

Meeting Date: 2/8/11

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 6C



Date: February 2, 2011

To: Mayor and Council for Information
Redevelopment Agency for Information

From: City Manager/Executive Director of the Redevelopment Agency

Subject: Notification Schedule for Public Hearing on SB211 Amendment to Bayshore North Redevelopment Plan

As reported to the City Council/Redevelopment Agency at the January 25, 2011 Joint City Council/Redevelopment meeting, the notification process for a SB211 Amendment to the Bayshore North Redevelopment Plan is being implemented. The notification schedule for the amendment is as follows:

January 21, 2011: Mailed Notification to affected taxing agencies.
February 2, 2011: Publication of Notice of Public Hearing in Santa Clara Weekly Newspaper.
February 22, 2011: Joint meeting of the City of Santa Clara and its Redevelopment Agency for First Reading and Pass to Print of the SB211 Amendment.
March 15, 2011: Joint Public Hearing of City of Santa Clara and its Redevelopment Agency for adoption of SB211 Amendment (Ordinance is effective 30 days after March 15, 2011).

Attached is a memorandum from Redevelopment Agency attorney Karen Tiedemann describing the process and substance of the proposed SB211 Amendment for information.



Jennifer Sparacino
City Manager/Executive Director
for Redevelopment Agency

Documents Related to this Report:

1) Memorandum from Redevelopment Agency attorney Karen Tiedemann, dated February 1, 2011

\\AGENDA REPORTS\2011\SB211 Notification Schedule.doc

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February 1, 2011

memorandum

To

Jennifer Sparacino
Ron Garrett

From

Karen Tiedemann

RE

SB 211 Amendment to Bayshore North Redevelopment Plan

This memo outlines the process and substance of the proposed SB 211 amendment to the Bayshore North Redevelopment Plan.

In 1994 as part of redevelopment reform legislation all redevelopment agencies were required to amend their redevelopment plans to include certain time limits on various agency activities pursuant to the plans. These time limits include limits on the time period during which agencies can incur debt, time limits on redevelopment agency activities and time limits on the receipt of tax increment. Pursuant to the legislation, which is commonly referred to as AB 1290, the maximum time limit allowed in a redevelopment plan for incurrence of debt for plans adopted prior to 1994 was the later of twenty years from the date of adoption of the redevelopment plan or January 1, 2004. In conformance with AB 1290, the City Council of Santa Clara adopted an ordinance in 1994 amending the Bayshore North Redevelopment Plan to include the required time limits, including a time limit on the incurrence of debt that prohibits the agency from incurring debt after January 1, 2004.

In 2002 legislation, commonly referred to as SB 211, was adopted that allowed agencies with plans adopted prior to 1994 to eliminate the time limit on incurring debt, thus allowing those agencies to continue to incur debt until their plan activities limit is reached. The amendment procedures to eliminate the debt incurrence limit requires only the adoption of an ordinance after a noticed public hearing. Although the amendment process is simplified there are financial consequences to adopting an SB 211 amendment to eliminate the debt limit. Agencies electing to eliminate their debt incurrence limit are required to pay statutory pass through payments to all taxing agencies that do not have negotiated pass through agreements beginning in the first fiscal year after the adoption of the SB 211 amendment. These pass through payments are set by statute and are a percentage of the increase in tax increment from the date

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that the original debt incurrence limit expired, which in Santa Clara's case would be 2004.

Pursuant to the Community Redevelopment Law, prior to adopting the SB 211 amendment to eliminate the debt incurrence limit, the Agency must notice a public hearing. The notice of the public hearing must be sent to the taxing agencies, such as the school districts and the county, at least 30 days before the public hearing. The notice of the public hearing also must be published in a newspaper of general circulation at least ten days prior to the hearing. The ordinance adopting the SB 211 amendment must be adopted pursuant to the City's standard ordinance adoptions procedures, which require two readings of the ordinance and publication of the ordinance between the first and second reading. The ordinance is effective thirty days after the second reading.