

AMENDED IN SENATE MAY 8, 2001

SENATE BILL

No. 411

Introduced by Senator Perata

February 21, 2001

An act to add Section 33333.8 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 411, as amended, Perata. Redevelopment plans: Oakland.

The existing Community Redevelopment Law imposes specified time limitations on redevelopment plans, prohibits an agency from paying indebtedness or receiving property taxes after 10 years from the termination of the plan, and authorizes the extension of those time limitations in certain instances if prescribed procedures are followed, including extending for up to 10 years a 20-year time limit on the establishment of specified loans, advances, and indebtedness based upon substantial evidence of blight that cannot be eliminated without additional debt.

This bill would authorize the City Council of the City of Oakland to extend, by ordinance adopted on or before December 31, 2002, prescribed time limits ~~in~~ *with respect to* the Central District Urban Renewal Plan under specified conditions, *including the issuance by the Controller of a letter confirming that the Redevelopment Agency of the City of Oakland has not accumulated an excess surplus in its low and moderate income housing fund.*

This bill would become operative only if SB 211 is not chaptered on or before January 1, 2002.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~—yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) It is the intent of the Legislature in enacting
2 this act to enable the City of Oakland and its redevelopment agency
3 to extend the time limits for the ~~establishment of indebtedness, the~~
4 effectiveness of the redevelopment plan, and the repayment of
5 indebtedness for the Central District Urban Renewal Plan.

6 (b) The Legislature finds and declares that the extension of the
7 time limits authorized by this act is necessary because of the
8 special circumstances directly affecting the Central District Urban
9 Renewal Plan that have made it infeasible for the Redevelopment
10 Agency of the City of Oakland to implement the project within the
11 time limits imposed by *subdivisions (b) and (c) of Section 33333.6*
12 of the Health and Safety Code. In 1989 the Loma Prieta earthquake
13 caused substantial damage within the Central District Project Area
14 that increased the blight within the project area, delayed projects
15 in other locations within the project area, and decreased revenues
16 to the redevelopment agency. In addition, the assessed value
17 within the project area continued to decline after the 1991–92
18 fiscal year with the result that assessed value within the Central
19 District Project Area in the 1999–2000 fiscal year was less than the
20 assessed value within the project area in the 1991–92 fiscal year.
21 During this period of time, the assessed value declined by
22 ninety-three million four hundred thousand dollars (\$93,400,000)
23 or 4.6 percent of the project area’s total assessed value. This
24 decline in assessed value and the resulting decline in revenues
25 made it impossible for the agency to eliminate blight within the
26 Central District Project Area within the time limits imposed by
27 *subdivisions (b) and (c) of Section 33333.6 of the Health and*
28 *Safety Code.*

29 (c) The Legislature further finds and declares that the authority
30 provided by this act is necessary to allow the Redevelopment
31 Agency of the City of Oakland to eliminate the remaining blight
32 within the Central District Project Area.

33 SEC. 2. Section 33333.8 is added to the Health and Safety
34 Code, to read:

35 33333.8. (a) (1) Notwithstanding the time limits in
36 subdivisions ~~(a), (b),~~ (b) and (c) of Section 33333.6, the City
37 Council of the City of Oakland may extend, by ordinance adopted
38 on or before ~~December 31, 2002, the time limit for the~~



1 establishment of loans, advances, and indebtedness in the Central
2 District Urban Renewal Plan, the time limit for the effectiveness
3 of the plan, and the time limit for the repayment of indebtedness
4 and receipt of property taxes pursuant to the plan. However, in no
5 event shall the time limit on the establishment of loans, advances,
6 and indebtedness extend beyond 2024, in no event shall the time
7 limit on the effectiveness of the redevelopment plan extend
8 beyond 2029, and in no event shall the agency pay indebtedness
9 or receive property taxes after 10 years from the termination of the
10 effectiveness of the redevelopment plan.

