



# County of Santa Cruz

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## REDEVELOPMENT AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4000

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

TOMBURNS, AGENCY ADMINISTRATOR

May 5, 1999

Agenda: May 18, 1999

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

### IMPLEMENTATION OF AB 1342 — RDA PLAN TIME LIMITS

Dear Members of the Board:

Assembly Bill 1342 (Stats. 1998, ch. 635) clarifies sections of previous legislation regarding time limitations for redevelopment activities throughout the state. This legislation provides the opportunity to revise redevelopment plans, by ordinance, during 1999 to bring local plans into compliance with the new law. The purpose of this letter is to consider an ordinance to accomplish that action.

#### Background

The Community Redevelopment Reform Act of 1993 accomplished a number of fundamental changes in how redevelopment agencies conduct business. One area of change was to establish consistency throughout the state in terms of agencies' duration and bonding limitations. That legislation established three key time limits:

- No new loans could be established after 20 years from plan adoption;
- The plan implementation time limits could not exceed 40 years or a sooner date if previously established in an adopted redevelopment plan; and
- All debts incurred by an agency must be paid off within 10 years of the end of the plan implementation period.

In response to the requirements of this legislation, your Board approved an ordinance in March of 1994 to bring our redevelopment plan into compliance with the new time limits. (A copy of that ordinance is included at Attachment 2.)

Over the past few years, however, agencies throughout the state have raised fairness issues regarding these time limits from a number of perspectives. First of all, it seemed unfair that new project areas could have longer time durations (40 years) than long-established project areas with previously-adopted shorter implementation periods. But more importantly, because of an unexpected consequence of the law, older project areas with shorter implementation time frames would have much less flexibility in financing because the time limitations on retirement of debt were being tied to the time for plan implementation. In other words, while the limitation on the time for plan implementation could have little impact on older agencies, tying the limit for paying off debt to 10 years beyond that time frame could dramatically impact an agencies ability to finance long term debt. These concerns are relevant for the Live Oak - Soquel Project Area.

### **AB 1342**

In response to these concerns, the legislature passed AB 1342 this past session. The legislation allows agencies to amend plans to extend the implementation period up to that allowed in the Community Redevelopment Reform Act of 1993. The net affect to the Live Oak - Soquel Redevelopment Plan is as follows:

- the time line for creating debt remains at 2007;
- the time limits for retiring debt is amended from 2022 to 2037, thereby providing the ability to sell typical 30 year bonds up to 2007; and
- the time to complete implementation of the plan would be extended from 2012 to 2027, although practically speaking, this would simply provide more flexibility in wrapping up pending projects beyond the current 2012 limitation.

An ordinance to make the changes provided by AB 1342 has been prepared for your Board's action.

### **Recommendation**

Adoption of the attached ordinance will bring our redevelopment plan into compliance with AB 1342 and provide greater flexibility for financing and implementing the completion of projects within the Live Oak and Soquel communities. It is therefore RECOMMENDED that your Board take the following actions:

1. Accept and file this report on AB 1342;
2. Direct the Clerk of the Board to file the attached Notice of CEQA Exemption for ordinance (Attachment 3); and

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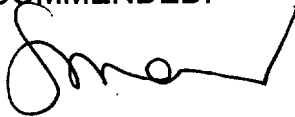
3. Adopt in concept the attached ordinance (Attachment I), direct the Clerk to place it on the next available agenda for final adoption, and direct the Clerk to publish the required legal notice.

Very truly yours,



Tom Burns  
Redevelopment Agency Administrator

RECOMMENDED:



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Susan A. Mauriello  
County Administrative Officer

Attachments:

1. Proposed Ordinance
2. Previous Ordinance dated March 22, 1994
3. CEQA Notice of Exemption

cc. RDA

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ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING THE LIVE OAK/SOQUEL REDEVELOPMENT PLAN  
TO CONFORM TO AB 1342 REDEVELOPMENT LAW CHANGES  
(HEALTH AND SAFETY CODE SECTION 33333.6)**

WHEREAS, the Board of Supervisors adopted Ordinance 3836 on May 12, 1987 adopting the Live Oak/Soquel Redevelopment Plan; and

WHEREAS, various changes to State Redevelopment Law were enacted effective January 1, 1994 (AB 1290, Chapter 942, Statutes of 1993); and

WHEREAS, the Board of Supervisors adopted Ordinance 4297 on March 22, 1994 in response to the requirements of that legislation; and

