

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2004 JUN 10 PM 4:44

TO: Office of the City Manager/Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: June 22, 2004

**RE: REPORT RECOMMENDING ADOPTION OF ORDINANCES AMENDING THE
ACORN URBAN RENEWAL PLAN, THE CENTRAL DISTRICT URBAN RENEWAL
PLAN, THE OAK CENTER URBAN RENEWAL PLAN AND THE
STANFORD/ADELINE REDEVELOPMENT PLAN TO EXTEND THE TIME LIMITS
ON PLAN EFFECTIVENESS AND RECEIPT OF TAX INCREMENT REVENUE**

SUMMARY:

In August 2003 the California Legislature amended the Community Redevelopment Law (CRL) to permit a city council, as the legislative body of a redevelopment agency, to extend by one year both the duration of a project area and the ability of the redevelopment agency to collect tax increment from the project area. This legislation applies only to project areas adopted before 1994. To be eligible for this extension a redevelopment area must have made payments to the Educational Revenue Augmentation Fund (ERAF). The extension can be made by ordinance. In FY 2003-2004, the Redevelopment Agency made ERAF payments from the Acorn, Central District, Oak Center and Stanford/Adeline project areas.

FISCAL IMPACT

Adopting the ordinances will extend by one year the Agency's ability to receive tax increment in three of the four project areas. In the case of Stanford/Adeline, the extension will be for four years, because the Agency did not extend the plan to the maximum limits under A.B.1290. Based on a 2% annual growth rate, staff estimates that the Agency would receive up to \$1,356,518 gross tax increment in FY 2019-2020 from the Acorn Urban Renewal Plan; \$45,903,136 gross tax increment in FY 2019-2020 from the Central District Urban Renewal Plan; \$1,129,727 gross tax increment in FY 2019-2020 from the Oak Center Urban Renewal Plan and; \$543,787 gross tax increment in FY 2019-2024 from the Stanford/Adeline Redevelopment Plan.

The total additional gross tax increment revenue to the Agency is estimated to be \$ 48,933,168. The lost revenue to the City is estimated to be approximately \$15,984,743; however, the City would gain \$12,233,292 in housing set-aside revenue, although the funds belong to the Agency.

Item: 5
CED Committee
June 22, 2004

Deborah Edgerly
June 22, 2004

BACKGROUND: In August 2003, the California Legislature amended the CRL to permit a city council, as a legislative body of a redevelopment agency, to extend by one year the effectiveness of a project area and the ability of a redevelopment agency to receive tax increment from the project area. This was intended to mitigate the effects of ERAF transfers imposed on redevelopment agencies as part of the solution to the State FY 2003-2004 budget crisis. In order to enact these extensions, a redevelopment agency must have adopted a project area prior to 1994 and made payments to ERAF in FY 2003-2004. The amendments can be adopted by simple ordinance of the City Council. The process is therefore exempt from the findings, procedures, and legal requirements associated with most redevelopment plan amendments.

The Acorn Urban Renewal Plan was adopted on November 30, 1961. The Redevelopment Plan currently expires on January 1, 2009 and the Agency will stop receiving tax increment to repay indebtedness on January 1, 2019. For FY 2003-2004 the Agency made an ERAF payment to the State in the amount of \$59,289.

The Oak Center Urban Renewal Plan was adopted on November 30, 1965. The Redevelopment Plan currently expires on January 1, 2009 and the Agency will stop receiving tax increment to repay indebtedness on January 1, 2019. For FY 2003-2004 the Agency made an ERAF payment to the State in the amount of \$49,377.

The Central District Urban Renewal Plan was adopted on June 12, 1969. The Redevelopment Plan currently expires on January 1, 2009 and the Agency will stop receiving tax increment to repay indebtedness on January 1, 2019. For FY 2003-2004 the Agency made an ERAF payment to the State in the amount of \$ 2,006,277.

