though not in conformity with the urban renewal plan.

(4) Anything in subsection (1) of this section to the contrary notwithstanding, project real property may be set aside, dedicated and devoted by the Authority to public uses which are in accordance with the urban renewal plan, or set aside, dedicated and transferred by the Authority to the municipality or to any other appropriate public body for public uses which are in accordance with such urban renewal plan, with or without compensation for such property and with or without regard to the aforesaid fair value thereof, upon or subject to such terms, conditions, covenants, restrictions or limitations as the Authority may deem to be in the public interest and as are not inconsistent with the purposes and objectives and the other applicable provisions of this Act.

Section 7. - Approval of urban renewal plans by the local governing body.

(1) An Authority shall not actually undertake an urban renewal project for an urban renewal area unless the local governing body has, by resolution, determined such area to be a slum or blighted area or a combination thereof and designated such area as appropriate for an urban renewal project. The local governing body shall not approve an urban renewal plan until a general plan for the municipality has been prepared. An Authority shall not acquire real property for an urban renewal project unless the local governing body has approved the urban renewal plan in accordance with subsection (4) hereof.

(2) Prior to its approval of an urban renewal plan, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within thirty days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission or, if no recommendations are received within said thirty days, then without such recommendations, the local governing body may proceed with the hearing on the proposed urban renewal plan prescribed by subsection (3) of this section.

(3) The local governing body shall hold a public hearing on an urban renewal plan or substantial modification of an approved urban renewal plan, after public notice thereof by publication in a newspaper having a general circulation in the municipality. The notice shall describe the time, date, place and purpose of the hearing, shall generally identify the urban renewal area covered by the plan, and shall outline the general scope of the urban renewal project under consideration.

(4) Following such hearing, the local governing body may approve an urban renewal plan if it finds that (a) a feasible method exists for the relocation of individuals and families who will be displaced by the urban renewal project, in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such individuals and families; (b) the urban renewal plan conforms to the general plan of the municipality as a whole; and (c) the urban renewal plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise.

(5) In case the urban renewal area consists of an area of open land which, under the urban renewal plan, is to be developed for residential uses, the local governing body shall comply with the applicable provisions of this section, and shall also determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas (including other portions of the urban renewal area); that the conditions of blight in the urban renewal area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality.

(6) In case the urban renewal area consists of an area of open land which, under the urban renewal plan, is to be developed for non-residential uses, the local governing body shall comply with the applicable provisions of this section, and shall also determine that such non-residential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, and that the contemplated acquisition of the area may require the exercise of governmental action, as provided in this Act, because of being in a blighted area as herein defined.

(7) An urban renewal plan may be modified at any time: Provided, that if modified after the lease or sale by the Authority of real property in the urban renewal project area, such modification shall be subject to such rights at law or in equity as a lessee or purchaser, or his successor or successors in interest may be entitled to assert. Any proposed modification shall be submitted to the local governing body for a resolution as to whether or not such modification will substantially change the urban renewal plan in land area, land use, design, building requirements, timing or procedure, as previously approved and if it finds that there will be a substantial change, its approval of such modification shall be subject to the requirements of this section.

(8) Upon the approval by the local governing body, of an urban renewal plan or a substantial modification thereof, the provisions of said plan with respect to the land area, land use, design, building requirements, timing or procedure applicable to the property covered by said plan shall be controlling with respect thereto.

Section 8. - Disaster areas--Notwithstanding any other provisions of this Act, where the local governing body certifies that an area within the municipality is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe respecting which the Governor of the State of Colorado has certified the need for disaster assistance under Public Law 875, Eighty-first Congress, or other Federal law, such area shall be deemed a blighted area, and the Authority situated in such municipality may prepare and submit to such local governing body a proposed urban renewal plan and proposed urban renewal project for such area or for any portion thereof, and such local governing body may, by resolution, approve such proposed urban renewal plan and urban renewal project with or without modifications, without regard to the provisions of this Act requiring a general or master plan for the physical development of the municipality as a whole, review by the planning commission, or a public hearing.

Section 9. - Issuance of bonds by an authority.

(1) An Authority shall have power to issue bonds of the Authority from time to time in its discretion to finance its activities or operations under this Act, including, without limiting the generality of the foregoing, the repayment with interest, of any advances or loans of funds made to the Authority by the Federal Government, or other source, for any surveys or plans made or to be made by the Authority in exercising its powers under this Act, and shall also have power (a) to issue refunding or other bonds of the Authority from time to time in its discretion for the payment, retirement, renewal or extension of any bonds previously issued by it under this section, and (b) to provide for the replacement of lost, destroyed or mutilated bonds previously issued by it under this section.

