

AMENDED IN SENATE APRIL 26, 2001

**SENATE BILL**

**No. 1137**

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**Introduced by Senator Ortiz**

February 23, 2001

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An act to ~~amend Section 33333.6 of~~ *add Section 33333.9 to* the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1137, as amended, Ortiz. ~~Redevelopment: indebtedness~~ *City of Sacramento.*

*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 Sacramento to extend by ordinance adopted on or before December 31, 2002, prescribed time limits with respect to the Alkali Flat, Del Paso Heights, and Oak Park Redevelopment Project Areas under specified conditions.*

~~The Community Redevelopment Law prohibits a redevelopment agency from paying indebtedness or receiving tax increment revenues after 10 years from the termination of the effectiveness of the redevelopment plan.~~

~~This bill instead would prohibit a redevelopment agency from paying indebtedness or receiving tax increment revenues after 10 years from~~

~~the termination of the effectiveness of the final redevelopment plan for the redevelopment project area.~~

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

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

1     ~~SECTION 1. — Section 33333.6 of the Health and Safety Code~~  
 2     SECTION 1. (a) *It is the intent of the Legislature in enacting*  
 3 *this act to enable the City of Sacramento and its redevelopment*  
 4 *agency to extend the time limits for the establishment of*  
 5 *indebtedness, the effectiveness of the applicable redevelopment*  
 6 *plans, and the repayment of indebtedness for the Alkali Flat, Del*  
 7 *Paso Heights, and Oak Park Redevelopment Project Areas.*  
 8     (b) *The Legislature finds and declares that the extensions of the*  
 9 *time limits authorized by this act are necessary because the special*  
 10 *circumstances directly affecting these three project areas have*  
 11 *made it infeasible for the Redevelopment Agency of the City of*  
 12 *Sacramento to implement projects within the time limits imposed*  
 13 *by Section 33333.6 of the Health and Safety Code. The recession*  
 14 *of the early 1990’s delayed projects within those project areas, and*  
 15 *decreased revenues to the redevelopment agency. In addition, the*  
 16 *assessed value within each of the project areas declined after the*  
 17 *1991–92 fiscal year by 4.7 percent. This decline in assessed value*  
 18 *and the resulting decline in revenues made it impossible for the*  
 19 *agency to eliminate blight within these three project areas within*  
 20 *the time limits imposed by Section 33333.6 of the Health and Safety*  
 21 *Code.*  
 22     (c) *The Legislature further finds and declares that the authority*  
 23 *provided by this act is necessary to allow the Redevelopment*  
 24 *Agency of the City of Sacramento to eliminate the remaining blight*  
 25 *within the Alkali Flat, Del Paso Heights, and Oak Park*  
 26 *Redevelopment Project Areas.*  
 27     SEC. 2. *Section 33333.9 is added to the Health and Safety*  
 28 *Code, to read:*  
 29     33333.9. (a) *Notwithstanding the time limits in subdivisions*  
 30 *(a), (b), and (c) of Section 33333.6, the City of Council of the City*  
 31 *of Sacramento may extend, by ordinance adopted on or before*  
 32 *December 31, 2002, the time limit for the establishment of loans,*  
 33 *advances, and indebtedness in the Alkali Flat, Del Paso Heights,*



1 and Oak Park Redevelopment Project Areas, the time limit for the  
2 effectiveness of the applicable redevelopment plans, and the time  
3 limit for the repayment of indebtedness and receipt of property  
4 taxes pursuant to the plans. However, in no event shall the time  
5 limit on the establishment of loans, advances, and indebtedness  
6 extend beyond 2024, in no event shall the time limit on the  
7 effectiveness of any such redevelopment plan extend beyond 2029,  
8 and in no event shall the agency pay indebtedness or receive  
9 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 Alkali Flat, Del Paso  
13 Heights, and Oak Park Redevelopment Project Areas as if the  
14 applicable redevelopment plans had been amended to include  
15 those limitations. However, in adopting the ordinance authorized  
16 by this section, neither the legislative body nor the agency is  
17 required to comply with Article 12 (commencing with Section  
18 33450), Section 33354.6, or any other provision of this part  
19 relating to the amendment of redevelopment plans. If the City  
20 Council of the City of Sacramento amends the Alkali Flat, Del  
21 Paso Heights, and Oak Park Redevelopment Plans pursuant to  
22 this section, and the amendments include extending the time limit  
23 for the establishment of loans, advances, and indebtedness, the  
24 Redevelopment Agency of the City of Sacramento shall commence  
25 making the payment or payments required by Section 33607.7  
26 during the 2005–06 fiscal year.

