

RESOLUTION NO. _____ RA 92-05

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF EL PASO de ROBLES
OPPOSING SENATE BILL 1711 (BERGESON)**

WHEREAS, the Redevelopment Agency of the City of El Paso de Robles (AGENCY) has considered the impact of Senate Bill 1711 (Bergeson) on the operation of the Redevelopment Agency; and

WHEREAS, the AGENCY has found that SB 1711 will give the Attorney General of the State of California undue authority in the administration of local programs; and

WHEREAS, the AGENCY has found that even the potential that Redevelopment monies could be withheld as a result of a determination that the City's housing element may not be in compliance with state law would have substantial negative impact on the operation and activities of the AGENCY; and

WHEREAS, the AGENCY has found that limits on the ability of the AGENCY to enter into agreements which generate tax increment through development projects would also limit the amount of 20% housing setaside funds generated; and

WHEREAS, any reduction in 20% housing setaside monies will result in reduced investment in housing in the Project Area;

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED by the Redevelopment Agency of the City of El Paso de Robles that:

1. The Redevelopment Agency of the City of El Paso de Robles is opposed to Senate Bill 1711 in its current form.
2. The Redevelopment Agency calls for Senator Ken Maddy to oppose the proposed legislation.
3. The Redevelopment Agency calls for the Senate Local Government Committee to oppose the proposed legislation.

PASSED AND ADOPTED THIS 5th day of May 1992, by the following roll call vote:

AYES: Iversen, Martin, Picanco, Reneau and Russell

NOES: None

ABSENT: None



NICK RUSSELL, CHAIRMAN

ATTEST:



Secretary, Richard J. Ramirez



LEGISLATIVE BILL REPORT

Attachment B

April 10, 1992

APR 13 1992

No. 1992-6

CALIFORNIA
REDEVELOPMENT
ASSOCIATION

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1) SB 1711 (Bergeson) Housing Element, Housing Funds, Plan Adoption and Attorney General

OPPOSE

Senate Appropriations
Committee

Hearing: Not Set

SB 1711 was approved by the Senate Local Government Committee on April 8. Although the bill has been amended to remove several objections, two primary issues remain which will significantly impact redevelopment agencies. SB 1711 holds redevelopment agency funds hostage if the community does not have a housing element in substantial compliance with state law and it continues to give the Attorney General standing "for the purposes of challenging any action taken by a redevelopment agency. . . ."

Senator Bergeson agreed to exempt "debt" issued prior to enactment of the bill and "debt" issued while the housing element is in compliance. However, "debt" is confined to bonds and long-term leases or lease-purchase agreements. It does not include development agreements, construction contracts, service agreements, loans between a city and its agency, or the on-going agency administrative expenses. In a cynical twist, the bill will allow an agency to loan money to a nonprofit housing corporation and to issue bonds for low and moderate housing construction and rehabilitation. An agency that does not have a housing plan in place may continue to spend its housing funds.

The Department of Housing and Community Development indicates that only 21% of the 509 cities and counties in the state have a housing element "in compliance with state law." The following statistics are from HCD's annual report to the state legislature:

Adopted in compliance	107	21%
In local process	163	32%
Under HCD review	80	16%
Adopted out of compliance	84	16%
Obsolete	75	15%

Listed on the last page are the cities and counties which have been identified by HCD as having a redevelopment agency and a housing element that is obsolete or out of compliance. **The 194 communities on this list are at risk of losing all redevelopment tax increment funds except the amount needed to pay pre-existing bond debt.** It is the intent of SB 1711 to hold your funds hostage until you substantially comply

with the housing element law. SB 1711 does not state what will happen with such impounded funds. Will they be disbursed to other taxing entities? Will you get the funds when you comply? Will the state take the funds? No one knows — the bill does not address this issue.

HCD has withdrawn its proposed language which would make determination of "substantial compliance" with housing element law an HCD responsibility rather than a local city or county responsibility. However, if SB 1711 is adopted, it would take only the addition of three words in a future bill to be subject to the decisions of local elected officials to the centralized approval by non-elected state bureaucrats.