(2) Bonds which are issued under this section:

- (a) May be general obligation bonds of the Authority to the payment of which, as to both principal and interest, and premiums (if any), the full faith, credit, and assets (acquired and to be acquired), of the Authority, are irrevocably pledged;
- (b) May be special obligations of the Authority which, as to both principal and interest, and premiums (if any), are payable solely from and secured only by a pledge of any income, proceeds, revenues or funds of the Authority derived or to be derived by it from or held or to be held by it in connection with its undertaking of any project or projects of the Authority, including any grants or contributions of funds made or to be made by it with respect to any such project or projects, and any funds derived or to be derived by it from or held or to be held by it in connection with its sale, lease, rental, transfer, retention, management, rehabilitation, clearance, development, redevelopment, preparation for development or redvelopment, or its operation or other utilization or disposition of any real or personal property acquired or to be acquired by it or held or to be held by it for any of the purposes of this Act, and including any loans, grants or contributions of funds made or to be made to it by the Federal Government, in aid of any project or projects of the Authority or in aid of any of its other activities or operations;

- (c) May be special obligations of the Authority which, as to both principal and interest, and premiums (if any), are payable solely from and secured only by a pledge of any loans, grants or contributions of funds made or to be made to it by the Federal Government, or other source, in aid of any project or projects of the Authority or in aid of any of its other activities or operations; or
- (d) May be contingent special obligations of the Authority which, as to both principal and interest, and premiums (if any), are payable solely from any funds available or becoming available to the Authority for its undertaking of the project or projects involved in the particular activities or operations with respect to which such contingent special obligations are issued, but so payable only in the event such funds are or become available as aforesaid.

(3) Notwithstanding any other provisions of this section, any bonds which are issued under this section, other than the contingent special obligations covered by Paragraph (d) of subsection (2) of this section, may be additionally secured as to the payment of the principal and interest, and premiums (if any), by a mortgage of any urban renewal project or projects, or any part thereof, title to which is then or thereafter in the Authority or of any other real or personal property, or interests therein, then owned or thereafter acquired by the Authority.

(4) Notwithstanding any other provisions of this section, general obligation bonds which are issued under this section may be additionally secured as to payment of the principal and interest, and premiums (if any), as provided in either paragraphs (b) or (c) of subsection (2) of this section with or without being also additionally secured as to payment of the principal and interest, and premiums (if any), by a mortgage as provided in subsection (3) of this section or a trust agreement as provided in subsection (5) of this section.

(5) Notwithstanding any other provision of this section, any bonds which are issued under this section may be additionally secured as to the payment of the principal and interest, and premiums (if any), by a trust agreement by and between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State of Colorado.

(6) Bonds which are issued under this section shall not constitute an indebtedness of the State of Colorado or of any county, Municipality or public body of said State other than the urban renewal Authority issuing such bonds, and shall not be subject to the provisions of any other act or of the charter of any municipality relating to the authorization, issuance or sale of bonds.

(7) Bonds which are issued under this section are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempted from all taxes.

(8) Bonds which are issued under this section shall be authorized by resolution or resolutions of the Authority and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form, either coupon or registered or otherwise, carry such conversion or registration privileges, have such rank or priority, be executed (in the name of the Authority) in such manner, be payable in such medium of payment, be payable at such place or places, be subject to such callability provisions or terms of redemption (with or without premiums), be secured in such manner, be of such description, contain or be subject to such covenants, provisions, terms, conditions and agreements (including provisions concerning events of default), and have such other characteristics, as may be provided by such resolution or resolutions or by the trust agreement, indenture or mortgage, if any, issued pursuant to such resolution or resolutions. The seal (or a facsimile thereof) of the Authority shall be affixed, imprinted, engraved or otherwise reproduced upon each of its bonds issued under this section. Bonds which are issued under this section shall be executed in the name of the Authority by the manual or facsimile signatures of such of its officials as may be designated in the aforesaid resolution or resolutions or trust agreement, indenture or mortgage: Provided, that at least one signature on each such bond shall be a manual signature. Coupons, if any, attached to such bonds shall bear the facsimile signature of such official of the Authority as may be designated as aforesaid. The aforesaid resolution or resolutions or trust agreement, indenture or mortgage may provide for the authentication of the pertinent bonds by the trustee.