WHEREAS, in response to concerns regarding inequities contained within that legislation, additional changes to State Redevelopment Law were enacted effective January 1, 1999 (AB 1342, Chapter 635, Statutes of 1998); and

WHEREAS, that legislation allows redevelopment agencies to further amend, by ordinance of the legislative body (the Board of Supervisors), those time limits to provide greater flexibility for financing and implementing redevelopment plans; and

WHEREAS, Sections 33333.6 establishes that the adoption of such an ordinance is not required to be processed as a formal redevelopment plan amendment; and

WHEREAS, upon review of the Live Oak/Soquel Redevelopment Plan, as amended, it appears that further amendment of the plan to conform to the time limitations of AB 1342 would be of benefit to the residents of the project area and provide for orderly completion and implementation of the Redevelopment Plan;

NOW, THEREFORE, BE IT ORDAINED BY the Board of Supervisors of the County of Santa Cruz as follows:

Section 1. Duration of the Plan

Section IX. Of the Redevelopment Plan shall be amended to read as follows:

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan will be effective and the provisions of other documents formulated pursuant to this Plan may be made effective for forty (40) years from the date of adoption of this Plan by the Board of Supervisors.

Section 2. Loan Payment Limitations

Section VI.C.(8) of the Redevelopment Plan, as amended by Ordinance 4297 on March 22, 1994, is hereby amended to read as follows:

Except as required to pay off any debt incurred by the Agency prior to January 1, 1994 or to retire debt incurred to be paid from the Low and Moderate Income Housing Fund to fulfill the Agency's housing obligations, the Redevelopment Agency shall not pay indebtedness or receive property taxes after 50 years following the date of adoptions of the ordinance approving and adopting this Redevelopment Plan.

Section 3. Other Plan Time Limits

Except as provide herein, all other time limitations provided within the Redevelopment Plan and as amended in Ordinance 4297, adopted on March 22, 1994, shall remain in effect.

Section 4. Effective Date

This ordinance shall be in force and take effect thirty-one (31) days after its final adoption.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 1999, by the Board of Supervisors of the County of Santa Cruz by the following vote:

- AYES:                SUPERVISORS
- NOES:                SUPERVISORS
- ABSENT:            SUPERVISORS
- ABSTAIN:           SUPERVISORS

\_\_\_\_\_  
Chairperson of the Board

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

*Joe M. Scott*  
County Counsel

DISTRIBUTION:        COUNTY COUNSEL  
                              REDEVELOPMENT AGENCY

**ORDINANCE NO. 4297****ORDINANCE AMENDING THE LIVE OAK/SOQUEL REDEVELOPMENT PLAN  
TO CONFORM TO 1993 REDEVELOPMENT LAW CHANGES  
(HEALTH AND SAFETY CODE SECTION 33333.6)**

WHEREAS, the Board of Supervisors adopted Ordinance 3836 on May 12, 1987 adopting the Live **Oak/Soquel** Redevelopment Plan; and

WHEREAS, various changes to State Redevelopment Law were enacted effective January 1, 1994 (AB 1290, Chapter 942, Statutes of 1993); and

WHEREAS, included within those changes is the addition of Section 33333.6 of the Health and Safety Code, which requires specific time limitations for redevelopment plans adopted prior to January 1, 1994; and

WHEREAS, Section 33333.6 (e) (1) requires that if adopted redevelopment plans have time limits which exceed those established by the new law or do not contain limits now required, that the legislative body (Board of Supervisors) must adopt an ordinance amending the redevelopment plan to conform to the newly adopted limits; and

WHEREAS, Sections 33333.6 (e) (2) establishes that the adoption of that ordinance is not required to be processed as a formal redevelopment plan amendment; and

WHEREAS, upon review of the Live **Oak/Soquel** Redevelopment Plan, it appears that adoption of such an ordinance is required to bring that Plan into compliance with the required time limits;

NOW, THEREFORE, BE IT ORDAINED BY the Board of Supervisors of the County of Santa **Cruz** as follows:

Section 1. Loan Limitations

Section **VI.C.(5)** of the Redevelopment Plan **shall** be amended to read:

No loan, advance, or indebtedness to be repaid from allocations of taxes established or incurred by the Agency to finance the Project will be established or incurred after twenty (20) years following the date of adoption of the ordinance approving and adopting this Redevelopment Plan. This time limitation may be extended only by amendment of the Plan. This limit, however, shall not prevent the Agency from incurring debt beyond the 20 year period if it is to be paid from the Low and Moderate Income Housing Fund in order to fulfill the Agency's affordable housing obligations.

