

CITY OF OAKLAND
AGENDA REPORT

OFFICE OF THE CITY CLERK
2005 DEC 29 AM 9:56

TO: Office of the City Administrator/Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: January 10, 2006

RE: A REPORT RECOMMENDING THE ADOPTION OF THREE ORDINANCES AMENDING THE ACORN URBAN RENEWAL PLAN, THE OAK CENTER URBAN RENEWAL PLAN, AND THE STANFORD/ADELINE REDEVELOPMENT PLAN TO ELIMINATE THE TIME LIMITS ON ESTABLISHING DEBT THAT IS PAID FROM THE LOW AND MODERATE INCOME HOUSING FUND OR DEBT USED TO FULFILL AFFORDABLE HOUSING OBLIGATIONS

SUMMARY

This report recommends the adoption of three ordinances that would amend the redevelopment plans for the Acorn Redevelopment Project, the Oak Center Redevelopment Project, and the Stanford/Adeline Redevelopment Project (collectively, the "Project Areas") to eliminate the time limits on establishing debt paid from the Low and Moderate Income Housing Fund or debt used to fulfill the Agency's affordable housing obligations. Each of these plans was adopted by the City Council prior to January 1, 1994, and includes a time limit prohibiting the Agency from incurring debt for the Project Areas after January 1, 2004, as previously required under redevelopment law. The three proposed ordinances respond to recent changes in redevelopment law that now allow redevelopment agencies to eliminate the time limits on the establishment of indebtedness required under the earlier statute.

In essence, amending these redevelopment plans would allow the Redevelopment Agency to issue new housing set-aside bonds and financially participate in affordable housing projects and programs inside the three Project Areas as long as necessary to fulfill the Agency's affordable housing obligations without the time constraints imposed by the existing plan limits.

FISCAL IMPACT

There is no negative fiscal impact by adopting these three ordinances. The elimination of the time limits would enable the Agency to issue new debt to continue to fund affordable housing projects and programs. Losing the authority to incur new debt means that the Redevelopment Agency's ability to undertake new projects within these Project Areas will be limited.

Item: _____
Finance and Management Committee
January 10, 2006

BACKGROUND

On November 30, 1961, the City Council adopted the Acorn Urban Renewal Plan (the "Acorn Redevelopment Plan") for the Acorn Redevelopment Project (the "Acorn Project"). On December 20, 1994, Council adopted Ordinance No. 11760 C.M.S. which, among other things, established a time limit of January 1, 2004, on the ability of the Agency to establish or incur loan advances or indebtedness for the Acorn Project Area.

On November 30, 1965, the City Council adopted the Oak Center Urban Renewal Plan (the "Oak Center Redevelopment Plan") for the Oak Center Redevelopment Project (the "Oak Center Project"). On December 20, 1994, the Council adopted Ordinance No. 11761 C.M.S. which, among other things, established a time limit of January 1, 2004, on the ability of the Agency to establish or incur loans, advances or indebtedness for the Oak Center Project Area.

On April 10, 1973, the City Council adopted the Stanford/Adeline Redevelopment Plan (the "Stanford/Adeline Redevelopment Plan") for the Stanford/Adeline Redevelopment Project (the "Stanford/Adeline Project"). On December 20, 1994, the Council adopted Ordinance No. 11763 C.M.S. which, among other things, established a time limit of January 1, 2004, on the ability of the Agency to establish or incur loans, advances or indebtedness for the Stanford/Adeline Project Area.

The time limits for incurring debt that are currently in these redevelopment plans, as required for all redevelopment plans adopted prior to 1994 by amendments to redevelopment law adopted in 1994, has prevented the Agency from incurring new debt from the Low and Moderate Income Housing Fund for these Project Areas. The Agency could not issue new affordable housing bonds to financially participate in new projects after January 1, 2004, if these bonds are secured by Acorn, Oak Center, or Stanford/Adeline low and moderate income housing funds. However redevelopment law was again amended in 2002 to allow a community to amend a pre-1994 plan to delete the debt incurrence deadline altogether for debt paid from the agency's low and moderate income housing fund or debt used to fulfill the agency's affordable housing obligations (such as replacement housing and inclusionary housing requirements), with the result that an agency can incur debt under such a plan for such purposes. These ordinances would amend the plans to incorporate these changes.