The Stanford/Adeline Redevelopment Plan was adopted on April 10, 1973. The Redevelopment Plan currently expires on April 10, 2013 and the Agency will stop receiving tax increment to repay indebtedness on April 10, 2023. For FY 2003-2004 the Agency made an ERAF payment to the State in the amount of \$ 5,766.

The proposed amendments are exempt from the California Environmental Quality Act because they are a fiscal activity that does not involve the commitment to a specific project that potentially could impact the environment.

KEY ISSUES:

Amending the redevelopment plans to extend the time limits on plan activity and receipt of tax increment by one year will mitigate the effects of ERAF transfers imposed on the Agency as part of the solution to the State FY 2003-2004 budget crisis. It will allow the Agency to bond against this future year of revenue and pursue projects that might otherwise be financially impossible to fund on a pay-as-you-go basis.

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SUSTAINABILITY:

Economic: These amendments will have long term impacts for the elimination of physical blight in the four redevelopment areas. It will provide the Agency with a financial tool to participate in redevelopment projects that would not be available if the existing redevelopment plans are not amended.

Social Equity: The amendments will provide additional funds to insure the construction of new redevelopment projects which will employ and train people for immediate and long-term jobs.

Environmental: The amendments will allow the Agency the ability to fund the clean-up of toxic sites, the removal of hazardous materials from buildings, and other environmental activities associated with future redevelopment projects in the various redevelopment areas.

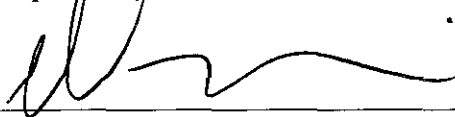
DISABILITY AND SENIOR CITIZEN ACCESS:

The amendments will have no direct effect on disability and senior citizen access; however, it will allow the Agency the ability to pursue more projects that will comply with State and Federal accessibility laws and regulations.

RECOMMENDATION AND RATIONAL:

Staff recommends that the Agency adopt the ordinances amending the Acorn Urban Renewal Plan, The Central District Urban Renewal Plan, the Oak Center Urban Renewal Plan and the Stanford/Adeline Redevelopment Plan to extend the time limits on plans effectiveness and the receipt of tax increment revenue.

Respectively submitted,



Daniel Vanderprien
Director of Redevelopment, Economic
Development and Housing and Community
Development

Prepared by:
Jeffrey Chew, Project Manager

APPROVED AND FORWARDED TO THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE :


OFFICE OF THE CITY MANAGER

Item: 5
CED Committee
June 22, 2004

FILED
OFFICE OF THE CITY CLERK
APPROVED AS TO FORM AND LEGALITY
[Signature]
2004 JUN 10 PM 4:45
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

AN ORDINANCE AMENDING THE ACORN URBAN RENEWAL PLAN TO EXTEND THE TIME LIMITS ON PLAN EFFECTIVENESS AND RECEIPT OF TAX INCREMENT REVENUE BY ONE YEAR

WHEREAS, the City Council adopted the Acorn Urban Renewal Plan (the “Redevelopment Plan”) on November 30, 1961; and

WHEREAS, on December 20, 1994, the Council adopted Ordinance No. 11760 C.M.S., which, among other things, established a time limit of January 1, 2009, on the effectiveness of the Redevelopment Plan and a time limit of January 1, 2019, on the Agency’s ability to pay indebtedness and receive tax increment revenues; and

WHEREAS, these time limits were required for redevelopment plans adopted on or before December 31, 1993, under current Health and Safety Code Sections 33333.6(a) and (b); and

WHEREAS, Health and Safety Code Section 33333.6(e)(2)(C) authorizes the legislative body by ordinance to amend a redevelopment plan to extend the time limits on plan effectiveness and the agency’s ability to pay indebtedness and receive tax increment revenues by one year, if the agency was required to make a payment to the Educational Revenue Augmentation Fund (“ERAF”) under Health and Safety Code Section 33681.9 during fiscal year 2003-04; and

WHEREAS, the Agency was required to make a payment to the ERAF during fiscal year 2003-04; and