27 is amended to read:

28 ~~33333.6. The limitations of this section shall apply to every~~  
29 ~~redevelopment plan adopted on or before December 31, 1993.~~

30 ~~(a) (1) The time limit on the establishing of loans, advances,~~  
31 ~~and indebtedness adopted pursuant to paragraph (2) of subdivision~~  
32 ~~(a) of Section 33333.2 or paragraph (2) of subdivision (a) of~~  
33 ~~Section 33333.4 shall not exceed 20 years from the adoption of the~~  
34 ~~redevelopment plan or January 1, 2004, whichever is later. This~~  
35 ~~limit, however, shall not prevent agencies from incurring debt to~~  
36 ~~be paid from the Low and Moderate Income Housing Fund or~~  
37 ~~establishing more debt in order to fulfill the agency's housing~~  
38 ~~obligations under Section 33413. This limit shall not prevent~~  
39 ~~agencies from refinancing, refunding, or restructuring~~  
40 ~~indebtedness after the time limit if the indebtedness is not~~



1 ~~increased and the time during which the indebtedness is to be~~  
2 ~~repaid does not exceed the date on which the indebtedness would~~  
3 ~~have been paid.~~

4 ~~(2) The time limitation established by this subdivision may be~~  
5 ~~extended, only by amendment of the redevelopment plan, after the~~  
6 ~~agency finds, based on substantial evidence, that: (A) significant~~  
7 ~~blight remains within the project area, and (B) this blight cannot~~  
8 ~~be eliminated without the establishment of additional debt.~~  
9 ~~However, this amended time limitation may not exceed 10 years~~  
10 ~~from the time limit established pursuant to this subdivision or the~~  
11 ~~time limit on the effectiveness of the plan established pursuant to~~  
12 ~~subdivision (b), whichever is earlier.~~

13 ~~(b) The effectiveness of every redevelopment plan to which~~  
14 ~~this section applies shall terminate at a date which shall not exceed~~  
15 ~~40 years from the adoption of the redevelopment plan or January~~  
16 ~~1, 2009, whichever is later. After the time limit on the effectiveness~~  
17 ~~of the redevelopment plan, the agency shall have no authority to~~  
18 ~~act pursuant to the redevelopment plan except to pay previously~~  
19 ~~incurred indebtedness and to enforce existing covenants,~~  
20 ~~contracts, or other obligations.~~

21 ~~(c) Except as provided in subdivisions (g) and (h), a~~  
22 ~~redevelopment agency shall not pay indebtedness or receive~~  
23 ~~property taxes pursuant to Section 33670 after 10 years from the~~  
24 ~~termination of the effectiveness of the final redevelopment plan~~  
25 ~~for a project area pursuant to subdivision (b).~~

26 ~~(d) (1) If plans that had different dates of adoption were~~  
27 ~~merged on or before December 31, 1993, the time limitations~~  
28 ~~required by this section shall be counted individually for each~~  
29 ~~merged plan from the date of the adoption of each plan. If an~~  
30 ~~amendment to a redevelopment plan added territory to the project~~  
31 ~~area on or before December 31, 1993, the time limitations required~~  
32 ~~by this section shall commence, with respect to the redevelopment~~  
33 ~~plan, from the date of the adoption of the redevelopment plan, and,~~  
34 ~~with respect to the added territory, from the date of the adoption~~  
35 ~~of the amendment.~~

36 ~~(2) If plans that had different dates of adoption are merged on~~  
37 ~~or after January 1, 1994, the time limitations required by this~~  
38 ~~section shall be counted individually for each merged plan from~~  
39 ~~the date of the adoption of each plan.~~



1 ~~(e) (1) Unless a redevelopment plan adopted prior to January~~  
2 ~~1, 1994, contains all of the limitations required by this section and~~  
3 ~~each of these limitations does not exceed the applicable time limits~~  
4 ~~established by this section, the legislative body, acting by~~  
5 ~~ordinance on or before December 31, 1994, shall amend every~~  
6 ~~redevelopment plan adopted prior to January 1, 1994, either to~~  
7 ~~amend an existing time limit that exceeds the applicable time limit~~  
8 ~~established by this section or to establish time limits that do not~~  
9 ~~exceed the provisions of subdivision (a), (b), or (c).~~

10 ~~(2) The limitations established in the ordinance adopted~~  
11 ~~pursuant to this section shall apply to the redevelopment plan as~~  
12 ~~if the redevelopment plan had been amended to include those~~  
13 ~~limitations. However, in adopting the ordinance required by this~~  
14 ~~section, neither the legislative body nor the agency is required to~~  
15 ~~comply with Article 12 (commencing with Section 33450) or any~~  
16 ~~other provision of this part relating to the amendment of~~  
17 ~~redevelopment plans.~~