Specifically, Section 33333.6(e)(4) of the California Health and Safety Code authorizes a redevelopment agency to amend a pre-1994 redevelopment plan by ordinance to provide that there is no time limit on the establishment of loans, advances and indebtedness paid from the agency's low and moderate income housing fund or the establishment of more debt to fulfill the agency's affordable housing obligations. It further provides that, in adopting such an ordinance, an agency is not required to make payments to affected taxing entities nor is it required to comply with provisions of the California Community Redevelopment Law relating to

amendment of redevelopment plans. This amendment only requires the adoption of an ordinance by the legislative body of the respective municipality.

KEY ISSUES AND IMPACTS

The ability to establish or incur new indebtedness as it relates to the three Project Areas expired on January 1, 2004. The Agency needs to amend these three older redevelopment plans to eliminate that time limit such that new debt can be issued. If they are not amended, there will be the following impacts:

- The Agency will not be able to issue more affordable housing set-aside bonds related to these three Project Areas.
- The Agency's ability to fund new affordable housing projects or programs in these Project Areas will be limited significantly.

SUSTAINABLE OPPORTUNITIES

Economic: These amendments will have long term impacts for the development of new affordable housing and the maintenance of affordable housing in these three redevelopment areas. They will provide the Agency with a financial tool to participate in affordable housing projects and programs that would not be available if the existing redevelopment plan was not amended.

Social Equity: These amendments will allow the Agency to access needed funds over the long term to insure the construction and rehabilitation of affordable rental and homeownership housing which will employ and train people for immediate and long-term jobs.

Environmental: These amendments will allow the Agency to fund the clean-up of toxic sites, the removal of hazardous materials from buildings and other environmental activities associated with future affordable housing developments and programs.

DISABILITY AND SENIOR CITIZEN ACCESS

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

Deborah Edgerly
Re: Amending the Acorn, Oak Center, and
Stanford/Adeline Redevelopment Plans to Eliminate
Time Limits regarding Affordable Housing Debt.

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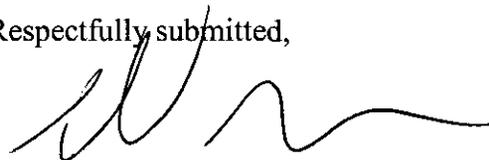
RECOMMENDATION(S) AND RATIONALE

Staff recommends that the Council approve the three ordinances amending three redevelopment plans, the Acorn Urban Renewal Plan, the Oak Center Urban Renewal Plan, and the Stanford/Adeline Redevelopment Plan, to eliminate the time limit on establishing debt paid from the Agency's Low and Moderate Income Housing Fund or used to fulfill the Agency's affordable housing obligations in these three Project Areas.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the attached three ordinances which amend the redevelopment plans for the Stanford/Adeline Redevelopment Project, the Acorn Redevelopment Project, and the Oak Center Redevelopment Project to provide that there shall be no time limit on the establishment of debt paid from the Agency's Low and Moderate Income Housing Fund or used to fulfill the Agency's affordable housing obligations.

Respectfully submitted,



DANIEL VANDERPRIEM
Director of Redevelopment, Economic
Development and Housing

Prepared by:
Sean Rogan, Deputy Director
Housing and Community Development
Marge L. Gladman, Housing Development
Coordinator

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



OFFICE OF THE AGENCY ADMINISTRATOR

Item: _____
Finance and Management Committee
January 10, 2006

OFFICE OF THE CITY CLERK
APPROVED AS TO FORM AND LEGALITY
[Signature]
2005 DEC 28 DEPUTY CITY ATTORNEY

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

AN ORDINANCE AMENDING THE ACORN URBAN RENEWAL PLAN TO ELIMINATE THE TIME LIMIT ON ESTABLISHING DEBT THAT IS PAID FROM THE LOW AND MODERATE INCOME HOUSING FUND OR DEBT USED TO FULFILL AFFORDABLE HOUSING OBLIGATIONS