WHEREAS, the Agency wishes to amend the Acorn Urban Renewal Plan to extend the time limits; and

WHEREAS, this action is not subject to the California Environmental Quality Act of 1970 (“CEQA”) because it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment; now, therefore

The Council of the City of Oakland does ordain as follows:

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SECTION 1. The Acorn Urban Renewal Plan is hereby amended to provide that the provisions of the Plan shall be effective, and the provisions of other documents formulated pursuant to the Plan

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may be made effective, until January 1, 2010, except that the nondiscrimination and nonsegregation provisions shall run in perpetuity. After this time limit on the duration and effectiveness of the Redevelopment Plan, the Agency shall have no authority to act pursuant to the Redevelopment Plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts, except as may be otherwise be provided by Section 33333.6 of the Community Redevelopment Law.

SECTION 2. The Acorn Urban Renewal Plan is hereby further amended to provide that the Agency shall not pay indebtedness or receive property taxes pursuant to Section 33670 from the Project Area after January 1, 2020, except as may otherwise be provided by Section 33333.6 of the Community Redevelopment Law.

SECTION 3. The City Manager or his or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action.

SECTION 4. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance, and this Council hereby declares that it would have passed the remainder of this Ordinance if such invalid portion thereof had been deleted.

SECTION 5. This Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter, if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND PRESIDENT DE LA FUENTE

NOES- _____

ABSENT- _____

ABSTENTION- _____

ATTEST: _____

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

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OFFICE OF THE CITY CLERK
OAKLAND

2004 JUN 10 PM 4:45

**AN ORDINANCE AMENDING THE ACORN URBAN RENEWAL
PLAN TO EXTEND THE TIME LIMITS ON PLAN
EFFECTIVENESS AND RECEIPT OF TAX INCREMENT
REVENUE BY ONE YEAR**

NOTICE AND DIGEST

This ordinance amends the Acorn Renewal Plan to extend the time limits in the Plan for Plan effectiveness and the ability of the Redevelopment Agency to pay indebtedness and receive tax increment revenues by one year, as authorized under Health and Safety Code Section 33333.6(e)(2)(C).

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CITY OF OAKLAND

OAKLAND CITY COUNCIL
ORDINANCE NO. _____ C.M.S.

AN ORDINANCE AMENDING THE CENTRAL DISTRICT URBAN RENEWAL PLAN TO EXTEND THE TIME LIMITS ON PLAN EFFECTIVENESS AND RECEIPT OF TAX INCREMENT REVENUE BY ONE YEAR

WHEREAS, the City Council adopted the Central District Urban Renewal Plan (the "Redevelopment Plan") on June 12, 1969; and

WHEREAS, on December 20, 1994, the Council adopted Ordinance No. 11762 C.M.S., which, among other things, established a time limit of January 1, 2009, on the effectiveness of the Redevelopment Plan and a time limit of January 1, 2019 on the Agency's ability to pay indebtedness and receive tax increment revenues; and

WHEREAS, these time limits were extended to June 12, 2009, and June 12, 2019, respectively, pursuant to the Twelfth Amendment to the Central District Urban Renewal Plan adopted on July 24, 2001; and

WHEREAS, these time limits were required for redevelopment plans adopted on or before December 31, 1993, under current Health and Safety Code Sections 33333.6(a) and (b); and

WHEREAS, Health and Safety Code Section 33333.6(e)(2)(C) authorizes the legislative body by ordinance to amend a redevelopment plan to extend the time limits on plan effectiveness and the agency's ability to pay indebtedness and receive tax increment revenues by one year, if the agency was required to make a payment to the Educational Revenue Augmentation Fund ("ERAF") under Health and Safety Code Section 33681.9 during fiscal year 2003-04; and

WHEREAS, the Agency was required to make a payment to the ERAF during fiscal year 2003-04; and

WHEREAS, the Agency wishes to amend the Redevelopment Plan for the Central District Redevelopment Project to extend the time limits; and