(9) Bonds which are issued under this section may be sold by it at not less than par at public sale after notice published prior to such sale in a newspaper having a general circulation in the municipality or in such other medium of publications as the Authority may deem appropriate or may be exchanged by the Authority, on the basis of par, for other bonds issued by it under this section: Provided, that bonds which are issued under this section may be sold by it to the Federal Government at private sale (without publication of any such notice) at not less than par, and in the event that less than all of the authorized principal amount of such bonds is sold by the Authority to the Federal Government, the balance or any portion of the balance may be sold by the Authority at private sale (without publication of any such notice) at not less than par at an interest cost to the Authority of not to exceed the interest cost to it of the portion of the bonds sold by it to the Federal Government.

(10) In case any of the officials of the Authority whose signatures or facsimile signatures appear on any of its bonds or coupons which are issued under this section shall cease to be such officials before the delivery of such bonds, such signatures or facsimile signatures, as the case may be, shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery.

(11) Any provision of any law to the contrary notwithstanding, any bonds which are issued under this section shall be fully negotiable.

(12) In any suit, action or proceeding involving the validity or enforceability of any bond which is issued under this section or the security therefor, any such bond reciting in substance that it has been issued by the Authority in connection with (a) an urban renewal project as herein defined, or (b) any activity or operation of the Authority under this Act, shall be conclusively deemed to have been issued for such purposes; and such urban renewal project or such operation or activity, as the case may be, shall be conclusively deemed to have been initiated, planned, located, undertaken, accomplished and carried out in accordance with the provisions of this Act.

(13) Pending the preparation of any definitive bonds hereunder, an Authority may issue its interim certificates or receipts, or its temporary bonds, with or without coupons, exchangeable for such definitive bonds when the latter shall have been executed and are available for delivery.

(14) Persons, firms, or corporations retained or employed by an Authority as advisers or consultants for the purpose of rendering financial advice and assistance may purchase or participate in the purchase, or in the distribution, of its bonds when such bonds are offered at public sale.

(15) No commissioner or other officer of an Authority issuing bonds under this section and no person executing such bonds shall be liable personally on such bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 10.- Property of an authority exempt from taxes and from levy and sale by virtue of an execution.

(1) All property of an Authority, including, without limiting the generality of the foregoing, all funds owned or held by it for any of the purposes of this Act, shall be exempt from levy and sale by virtue of an execution and no less execution or other judicial process shall issue against the same nor shall a judgment against the Authority be a charge or lien upon such property; Provided, that the foregoing provisions of this subsection shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage, deed of trust, trust agreement, indenture or other encumbrance of the Authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the Authority pursuant to this Act on its rents, income, proceeds, revenues, loans, grants, contributions and other funds and assets derived or arising from any project or projects of the Authority or from any of its operations or activities under this Act.

(2) All property of an Authority, acquired or held by it for any of the purposes of this Act, including, without limiting the generality of the foregoing, all funds of an Authority acquired or held by it for any of said purposes, are declared to be public property used for essential public and governmental purposes and such property and the Authority shall be exempt from all taxes of the State of Colorado, or any other public body thereof: Provided, that such tax exemption shall terminate when the Authority sells, leases or otherwise disposes of the particular property to a purchaser, lessee or other alienee which is not a public body entitled to tax exemption with respect to such property.

Section 11. - Title of purchaser, lessee or transferee
Any instrument executed by an Authority and purporting to convey any right, title or interest of the Authority in any property under this Act shall be conclusively presumed to have been made and executed in compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers, lessees or transferees of such property is concerned.

Section 12.- Cooperation by public bodies with urban renewal authorities.

(1) Any public body, within its powers, purposes, and functions, and for the purpose of aiding an Authority in or in connection with the planning or undertaking, pursuant to this Act, of any plans, projects, programs, works, operations or activities of such Authority whose area of operation is situated in whole in part within the area in which such public body is authorized to act, may, upon such terms as such public body shall determine:

(a) Sell, convey or lease any of such public body's property or grant easements, licenses or other rights or privileges therein to such Authority;

(b) Incur the entire expense of any public improvements made by such public body in exercising the powers mentioned in this section;

(c) Do any and all things necessary to aid or co-operate with such Authority in or in connection with the planning or undertaking of any such plans, projects, programs, works, operations, or activities;

(d) Enter into agreements with such Authority respecting action to be taken pursuant to any of the powers mentioned in this Act, including agreements respecting the planning or undertaking of any such plans, projects, programs, works, operations or activities which such public body is otherwise empowered to undertake;

(e) Cause public buildings and public facilities, including parks, playgrounds, recreational, community, educational, water, garbage disposal, sewer, sewage, sewerage, or drainage facilities or any other public works, improvements, facilities or utilities which such public body is otherwise empowered to undertake, to be furnished within the area in which such public body is authorized to act;

(f) Furnish, dedicate, accept dedication of, open, close, vacate, install, construct, reconstruct, pave, re-pave, repair, rehabilitate, improve, grade, re-grade, plan or re-plan public streets, roads, roadways, parkways, alleys, sidewalks, and other public ways or places within the area in which such public body is authorized to act, to the extent that such items or matters are, under any other law, otherwise within the jurisdiction of such public body;

(g) Plan or re-plan and zone or re-zone any part of the area under the jurisdiction of such public body or make exceptions from its building regulations; and

(h) Cause administrative or other services to be furnished to such Authority.