CRA proposed alternative language to limit the standing of the Attorney General to the plan adoption process and matters where a state interest is involved. The language was rejected. Senator Kopp expressed concern about RDA eminent domain actions and the sale of property to developers. There is no doubt that his intention is to have the state oversee local decisions of all kinds — not just those of statewide importance.

When CRA pointed out the inequity of applying penalties only to cities and counties with redevelopment agencies, the response from the Senate Local Government Committee consultant is that redevelopment is a "plum" that is optional for local government. He fails to acknowledge that the human suffering in blighted neighborhoods, the decaying infrastructure in neighborhood and business districts, the financial drain and job loss from vacancies in business and industrial areas have an enormous impact on citizens in this state and their local governments. Redevelopment of these areas is not optional — it is essential. Redevelopment funds are not a "plum" handed to a city or county, they are the result of the hard work of turning around blighted areas, attracting new private investment to poor locations in rundown areas and rebuilding the public infrastructure so private individuals and companies will reinvest in a local area rather than flee to another part of the state or out of the state. Redevelopment is the most powerful and successful economic development tool in California. SB 1711 threatens to impede the ability of local communities to solve local problems. Without the dynamic efforts, risk-taking and problem-solving by redevelopment agencies, the reinvestment in blighted areas would not occur and the tax increment funds would not exist. Without these funds, few cities would have the resources to prevent urban decay and the suffering it causes.

CRA is adamant in its opposition to SB 1711. The penalty is far too severe and disproportionate to the problem of housing elements. Make sure your Senator knows your agency opposes SB 1711. If you have already made contact, make sure your Senator understands that the amendments are technically flawed and unworkable.

2) AB 3700 (Brown)

**Project Area Committee, Replacement
Housing, Mandatory Affordable Housing**

**OPPOSE UNLESS
AMENDED**

AB 3700 was approved by the Assembly Housing and Community Development Committee on April 8. However, the sponsor of the bill, the Western Center on Law and Poverty has agreed to work with CRA for amendments to which both organizations can agree. The amendments will

Assembly Local
Government Committee

drop the increases for inclusionary housing requirements, the required independent legal counsel, the affirmative marketing plan, the formation of a PAC prior to selection of a project area and requiring a PAC for the life of the redevelopment plan. CRA will agree to having PAC members elected and to notify all residential and business tenants, not just property owners, about the redevelopment area formation by first class mail (not certified). The most significant remaining issue is the formation of a new PAC if, several years into a project, the agency initiates eminent domain actions, not previously contemplated, which will dislodge residents. Also, not yet resolved is the conflict of interest issues for PAC members. Hopefully, some language acceptable to the FPPC can be agreed upon. CRA will continue to oppose AB 3700 until an acceptable compromise is reached.

The following bills were approved by the Assembly Housing and Community Development Committee.

3) AB 2407 (Hughes) Refunding Revenue Bonds

SUPPORT

(See Legislative Bill Report No. 1992-4, March 13 for details.)

Assembly Ways & Means

4) AB 2738 (Cannella) Merced County Joint Powers Agency

WATCH

(See Legislative Bill Report No. 1992-4, March 13 for details.)

Assembly Ways & Means

5) AB 3086 (Hauser) CDAC, Housing Information Clearinghouse

SUPPORT

This CRA sponsored bill was amended to be solely an information clearinghouse. The authorized fee has been capped. The bill will establish a state oversight committee. The California Public Securities Association opposes AB 3086. Assemblyman Hauser agreed to meet with the Securities Association and CRA to work out an acceptable program.

Banking, Finance and Bonded Indebtedness Committee

6) AB 3330 (Costa) Expenditure of Housing Funds Outside the Agency

WATCH

This is a spot bill sponsored by the California Association of Realtors. CRA will watch to see if the bill moves forward.

Assembly Local Government Committee

7) AB 3528 (Polanco) Project Area Committees

WATCH

This is a spot bill reacting to the LA CRA Hollywood project. CRA will watch to see if the bill moves forward.