WHEREAS, this action is not subject to the California Environmental Quality Act of 1970 ("CEQA") because it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment; now, therefore

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**AN ORDINANCE AMENDING THE CENTRAL DISTRICT URBAN
RENEWAL PLAN TO EXTEND THE TIME LIMITS ON PLAN
EFFECTIVENESS AND RECEIPT OF TAX INCREMENT
REVENUE BY ONE YEAR**

NOTICE AND DIGEST

This ordinance amends the Central District Urban Renewal Plan to extend the time limits in the Plan for Plan effectiveness and the ability of the Redevelopment Agency to pay indebtedness and receive tax increment revenues by one year, as authorized under Health and Safety Code Section 33333.6(e)(2)(C).

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ORDINANCE NO. _____ C.M.S.

**AN ORDINANCE AMENDING THE OAK CENTER URBAN
RENEWAL PLAN TO EXTEND THE TIME LIMITS ON PLAN
EFFECTIVENESS AND RECEIPT OF TAX INCREMENT
REVENUE BY ONE YEAR**

WHEREAS, the City Council adopted the Oak Center Urban Renewal Plan (the "Redevelopment Plan") on November 30, 1965; and

WHEREAS, on December 20, 1994, the Council adopted Ordinance No. 11761 C.M.S., which, among other things, established a time limit of January 1, 2009, on the effectiveness of the Redevelopment Plan and a time limit of January 1, 2019, on the Agency's ability to pay indebtedness and receive tax increment revenues; and

WHEREAS, Health and Safety Code Section 33333.6(e)(2)(C) authorizes the legislative body by ordinance to amend a redevelopment plan to extend the required time limits on plan effectiveness and the agency's ability to pay indebtedness and receive tax increment revenues by one year, if the agency was required to make a payment to the Educational Revenue Augmentation Fund ("ERAF") under Health and Safety Code Section 33681.9 during fiscal year 2003-04; and

WHEREAS, the Agency was required to make a payment to the ERAF during fiscal year 2003-04; and

WHEREAS, the Agency wishes to amend the Oak Center Urban Renewal Plan to extend the time limits to the statutory maximum; and

WHEREAS, this action is not subject to the California Environmental Quality Act of 1970 ("CEQA") because it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment; now, therefore

The Council of the City of Oakland does ordain as follows:

SECTION 1. The Oak Center Urban Renewal Plan is hereby amended to provide that the provisions of the Plan shall be effective, and the provisions of other documents formulated pursuant to the Plan may be made effective, until January 1, 2010, except that the nondiscrimination and nonsegregation provisions shall run in perpetuity. After this time limit on the duration and effectiveness of the Redevelopment Plan, the Agency shall have no authority to act pursuant to the Redevelopment

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Plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts, except as may be otherwise be provided by Section 33333.6 of the Community Redevelopment Law.

SECTION 2. The Oak Center Urban Renewal Plan is hereby further amended to provide that the Agency shall not pay indebtedness or receive property taxes pursuant to Section 33670 from the Project Area after January 1, 2020, except as may otherwise be provided by Section 33333.6 of the Community Redevelopment Law.

SECTION 3. The City Manager or his or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action.

SECTION 4. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance, and this Council hereby declares that it would have passed the remainder of this Ordinance if such invalid portion thereof had been deleted.

SECTION 5. This Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter, if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND PRESIDENT DE LA FUENTE

NOES- _____

ABSENT- _____

ABSTENTION- _____

ATTEST: _____
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

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OAKLAND

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AN ORDINANCE AMENDING THE OAK CENTER URBAN
RENEWAL PLAN TO EXTEND THE TIME LIMITS ON PLAN
EFFECTIVENESS AND RECEIPT OF TAX INCREMENT
REVENUE BY ONE YEAR

NOTICE AND DIGEST

This ordinance amends the Oak Center Renewal Plan to extend the time limits in the Plan for Plan effectiveness and the ability of the Redevelopment Agency to pay indebtedness and receive tax increment revenues to September 15, 2011 and September 15, 2021, respectively, as authorized under Health and Safety Code Section 33333.6(e)(2)(C).