18 ~~(f) (1) If a redevelopment plan adopted prior to January 1,~~  
19 ~~1994, contains one or more limitations required by this section,~~  
20 ~~and the limitation does not exceed the applicable time limit~~  
21 ~~required by this section, this section shall not be construed to~~  
22 ~~require an amendment of this limitation.~~

23 ~~(2) A redevelopment plan adopted prior to January 1, 1994, that~~  
24 ~~has a limitation shorter than the terms provided in this section may~~  
25 ~~be amended by a legislative body by adoption of an ordinance on~~  
26 ~~or after January 1, 1999, but on or before December 31, 1999, to~~  
27 ~~extend the limitation, provided that the plan as so amended does~~  
28 ~~not exceed the terms provided in this section. The ordinance~~  
29 ~~authorized by this subdivision shall not be used to extend a~~  
30 ~~limitation pursuant to the authority in paragraph (2) of subdivision~~  
31 ~~(a). In adopting this ordinance, neither the legislative body nor the~~  
32 ~~agency is required to comply with Section 33354.6 or Article 12~~  
33 ~~(commencing with Section 33450) or any other provision of this~~  
34 ~~part relating to the amendment of redevelopment plans.~~

35 ~~(g) The limitations established in the ordinance adopted~~  
36 ~~pursuant to this section shall not be applied to limit allocation of~~  
37 ~~taxes to an agency to the extent required to eliminate project~~  
38 ~~deficits created under subdivision (e) of Section 33320.5,~~  
39 ~~subdivision (g) of Section 33334.6, or subdivision (d) of Section~~  
40 ~~33487, in accordance with the plan adopted pursuant thereto for~~



1 ~~the purpose of eliminating the deficits or to implement a~~  
2 ~~replacement housing program pursuant to Section 33413. In the~~  
3 ~~event of a conflict between these limitations and the obligations~~  
4 ~~under Section 33334.6 or to implement a replacement housing~~  
5 ~~program pursuant to Section 33413, the legislative body shall~~  
6 ~~amend the ordinance adopted pursuant to this section to modify the~~  
7 ~~limitations to the extent necessary to permit compliance with the~~  
8 ~~plan adopted pursuant to subdivision (g) of Section 33334.6 and~~  
9 ~~to allow full expenditure of moneys in the agency's Low and~~  
10 ~~Moderate Income Housing Fund in accordance with Section~~  
11 ~~33334.3 or to permit implementation of the replacement housing~~  
12 ~~program pursuant to Section 33413. The procedure for amending~~  
13 ~~the ordinance pursuant to this subdivision shall be the same as for~~  
14 ~~adopting the ordinance under subdivision (e).~~

15 (h) ~~This section shall not be construed to affect the validity of~~  
16 ~~any bond, indebtedness, or other obligation, including any~~  
17 ~~mitigation agreement entered into pursuant to Section 33401,~~  
18 ~~authorized by the legislative body, or the agency pursuant to this~~  
19 ~~part, prior to January 1, 1994. This section shall not be construed~~  
20 ~~to affect the right of an agency to receive property taxes, pursuant~~  
21 ~~to Section 33670, to pay the bond, indebtedness, or other~~  
22 ~~obligation.~~

23 (i) ~~A redevelopment agency shall not pay indebtedness or~~  
24 ~~receive property taxes pursuant to Section 33670, with respect to~~  
25 ~~a redevelopment plan adopted prior to January 1, 1994, after the~~  
26 ~~date identified in subdivision (e) or the date identified in the~~  
27 ~~redevelopment plan, whichever is earlier, except as provided in~~  
28 ~~paragraph (2) of subdivision (f) or in subdivision (h).~~

29 (j) ~~The Legislature finds and declares that the amendments~~  
30 ~~made to this section by the act that adds this subdivision are~~  
31 ~~intended to add limitations to the law on and after January 1, 1994,~~  
32 ~~and are not intended to change or express legislative intent with~~  
33 ~~respect to the law prior to that date. It is not the intent of the~~  
34 ~~Legislature to affect the merits of any litigation regarding the~~  
35 ~~ability of a redevelopment agency to sell bonds for a term that~~  
36 ~~exceeds the limit of a redevelopment plan pursuant to law that~~  
37 ~~existed prior to January 1, 1994.~~



1     ~~(k) If a redevelopment plan is amended to add territory, the~~  
2     ~~amendment shall contain the time limits required by Section~~  
3     ~~33333.2.~~

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