11 ~~(b) The limitations established in the ordinance adopted~~
12 ~~pursuant to this section shall apply to the Central District Urban~~
13 ~~Renewal Plan as if the redevelopment plan had been amended to~~
14 ~~include those limitations. However, in adopting the ordinance~~
15 ~~authorized by this section, neither the legislative body nor the~~
16 ~~agency is required to comply with Article 12 (commencing with~~
17 ~~Section 33450), Section 33354.6, or any other provision of this~~
18 ~~part relating to the amendment of redevelopment plans. If the City~~
19 ~~Council of the City of Oakland amends the Central District Urban~~
20 ~~Renewal Plan pursuant to this section, and the amendment~~
21 ~~includes extending the time limit for the establishment of loans,~~
22 ~~advances, and indebtedness, the Redevelopment Agency of the~~
23 ~~City of Oakland shall commence making the payment or payments~~
24 ~~required by Section 33607.7 during the 2005–06 fiscal year.~~
25 *December 31, 2002, the time limit on the effectiveness of the*
26 *Central District Urban Renewal Plan for up to 10 additional years*
27 *beyond the limit allowed by subdivision (b) of Section 33333.6.*

28 *(2) In addition, the city council may, pursuant to this section,*
29 *amend that plan to extend the time limit on the payment of*
30 *indebtedness and receipt of property taxes to be not more than 10*
31 *years from the termination of the effectiveness of the*
32 *redevelopment plan as that time limit has been amended pursuant*
33 *to paragraph (1).*

34 *(b) That plan may be amended pursuant to subdivision (a) only*
35 *after the Redevelopment Agency of the City of Oakland finds,*
36 *based on substantial evidence, that both of the following*
37 *conditions exist:*

38 *(1) Significant blight remains within the project area.*

39 *(2) This blight cannot be eliminated without extending the*
40 *effectiveness of the plan and the receipt of property taxes.*



1 (c) As used in this section:

2 (1) “Blight” has the same meaning as that term is given in
3 Section 33030.

4 (2) “Significant” means important and of a magnitude to
5 warrant agency assistance.

6 (d) For purposes of this section, significant blight can exist in
7 the project area even though blight is not prevalent in the project
8 area. The report submitted to the legislative body pursuant to
9 Section 33352 shall identify on a map the portion of the project
10 area in which significant blight remains.

11 (e) After the limit on the payment of indebtedness and receipt
12 of property taxes that would have taken effect but for the
13 amendment pursuant to this section, except for funds deposited in
14 the Low and Moderate Income Housing Fund pursuant to Section
15 33334.6, the agency shall spend tax increment funds only within
16 the portion of the project area that has been identified in the report
17 adopted pursuant to Section 33352 as the area in which significant
18 blight remains. Except as otherwise limited by subdivisions (f) and
19 (g), the agency may continue to spend funds deposited in the Low
20 and Moderate Income Housing Fund pursuant to Section 33334.6
21 in accordance with this division.

22 (f) After the limit on the payment of indebtedness and receipt of
23 property taxes that would have taken effect but for the amendment
24 pursuant to this section, the agency shall spend only moneys from
25 the Low and Moderate Income Housing Fund for the purpose of
26 increasing, improving, and preserving the community’s supply of
27 housing at affordable housing cost to persons and families of low
28 or very low income, as defined in Sections 50093 and 50105.

29 (g) After the limit on the payment of indebtedness and receipt
30 of property taxes that would have taken effect but for the
31 amendment pursuant to this section, not less than ____ percent of
32 all taxes that are allocated to the agency pursuant to Section 33670
33 shall be deposited into the Low and Moderate Income Housing
34 Fund for the purposes specified in subdivision (f).

35 (h) After the limit on the payment of indebtedness and receipt
36 of property taxes that would have taken effect but for the
37 amendment pursuant to this section, notwithstanding Section
38 33670, the agency shall not receive the amount of the project area’s
39 property tax revenue that the East Bay Regional Park District
40 would be entitled to receive pursuant to Chapter 3 (commencing



1 with Section 75) and Chapter 6 (commencing with Section 95) of
2 Part 0.5 of Division 1 of the Revenue and Taxation Code if the plan
3 had not been amended.