(2) If at any time title to or possession of the whole or any portion of any project of the Authority under this Act is held by any governmental agency or public body (other than such Authority), which is authorized by any law to engage in the undertaking, carrying out or administration of any such project or projects (including any agency or instrumentality of the United States of America), the provisions of the agreements referred to in paragraph (d) of subsection (1) of this section shall inure to the benefit of and may be enforced by such governmental agency or public body.

(3) Any public body referred to as such in subsection (1) of this section may (in addition to its authority pursuant to any other law to issue its bonds for any purposes) issue and sell its bonds for any of the purposes of such public body which are stated in this section: Provided, however, that any such bonds of such a public body which are issuable as provided in the foregoing provisions of this subsection may be issued only in the manner and otherwise in conformity with the applicable provisions and limitations prescribed by the Constitution and laws of the State of Colorado and, in the case of a home rule municipality, the applicable provisions of its home rule charter, for the authorization and issuance by such public body of its general obligation bonds, revenue bonds, special assessment bonds, or special obligation bonds, accordingly as the bonds are general obligation bonds or revenue bonds or special assessment bonds or special obligation bonds.

(4) Without limiting the generality of any of the foregoing provisions of this Act, but within any limitations now or hereafter provided by the applicable provisions of the Constitution of the State of Colorado and, in the case of any home rule municipality, the applicable provisions of its home rule charter, (a) any public body, as defined in this Act, may appropriate such of its funds and make such expenditures of its funds as it may deem necessary for it to undertake, any of its powers, functions or activities mentioned in this Act, including, particularly, its powers, functions and activities mentioned in the foregoing subsections of this section, and (b) any municipality, as defined in this Act, may levy taxes and assessments in order for it to undertake, carry out or accomplish any of its powers, functions or activities mentioned in this Act, including, particularly, its powers, functions and activities mentioned in the foregoing provisions of this section.

(5) For the advancement of the public interest and for the purpose of aiding and cooperating in the planning, acquisition, demolition, rehabilitation, construction, relocation, or otherwise assisting the operation or activities of an urban renewal project located wholly or partly within the area in which it is authorized to act, a public body may enter into agreements, which may extend over any period, notwithstanding any provision of law to the contrary, with an Authority respecting action taken, or to be taken, pursuant to any of the powers granted by this act. Such agreements may include payments to an Authority to be used for the purpose of retiring indebtedness incurred by the Authority, and interest on such indebtedness; provided, however, that the aggregate amount of such payments shall not exceed an amount equal to that portion of the taxes levied by the public body in excess of the amount which would be produced by the rate upon which the tax is levied each year by or for a public body upon the total sum of the assessed value of the taxable property in the urban renewal project as shown upon the assessment roll used in connection with the taxation of such property by such public body, for the year immediately prior to the year in which such agreement is executed. For any public body which did not include the territory in an urban renewal project on the effective date of such agreement but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the county or city and county on the effective date of said agreement shall be used in determining the assessed valuation of the taxable property in the project on said effective date.

Section 13. - Authorities to have no power of taxation
___No Authority created by this Act shall have any power to levy or assess any ad valorem taxes, personal property taxes, or any other forms of taxes, including special assessments against any property.

Section 14. - Cumulative clause - The powers conferred by this Act shall be in addition and supplemental to the powers conferred by any other law.

Section 15. - Separability - The provisions of this Act are hereby declared to be severable, and if any section, subsection, paragraph, provision, exception, sentence, clause, phrase or part of this Act be held unconstitutional or void, the remainder of this Act shall continue in full force and effect, it being the legislative intent, now hereby declared, that this Act would have been enacted even if such unconstitutional or void matter had not been included therein. Notwithstanding any other evidence of legislative intent, it is hereby further declared to be the controlling legislative intent that if any provision or part

of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision or part to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Section 16. - Safety clause - The General Assembly hereby finds, determines and declares that this act is necessary for the immediate preservation of the public peace, health and safety.