WHEREAS, the City Council adopted the Acorn Urban Renewal Plan (the "Redevelopment Plan") for the Acorn Redevelopment Project (the "Project") 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, 2004, on the ability of the Redevelopment Agency of the City of Oakland (the "Redevelopment Agency" or "Agency") to establish or incur loans, advances or indebtedness for the Project; and

WHEREAS, this time limit was required under Health and Safety Code Section 33333.6(a) for redevelopment plans adopted on or before December 31, 1993; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) authorizes a redevelopment agency to amend a redevelopment plan by ordinance to provide that there shall be no time limit on the establishment of loans, advances, and indebtedness paid from the agency's low and moderate income housing fund or the establishment of more debt to fulfill the agency's affordable housing obligations; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) provides that, in adopting such an ordinance, neither a legislative body nor an agency must comply with provisions of the California Community Redevelopment Law relating to amendment of redevelopment plans; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) further provides that, in adopting such an ordinance, an agency is not required to make payments to affected taxing entities; and

WHEREAS, the Redevelopment Agency wishes to amend the Redevelopment Plan for the Acorn Redevelopment Project to eliminate the time limit on the establishment of loans, advances, and indebtedness paid from the Agency's Low and Moderate Income Housing Fund, and to eliminate the time limit on the establishment of debt to fulfill the Agency's affordable housing obligations; 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 Redevelopment Plan for the Acorn Redevelopment Project is hereby amended to provide that there shall be no time limit on the establishment of loans, advances, and indebtedness paid from the Redevelopment Agency’s Low and Moderate Income Housing Fund, and no time limit on the establishment of debt to fulfill the Redevelopment Agency’s affordable housing obligations.

SECTION 2. Ordinance No. 11760 C.M.S is hereby amended accordingly.

SECTION 3. The City Administrator 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, KERNIGHAN, NADEL, QUAN, REID, AND
 PRESIDENT DE LA FUENTE

NOES- _____

ABSENT- _____

ABSTENTION- _____

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

2005 DEC 23 AM 9:56

**AN ORDINANCE AMENDING THE ACORN URBAN RENEWAL
PLAN TO ELIMINATE THE TIME LIMIT ON ESTABLISHING
DEBT THAT IS PAID FROM THE LOW AND MODERATE
INCOME HOUSING FUND OR DEBT USED TO FULFILL
AFFORDABLE HOUSING OBLIGATIONS**

NOTICE AND DIGEST

This ordinance amends the Acorn Urban Renewal Plan to eliminate the time limit on the establishment of loans, advances, and indebtedness paid from the Redevelopment Agency's Low and Moderate Income Housing Fund, and to eliminate the time limit on the establishment of debt to fulfill the Redevelopment Agency's affordable housing obligations, as authorized under Health and Safety Code Section 33333.6(e)(4).

OFFICE OF THE CITY CLERK
APPROVED AS TO FORM AND LEGALITY
James R. ...
2005 DEC 28 AM 9:57
CITY ATTORNEY

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

AN ORDINANCE AMENDING THE OAK CENTER URBAN RENEWAL PLAN TO ELIMINATE THE TIME LIMIT ON ESTABLISHING DEBT THAT IS PAID FROM THE LOW AND MODERATE INCOME HOUSING FUND OR DEBT USED TO FULFILL AFFORDABLE HOUSING OBLIGATIONS

WHEREAS, the City Council adopted the Oak Center Urban Renewal Plan (the "Redevelopment Plan") for the Oak Center Redevelopment Project (the "Project") 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, 2004, on the ability of the Redevelopment Agency of the City of Oakland (the "Redevelopment Agency" or "Agency") to establish or incur loans, advances or indebtedness for the Project; and

WHEREAS, this time limit was required under Health and Safety Code Section 33333.6(a) for redevelopment plans adopted on or before December 31, 1993; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) authorizes a redevelopment agency to amend a redevelopment plan by ordinance to provide that there shall be no time limit on the establishment of loans, advances, and indebtedness paid from the agency's low and moderate income housing fund or the establishment of more debt to fulfill the agency's affordable housing obligations; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) provides that, in adopting such an ordinance, neither a legislative body nor an agency must comply with provisions of the California Community Redevelopment Law relating to amendment of redevelopment plans; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) further provides that, in adopting such an ordinance, an agency is not required to make payments to affected taxing entities; and