4 (i) The legislative body shall not amend the redevelopment plan
5 pursuant to this section, unless the legislative body first adopts a
6 resolution that finds, based on substantial evidence, all of the
7 following:

8 (1) The community has adopted a housing element that the
9 department has determined pursuant to Section 65585 of the
10 Government Code to be in substantial compliance with the
11 requirements of Article 10.6 (commencing with Section 65580) of
12 Chapter 3 of Division 1 of Title 7 of the Government Code.

13 (2) During the three fiscal years prior to the year in which the
14 amendment is adopted, the agency has not been included in the
15 report sent by the Controller to the Attorney General pursuant to
16 subdivision (b) of Section 33080.8 as an agency that has a “major
17 violation” pursuant to Section 33080.8.

18 (3) After a written request by the agency, the Controller has
19 issued a letter to the agency, confirming that the agency has not
20 accumulated an excess surplus in its Low and Moderate Income
21 Housing Fund. As used in this section, “excess surplus” has the
22 same meaning as that term is given in Section 33334.12. If the
23 Controller does not respond to the written request of the agency for
24 this determination within 90 days after receipt of the written
25 request, compliance with this requirement shall be deemed
26 confirmed.

27 (4) If one or more rail transit stations are located within the
28 community, the community has adopted at least one transit village
29 development plan pursuant to the Transit Village Development
30 Planning Act of 1994 (Article 8.5 (commencing with Section
31 65460) of Chapter 3 of Division 1 of Title 7 of the Government
32 Code) for a rail transit station that is located within the
33 community.

34 (j) After the effective date of the amendment to the
35 redevelopment plan pursuant to subdivision (a), neither the
36 agency nor the community shall provide any form of financial
37 assistance to an automobile dealership or big box retailer, or a
38 business entity that sells or leases land to an automobile
39 dealership or big box retailer, in connection with a relocation to
40 the territorial jurisdiction of the community from a location



1 outside the community but within the same market area. As used
2 in this section, the terms “big box retailer,” “community,”
3 “territorial jurisdiction,” “financial assistance,” “market area,”
4 and “relocating” have the same meaning as those terms are given
5 in Section 33426.7.

6 (k) The amendment to the redevelopment plan authorized
7 pursuant to this section shall be made by ordinance pursuant to
8 Article 12 (commencing with Section 33450). The ordinance shall
9 be subject to referendum as prescribed by law for ordinances of the
10 legislative body.

11 SEC. 3. (a) The Legislature finds and declares that in 1993
12 the Legislature adopted time limits contained in Section 33333.6
13 of the Health and Safety Code that applied to the project area
14 adopted prior to January 1, 1994. The Legislature further finds
15 and declares that the Redevelopment Agency of the City of
16 Oakland will not be able to eliminate blight within the Central
17 District Urban Plan project area within those limits and that it is
18 necessary to allow the limits within that project area to be extended
19 to eliminate significant remaining blight.

20 (b) The Legislature further finds and declares that authorizing
21 the extension of these limits within that project area will have a
22 financial effect upon the state and that because of this financial
23 effect it will be necessary for one or more appropriate state
24 agencies to have the authority to take appropriate actions to ensure
25 that these time limits are extended only if that project area contains
26 significant remaining blight as that term was defined by the
27 Legislature in 1993.

28 SEC. 4. It is the intent of the Legislature, if this bill and Senate
29 Bill 211 are both chaptered, that this act shall not become
30 operative if Senate Bill 211 becomes effective on or before January
31 1, 2002. Therefore, this act shall become operative only if it is
32 chaptered and becomes effective on or before January 1, 2002, and
33 Senate Bill 211 is not chaptered on or before that date.

