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Summary of Treatment of Property Owners in Redwood City Redevelopment Project

Issue

Has Redwood City gone far enough in revising its practices and procedures to assure fair and equitable treatment of property owners whose holdings are subject to eminent domain?

Summary

The 2004-2005 San Mateo County Civil Grand Jury (prior Grand Jury) conducted an investigation of the Redwood City Redevelopment Agency's (RDA) treatment of property owners evicted by the development of a retail/cinema complex project.

The prior Grand Jury concluded that the RDA forced property owners to settle at the lowest possible price by employing delaying tactics and verbal coercion and that these techniques imposed an emotional as well as a financial hardship on affected property owners.

The Redwood City Council has now developed a new policy statement, *Guiding Principles for Property Acquisition*, designed to ensure fair, considerate treatment of owners whose property is subject to future eminent domain proceedings.

The Grand Jury applauds the City Council of Redwood City for creating and adopting the *Guiding Principles for Property Acquisition*, and recommends they adopt an ordinance requiring that a copy of the *Guiding Principles for Property Acquisition* be given to each property owner whose property is subject to eminent domain proceedings involving either the City of Redwood City or the Redwood City Redevelopment Agency.



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Background

The 2004-2005 San Mateo County Civil Grand Jury (prior Grand Jury) conducted an investigation of the Redwood City Redevelopment Agency's (RDA) treatment of property owners evicted by the development of a retail/cinema complex project.

The prior Grand Jury concluded that the RDA forced property owners to settle at the lowest possible price by employing delaying tactics and verbal coercion and that these techniques imposed an emotional as well as a financial hardship on affected property owners.

This report examines the actions the Redwood City Council has since taken to ensure fair, considerate treatment of owners whose property is subject to future eminent domain proceedings.

The investigation consisted of reviewing Redwood City's response to the prior Grand Jury; examining the new policy statement developed by the City, *Guiding Principles for Property Acquisition*, issued on November 14, 2005; and interviewing two members of the City Council about the eminent domain process.

Findings

The prior Grand Jury made two recommendations in its report.

The first recommendation directed the RDA both to develop written guidelines for its staff on proper treatment of citizens and to conduct training sessions to acquaint the staff with these guidelines.

In response, the City agreed with the prior Grand Jury and directed the RDA to develop written guidelines and staff training sessions. The City indicated that they had already recognized the problem before the Grand Jury report, and appropriate documents rectifying the issue would be brought to the City Council within three months.

In the second recommendation, the prior Grand Jury asked the City to set up a mechanism for dealing with citizen complaints concerning the RDA by appointing an RDA Ombudsman to assure that citizens are fairly treated; or, alternatively, to designate a member of the City Council as the point person for complaints concerning the RDA.

In response, the City selected the second option and assigned a City Council member to be responsible for remedying citizen complaints.

In its letter responding to the prior Grand Jury, the City Council explained “there were instances when the manner in which we proceeded, although well-intentioned, with only the community’s benefit in mind, and scrupulously adhering to the law, was less-than sensitive as perceived by some of the individuals involved.”

The City Council acknowledged that, with hindsight, they “... might have proceeded with more care and tact and could have done a better job recognizing and understanding the uniqueness of each property, its history, its owners, and the intangible emotional and personal attachments which some properties embody.”

Included in the response was a letter from the Mayor of Redwood City to a property owner apologizing for the City’s not showing appropriate respect for the owner’s contributions to the community.

The response closed with the statement that the writer is “truly saddened” that neither the City Council or City Manager was interviewed and, consequently, the prior Grand Jury did not appreciate either the depth of concern felt by the City or the efforts being considered to improve the process. The response then suggested that the prior Grand Jury’s recommendations might have been much different had they taken the time to include the City in its investigation.¹

¹ This comment was reviewed with the prior Grand Jury, who recalled that a meeting was held with members of the RDA staff and the City Attorney’s Office on September 2, 2004. Apparently this meeting was not reported to the City Council or City Manager.

On November 14, 2005, the City Council adopted the *Guiding Principles for Property Acquisition* (See the Appendix for the complete text) that contains three major commitments:

1. Recognize that each property, and each property owner, is a unique part of our community
2. Appreciate that the City's development programs and property acquisition activities must reflect the broader community values
3. Understand that the City's development projects have significant impact on the property owners, the properties' neighbors, adjacent businesses, individuals, and the community

Conclusions

The City has become acutely aware of the impact of eminent domain on owners whose property is being taken. As a result, the City has established guiding principles to be followed in future eminent domain proceedings. At this time it is not possible to evaluate how well the guiding principles will work in practice because the City has not initiated eminent domain proceedings since the Guiding Principles were adopted at the November 14, 2005 City Council meeting.