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DEPUTY CITY ATTORNEY

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ORDINANCE NO. _____ C.M.S.

**AN ORDINANCE AMENDING THE STANFORD/ADELINE
REDEVELOPMENT PLAN TO EXTEND THE TIME LIMITS ON
PLAN EFFECTIVENESS AND RECEIPT OF TAX INCREMENT
REVENUE**

WHEREAS, the City Council adopted the Stanford/Adeline Redevelopment Plan (the "Redevelopment Plan") on April 10, 1973; and

WHEREAS, on December 20, 1994, the Council adopted Ordinance No. 11763 C.M.S., which, among other things, established a time limit of January 1, 2009, on the effectiveness of the Redevelopment Plan and a time limit of January 1, 2019, on the Agency's ability to pay indebtedness and receive tax increment revenues; and

WHEREAS, time limits of April 10, 2013, for plan effectiveness and April 10, 2023, for payment of indebtedness and receipt of tax increment revenues, were required for the Stanford/Adeline Redevelopment Plan under current Health and Safety Code Sections 33333.6(a) and (b); and

WHEREAS, Health and Safety Code Section 33333.6(e)(2)(C) authorizes the legislative body by ordinance to amend a redevelopment plan to extend the required time limits on plan effectiveness and the agency's ability to pay indebtedness and receive tax increment revenues by one year, if the agency was required to make a payment to the Educational Revenue Augmentation Fund ("ERAF") under Health and Safety Code Section 33681.9 during fiscal year 2003-04; and

WHEREAS, the Agency was required to make a payment to the ERAF during fiscal year 2003-04; and

WHEREAS, the Agency wishes to amend the Stanford/Adeline Redevelopment Plan to extend the time limits to the statutory maximum; and

WHEREAS, this action is not subject to the California Environmental Quality Act of 1970 ("CEQA") because it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment; now, therefore

The Council of the City of Oakland does ordain as follows:

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**COMMUNITY & ECONOMIC
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JUN 22 2004

SECTION 1. The Stanford/Adeline Redevelopment Plan is hereby amended to provide that the provisions of the Plan shall be effective, and the provisions of other documents formulated pursuant to the Plan may be made effective, until of April 10, 2014, except that the nondiscrimination and nonsegregation provisions shall run in perpetuity. After this time limit on the duration and effectiveness of the Redevelopment Plan, the Agency shall have no authority to act pursuant to the Redevelopment Plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts, except as may be otherwise be provided by Section 33333.6 of the Community Redevelopment Law.

SECTION 2. The Stanford/Adeline Redevelopment Plan is hereby further amended to provide that the Agency shall not pay indebtedness or receive property taxes pursuant to Section 33670 from the Project Area after of April 10, 2024, except as may otherwise be provided by Section 33333.6 of the Community Redevelopment Law.

SECTION 3. The City Manager or his or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action.

SECTION 4. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance, and this Council hereby declares that it would have passed the remainder of this Ordinance if such invalid portion thereof had been deleted.

SECTION 5. This Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter, if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND PRESIDENT DE
LA FUENTE

NOES- _____

ABSENT- _____

ABSTENTION- _____

ATTEST: _____

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

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2004 JUN 10 PM 4:45

**AN ORDINANCE AMENDING THE STANFORD/ADELINE
REDEVELOPMENT PLAN TO EXTEND THE TIME LIMITS ON
PLAN EFFECTIVENESS AND RECEIPT OF TAX INCREMENT
REVENUE**

NOTICE AND DIGEST

This ordinance amends the Stanford/Adeline Redevelopment Plan to extend the time limits in the Plan for Plan effectiveness and the ability of the Redevelopment Agency to pay indebtedness and receive tax increment revenues to April 10, 2014, and April 10, 2024, respectively, as authorized under Health and Safety Code Section 33333.6(e)(2)(C).

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