Section 2. Loan Repayment Limitations

Section VI.C.(8) is hereby added to the Redevelopment Plan to read:

Except as required to pay off any debt incurred by the Agency prior to January 1, 1994 or to retire debt incurred to be paid from the Low and Moderate Income Housing Fund to fulfill the Agency's housing obligations, the Redevelopment Agency shall not pay indebtedness or receive property taxes after 35 years following the date of adoption of the ordinance approving and adopting this Redevelopment Plan.

Section 3. Effective Date

This ordinance shall be in force and take effect thirty-one (31) days after its final adoption.

PASSED AND ADOPTED this 22nd day of March, 1994, by the Board of Supervisors of the County of Santa Cruz by the following vote:

- AYES:           **SUPERVISORS** Beautz, Symons, Belgard, Keeley and Patton
- NOES:           **SUPERVISORS** None
- ABSENT:       **SUPERVISORS** None
- ABSTAIN:      **SUPERVISORS** None

**GARY A. PATTON**  
\_\_\_\_\_  
Chairperson of the Board

ATTEST: SUSAN M. ROZARIO  
Clerk of the Board

APPROVED AS TO FORM:

Dee S  
County Counsel

DISTRIBUTION:   **COUNTY COUNSEL**  
                          **REDEVELOPMENT AGENCY**

I HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THE OFFICE ATTEST MY HAND AND SEAL THIS 22 DAY OF March 1994  
SUSAN A. MARIBELLO, COUNTY ADMINISTRATIVE OFFICER AND EX-OFFICIO CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ, CALIFORNIA.  
BY: S. Rock DEPUTY

NOTICE OF EXEMPTION  
FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT

704

The County of Santa Cruz has reviewed the project described below and has determined that it is exempt from the provisions of CEQA as specified in Sections 15061 - 15329 of CEQA for the reason(s) which have been checked on this document.

Application No. None

Assessor Parcel No. All parcels within Live Oak and Soquel Redevelopment area

Project Location: Live Oak/Soquel Redevelopment Area, Santa Cruz County

Project Description: Implementation of AB 1342 by adoption of an ordinance to extend the Redevelopment Plan time limits.

Person or Agency Proposing Project: County of Santa Cruz Redevelopment Agency

Phone Number: 454-2280 (Tom Burns)

- A.  The proposed activity is not a project under CEQA Guidelines, Sections 15061 and 15378.
- B.  Ministerial Project involving only the use of fixed standards or objective measurements without personal judgement.
- C.  Statutory Exemption other than a Ministerial Project.  
Specify type:

D. Categorical Exemption

- |  |                          |  |
|--|--------------------------|--|
| Existing Facility  | <input type="checkbox"/> | 17. Open Space Contracts or Easements                                  |
| Replacement or Reconstruction  | <input type="checkbox"/> | 18. Designation of Wilderness Areas                                    |
| New Construction of Small Structure  | <input type="checkbox"/> | 19. Annexation of Existing Facilities/Lots for Exempt Facilities       |
| Minor Alterations to Land Alterations in Land Use Limitation Information   | <input type="checkbox"/> | 20. Changes in Organization of Local Agencies                          |
| Actions by Regulatory Agencies for Protection of the Environment           | <input type="checkbox"/> | 21. Enforcement Actions by Regulatory Agencies                         |
| Actions by Regulatory Agencies for Protection of Nat. Resources Inspection | <input type="checkbox"/> | 22. Educational Program  |
| Loans  | <input type="checkbox"/> | 23. Normal Operations of Facilities for Public Gatherings              |
| Accessory Structures   | <input type="checkbox"/> | 24. Regulation of Working Condition                                    |
| Surplus Govt. Property Sales   | <input type="checkbox"/> | 25. Transfers of Ownership of Interests in Land to Preserve Open Space |
| Acquisition of Land for Wild Life Conservation Purposes                    | <input type="checkbox"/> | 26. Acquisition of Housing for Housing Assistance Programs             |
| Minor Additions to Schools   | <input type="checkbox"/> | 27. Leasing New Facilities   |
| Minor Land Division  | <input type="checkbox"/> | 28. Small Hydroelectric Projects at Existing Facilities                |
| Transfer of Ownership of Land to Create Parks                              | <input type="checkbox"/> | 29. Cogeneration Projects at Existing Facilities                       |

Lead Agency Other Than County: \_\_\_\_\_

7SMG Daniel, Staff Planner

Date: 4/28/99