The Grand Jury applauds the City Council of Redwood City for creating and adopting the *Guiding Principles for Property Acquisition*, and concludes that the City Council should take action to ensure that property owners subject to eminent domain proceedings are made fully aware of these principles.

Recommendations

The City Council of Redwood City, to ensure adherence to and knowledge of the *Guiding Principles for Property Acquisition*, should adopt an ordinance requiring that a copy of the *Guiding Principles for Property Acquisition* be given to each property owner whose property is subject to eminent domain proceedings involving either the City of Redwood City or the Redwood City Redevelopment Agency.

Appendix

Guiding Principles for Property Acquisition

November 14, 2005

In the process of acquiring property from private owners for City redevelopment, City staff and Council members shall:

1. Recognize that each property, and each property owner, is a unique part of our community

- a. We will seek to understand each property owner's personal values in relation to their property;
- b. We will respect and address each property owners' specific, unique circumstances;
- c. We will recognize that each property is a unique and valued part of our community, and will interact with its owners with the appropriate level of respect.

2. Appreciate that the City's development programs and property acquisition activities must reflect the broader community values

- a. We will recognize that our community's character, history, and cherished uniqueness can be embodied in specific properties and their respective histories;
- b. We will strive to achieve, as the City changes and evolves, a respectful balance among each property owner's unique values; the City's legal and financial requirements; and the ways in which a project manifests our broader community's needs and values as a whole;
- c. We will honor and respect our history, our uniqueness, our diversity, and the intrinsic value of our connections between the past and the present, as embodied by the properties and their owners;
- d. We will ensure that as change occurs in our City, such change honors the past, reflects our community's values, uniqueness, and diversity, and achieves our community's common goal of creating the distinctive sense of place that is Redwood City.

3. Understand that the City's development projects have significant impacts on the property owners, the properties' neighbors, adjacent businesses, individuals, and the community

- a. We will be sensitive and act accordingly in regards to the tangible and intangible impacts a project will have on the involved property owners, the property's neighbors, nearby business owners, and the community at large;
- b. We will ensure that all affected parties, whether property owners, neighbors, or others, are given the opportunity to have any and all concerns directly and respectfully addressed; this will be accomplished by

designating the Mayor of Redwood City as the primary point of contact for any concerns or complaints regarding compliance with the “Guiding Principles for Property Acquisition.”

Mayor Barbara Pierce
Vice Mayor Rosanne Foust

Council Members
Alicia Aguirre
Ian Bain
Jim Hartnett
Diane Howard
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October 9, 2006

The Honorable Stephen M. Hall
Judge of the Superior Court
Hall of Justice, 400 County Center, 2nd Floor
Redwood City, CA 94063-1655

Subject: Response to Grand Jury Report: "Treatment of Property Owners in Redwood City
Redevelopment Project"

Dear Judge Hall:

Thank you for the opportunity to respond to the 2005-2006 Grand Jury report dated July 13, 2006. The City of Redwood City appreciates that the members of the Grand Jury recognize the sincere efforts we have made to improve our process related to the treatment of property owners in the course of property acquisition.

The report recommends that the City Council of Redwood City adopt an ordinance requiring that a copy of the City's "*Guiding Principles for Property Acquisition*" be given to each property owner whose property is subject to eminent domain proceedings by the City or the Redevelopment Agency (*paraphrased*). While we have an understanding of what the Grand Jury hopes to accomplish by recommending that the City take such action, the City disagrees with the recommendation.

We are already committed to providing the *Guiding Principles* to a property owner as soon as it's known that the City may want to enter into negotiations to acquire their specific property. Further, the document is available to the public on the City's website, or upon request. To send the document to every property owner whose property may conceivably be subject to eminent domain would, we believe, serve to unnecessarily agitate a great many property owners, give all of them the impression that the City was indeed interested in their specific property when in fact that will not be the case, and cause undue concern and confusion among property owners.

We feel that by providing the document to a property owner very early in any potential acquisition process will be sufficient for them to fully absorb the City's intent and philosophy. I want to further assure the Grand Jury that the City has and continues to comply with all state redevelopment laws, which are among the most stringent in the country.

Again, and on behalf of the City Council, thank you for the opportunity to discuss and clarify this issue.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Pierce".

Barbara Pierce
Mayor

cc: Members, City Council
Ed Everett, City Manager
Peter Ingram, Community Development Services Director
Susan Moeller, Redevelopment Manager