WHEREAS, the Redevelopment Agency wishes to amend the Redevelopment Plan for the Oak Center Redevelopment Project to eliminate the time limit on the establishment of loans, advances, and indebtedness paid from the Agency's Low and Moderate Income Housing Fund, and to eliminate the time limit on the establishment of debt to fulfill the Agency's affordable housing obligations; and

AN ORDINANCE AMENDING THE OAK CENTER URBAN
RENEWAL PLAN TO ELIMINATE THE TIME LIMIT ON
ESTABLISHING DEBT THAT IS PAID FROM THE LOW AND
MODERATE INCOME HOUSING FUND OR DEBT USED TO
FULFILL AFFORDABLE HOUSING OBLIGATIONS

NOTICE AND DIGEST

This ordinance amends the Oak Center Urban Renewal Plan to eliminate the time limit on the establishment of loans, advances, and indebtedness paid from the Redevelopment Agency's Low and Moderate Income Housing Fund, and to eliminate the time limit on the establishment of debt to fulfill the Redevelopment Agency's affordable housing obligations, as authorized under Health and Safety Code Section 33333.6(e)(4).

OFFICE OF THE CITY CLERK
APPROVED AS TO FORM AND LEGALITY
[Signature]
2005 DEC 28 AM 9:57 ATTORNEY

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

AN ORDINANCE AMENDING THE STANFORD/ADELINE REDEVELOPMENT PLAN TO ELIMINATE THE TIME LIMIT ON ESTABLISHING DEBT THAT IS PAID FROM THE LOW AND MODERATE INCOME HOUSING FUND OR DEBT USED TO FULFILL AFFORDABLE HOUSING OBLIGATIONS

WHEREAS, the City Council adopted the Stanford/Adeline Redevelopment Plan (the "Redevelopment Plan") for the Stanford/Adeline Redevelopment Project (the "Project") 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, 2004, on the ability of the Redevelopment Agency of the City of Oakland (the "Redevelopment Agency" or "Agency") to establish or incur loans, advances or indebtedness for the Project; and

WHEREAS, this time limit was required under Health and Safety Code Section 33333.6(a) for redevelopment plans adopted on or before December 31, 1993; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) authorizes a redevelopment agency to amend a redevelopment plan by ordinance to provide that there shall be no time limit on the establishment of loans, advances, and indebtedness paid from the agency's low and moderate income housing fund or the establishment of more debt to fulfill the agency's affordable housing obligations; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) provides that, in adopting such an ordinance, neither a legislative body nor an agency must comply with provisions of the California Community Redevelopment Law relating to amendment of redevelopment plans; and

WHEREAS, Health and Safety Code Section 33333.6(e)(4) further provides that, in adopting such an ordinance, an agency is not required to make payments to affected taxing entities; and

WHEREAS, the Redevelopment Agency wishes to amend the Redevelopment Plan for the Stanford/Adeline Redevelopment Project to eliminate the time limit on the establishment of loans, advances, and indebtedness paid from the Agency's Low and Moderate Income Housing Fund, and to eliminate the time limit on the establishment of debt to fulfill the Agency's affordable housing obligations; and

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CITY OF OAKLAND

2005 DEC 28 AM 9:57

**AN ORDINANCE AMENDING THE STANFORD/ADELINE
REDEVELOPMENT PLAN TO ELIMINATE THE TIME LIMIT ON
ESTABLISHING DEBT THAT IS PAID FROM THE LOW AND
MODERATE INCOME HOUSING FUND OR DEBT USED TO
FULFILL AFFORDABLE HOUSING OBLIGATIONS**

NOTICE AND DIGEST

This ordinance amends the Stanford/Adeline Redevelopment Plan to eliminate the time limit on the establishment of loans, advances, and indebtedness paid from the Redevelopment Agency's Low and Moderate Income Housing Fund, and to eliminate the time limit on the establishment of debt to fulfill the Redevelopment Agency's affordable housing obligations, as authorized under Health and Safety Code Section 33333.6(e)(4).