

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL COUNCIL MEETING DATE: AUGUST 2, 1989

FROM: THE CITY MANAGER'S OFFICE

SUBJECT: FEASIBILITY STUDY ON THE FORMATION OF A REDEVELOPMENT AGENCY FOR THE CITY OF LODI

INDICATED ACTION: Consider the recommendation of the Planning Commission to hire a consultant to conduct a feasibility study on the formation of a Redevelopment Agency for the City of Lodi.

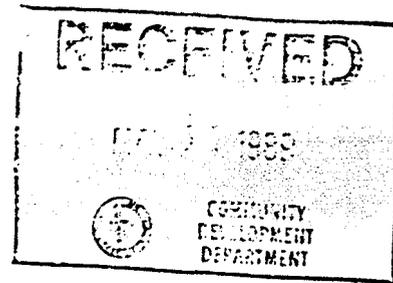
BACKGROUND INFORMATION: At its July 10, 1989 regular session the Planning Commission received a presentation from the City Attorney of the purpose and mechanics of creating a Redevelopment Agency. This presentation had been at the request of the Planning Commission. The City Attorney's memorandum is attached for City Council review.

It is probable that some members of the Planning Commission will be present to express their ideas on this recommendation.


JAMES B. SCHROEDER
Community Development Director

Attachment

MEMORANDUM



To: Planning Commission Members
James B. Schroeder, Community Development Director
David Morimoto, Associate Planner

From: Bob McNatt, City Attorney

Date: May 16, 1989

Re: Overview of Purpose For and Mechanics of Creating a
Redevelopment Agency

At the request of the Planning Commission, this memo has been prepared as a brief overview of the purpose for and mechanics of creating a Redevelopment Agency. It is somewhat brief because the topic is a broad one, and an attempt to cover it comprehensively would require something the size of a textbook.

The applicable law is found in the Community Redevelopment Law (Health and Safety Code (H&S) 933000 et seq., the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.), miscellaneous provisions of the Political Reform Act (Government Code §81000) and the Relocation Assistance Law (Government Code §7260 et seq.).

The general purposes and goals of a Redevelopment Agency are to prepare plans for the redevelopment of blighted areas, to disseminate information on redevelopment, and to accept or obtain financial assistance from public and private sources, to acquire or dispose of land, build or rehabilitate real property, and thereafter to manage or operate it (H & S §33000 et seq.; 51 Cal.Jur. 3d, Public Housing, §37).

As stated in H&S § 33100, there is a Redevelopment Agency in every community, which cannot function until the City Council declares the need for such Agency by ordinance. This ordinance is then filed with the Secretary of State in order to officially activate the Redevelopment Agency (H&S § 33101).

The members of the agency are appointed by the Council (H&S § 33110) and may constitute a board of 5 or 7 members. In the alternative, the Council may designate itself as the Redevelopment Agency (H&S §§33114.5; §33200).

The activities which a Redevelopment Agency may carry out are also specified by statute. Generally, the first activity involves the drafting and adoption of a Redevelopment Plan (H&S § 33131) and a determination of the area which is to be redeveloped. Certain findings are also required for the determination of this "blighted area" which is to be the redevelopment area (H&S § 33320.1). "Blight" is defined as "unfit or unsafe buildings" or "property suffering from economic dislocation, deterioration or disuse because of:

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1. Faulty planning
2. Physical conditions
3. Depreciated values
4. Inadequate public improvements
5. Impaired investment, or
6. Flooding

The Planning Commission is charged with responsibility for the formal selection of the redevelopment project area (H&S § 33322, § 33325).

In addition to the study and adoption of the redevelopment plan and designation of the redevelopment area, an environmental impact report (EIR) is required under Public Resources Code § 21000 et seq. The Planning Commission would also be involved in that process, since the designation of a redevelopment area is a "project" within the meaning of CEQA.

If a Redevelopment Agency is deemed appropriate, some of the benefits associated with the function of such Agency include the ability to accept certain public or private aid (including Federal grants if available), the power to issue certain types of bonds or certificates of participation which may be utilized to pay for projects, and such financing vehicles as tax increment financing.

In addition, the Redevelopment Agency is deemed an independent entity for purposes of eminent domain, possessing independent authority under the Government Code and Code of Civil Procedure. The Redevelopment Agency can do some things that the City Council cannot in conjunction with redevelopment projects, such as the acquisition, rehabilitation and sale of private property. The Council is generally prohibited from rehabilitating and then selling on the open market, the real property acquired by condemnation. This is one of the attributes of a Redevelopment Agency, however.

I would be happy to address specific questions which you might have.



Bob McNatt
City Attorney

BM:vc

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