Assembly Local
Government
Committee

8) AB 3533 (Hauser) Excess Surplus Moneys — Redevelopment in Rural Counties

OPPOSE UNLESS AMENDED

According to the author, rural communities may have a problem spending their excess surplus LMI housing funds within the jurisdictions where the moneys were generated in a timely manner. AB 3533 has been amended to authorize county housing authorities, operating within a county with a population under 200,000, to expend these moneys anywhere within the county, including any incorporated areas. Redevelopment agencies in the following counties would be affected:

Assembly Ways &
Means Committee

Amador	Butte	Colusa	Del Norte
El Dorado	Glenn	Humboldt	Imperial
Inyo	Kings	Lake	Madera
Mariposa	Mendocino	Merced	Napa
Nevada	Placer	Plumas	San Benito
Shasta	Siskiyou	Sutter	Tehema
Tuolumne	Yolo	Yuba	

9) SCA 17 (Calderon) Election Requirements — Article 34

WATCH

SCA 17 changes the procedure for holding Article 34 elections for low-cost housing to make elections more site specific and identified as having a significant negative impact.

Housing Elements in CRA Communities - Obsolete or Out of Compliance, 9/30/91

Agoura Hills	Firebaugh	Milpitas	San Jacinto
Anaheim	Folsom	Modesto	San Jose
Antioch	Fortuna	Monrovia	San Juan Cap.
Atwater	Foster City	Montclair	San Leandro
Bakersfield	Fountain Valley	Montebello	San Marcos
Baldwin Park	Fowler	Monterey	San Pablo
Barstow	Fresno	Monterey Co.	San Ramon
Bell	Fresno Co.	Monterey Park	Santa Ana
Bellflower	Fullerton	Morgan Hill	Santa Barbara
Big Bear Lake	Galt	Mountain View	Santa Barbara Co
Brentwood	Garden Grove	National City	Santa Clara
Brisbane	Glendora	Needles	Santa Cruz
Buena Park	Gilroy	Norco	Santa Cruz Co.
Burbank	Half Moon Bay	Norwalk	Santa Fe Springs
Calexico	Hanford	Novato	Santa Monica
California City	Hawaiian Gardens	Oakland	Santa Paula
Capitola	Hawthorne	Oceanside	Seaside
Carlsbad	Healdsburg	Ojai	Sebastopol
Carson	Hercules	Ontario	Selma
Cerritos	Hidden Hills	Orange Cove	Signal Hill
Chico	Highland	Palm Desert	Shafter
Chula Vista	Huntington Beach	Paramount	Soledad
Claremont	Huntington Park	Parlier	Sonoma
Clayton	Huron	Perris	Sonoma Co.
Clovis	Indian Wells	Pinole	South Gate
Cloverdale	Indio	Pismo Beach	South Lake Tahoe
Coalinga	Industry	Pittsburg	South Pasadena
Colton	Inglewood	Pomona	S. San Francisco
Compton	Irwindale	Port Hueneme	Suisun City
Contra Costa Co.	Kingsburg	Poway	Taft
Corona	Lake Elsinore	Rancho Mirage	Temple City
Coronado	Lakeport	Rancho Palos Verdes	Torrance
Costa Mesa	La Canada Flintridge	Redding	Tracy
Cotati	La Mirada	Redlands	Union City
Covina	La Palma	Redondo Beach	Upland
Crescent City	La Puente	Rialto	Ventura
Cudahy	Lancaster	Richmond	Victorville
Daly City	Lemoore	Rio Vista	Visalia
Dana Point	Livermore	Riverside	Vista
Danville	Loma Linda	Rohnert Park	Waco
Davis	Lompoc	Rosemead	Walnut
Delano	Long Beach	Sacramento	Walnut Creek
Desert Hot Springs	Los Angeles	Salinas	Watsonville
Dixon	Lynwood	San Bernardino Co.	West Covina
Downey	Manteca	San Bruno	Westminster
Duarte	Marina	San Carlos	West Sacramento
East Palo Alto	Marysville	San Diego	Willits
Emeryville	Maywood	San Diego Co.	Woodland
Encinitas	Menlo Park	San Dimas	Yuba City
Fairfield	Merced	San Fernando	
Fillmore	Millbrae		