

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

851



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
January 28, 2010

**SUBJECT:** Resolution Number 2010-032 Supporting Amending Section 33214 of the California Health and Safety Code Section

**RECOMMENDED MOTION:** That the Board of Supervisors adopt Resolution Number 2010-032 in support of amending Section 33214 of the California Health and Safety Code to allow for the completion of otherwise eligible affordable housing development projects.

**BACKGROUND:** The California Community Redevelopment Law (Health and Safety Code Section 33000 et seq) requires that at least 20% of all tax increment funds be set aside and used to increase, improve and preserve the community's supply of affordable housing. These funds may be used inside or outside a redevelopment project area upon specified findings. The law also provides that such set aside funds be used within the agency's territorial jurisdiction, which is further defined as the unincorporated area in the county.

(Continued)

FORM APPROVED COUNTY COUNSEL  
BY: TIFANY N. NORTH DATE: 1/28/10  
Departmental Concurrence

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	09 /10

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** Yes

<b>SOURCE OF FUNDS:</b> RDA Low and Moderate Housing Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Jennifer L. Sargent*

**County Executive Office Signature** Jennifer L. Sargent

- Dep't Recomm.:  Consent
- Per Exec. Ofc.:  Consent
- Policy
- Policy

**Prev. Agn. Ref.:** **District:** ALL **Agenda Number:**

3.27

**BACKGROUND:**

The Redevelopment Agency for the County of Riverside initiated two affordable housing projects in then unincorporated areas including Menifee and Wildomar and one project in a currently unincorporated area, but subject to a current annexation action, adjacent to Indio. These projects are located outside a redevelopment project area.

After execution of enforceable agreements, expenditures of funds and acquisition of real property, each area became ineligible for RDA housing set aside funds because the areas became or will become part of an incorporated city's territory and are outside a redevelopment project area. All three projects have accomplished full development entitlement and are ready for financing and construction. Each respective city and community has been involved and supportive of the respective affordable housing project and desires that each project reach completion as originally conceived. The potential and unintended result is abandoned development, further contributing to the blight of a neighborhood.

The proposed legislation will amend the California Community Redevelopment law to allow the territorial jurisdiction of the Redevelopment Agency for the County of Riverside to include unincorporated territory located outside of a project area even if that territory is subsequently annexed to a city or included within the boundaries of a new city if prior to the effective date of annexation or incorporation of such territory the Agency either (a) entered into a binding agreement with a third party with respect to such territory in furtherance of one or more of the affordable housing purposes set forth in Section 33334.2, or (b) acquired land or otherwise expended moneys with respect to such territory from the Agency's Low and Moderate Income Housing Fund.

County Counsel has reviewed and approved as to form the attached resolution. Staff recommends approval.

**RESOLUTION NUMBER 2010-032**

**SUPPORTING AN AMENDMENT TO SECTION 33214 OF THE CALIFORNIA HEALTH AND SAFETY CODE TO ALLOW FOR THE COMPLETION OF OTHERWISE ELIGIBLE AFFORDABLE HOUSING**

I. WHEREAS, the Redevelopment Agency for the County of Riverside (Agency) is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the California Community Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq); and

II. WHEREAS, pursuant to Section 33334.2 of the Health and Safety Code, the Agency is required to use not less than twenty percent (20%) of the tax increment to increase, improve and preserve the community's supply of low and moderate income housing ("Housing Set Aside Funds"); and

III. WHEREAS, pursuant to Section 33334.2(g) of the California Health and Safety Code, the Agency is authorized to use the above described Housing Set Aside Funds to increase, improve and preserve the community's supply of low and moderate income housing in areas that are outside the boundaries of established redevelopment project areas but within the territorial jurisdiction of the Agency upon a finding that such a use of these funds will benefit the established project areas; and

FORM APPROVED COUNTY COUNSEL  
BY: *Tiffany N. North* 1/28/10  
DATE  
TIFFANY N. NORTH

1 IV. WHEREAS, the Agency and the County of Riverside have found and  
2 determined affordable housing outside of the various project areas does benefit  
3 the project areas; and

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5 V. WHEREAS, Section 33120 of the California Health and Safety Code currently  
6 defines the territorial jurisdiction of the agency of a county to be the  
7 unincorporated territory in the county; and

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9 VI. WHEREAS, Section 33214 of the California Health and Safety Code allows the  
10 unincorporated territory that was included in a project area to survive and  
11 remain as territorial jurisdiction of the agency even if that territory is  
12 subsequently annexed to a city or included within the boundaries of a new city;  
13 and

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15 VII. WHEREAS, the Agency acquired, or facilitated the acquisition of, and initiated  
16 the process of developing affordable housing on real property located outside a  
17 redevelopment project area but within the unincorporated area, which were  
18 eligible for the expenditure of the above described Housing Set Aside Funds at  
19 the time of property acquisition and expenditure of these funds; and

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21 VIII. WHEREAS, subsequent to the compliant acquisition of real property and  
22 expenditure of the above described Housing Set Aside Funds, the area  
23 surrounding and including the subject real property was included in the  
24 incorporation of a new city or is to be included in the annexation of an existing  
25 city; and

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27 IX. WHEREAS, the affected cities include the newly incorporated Cities of Menifee  
28 and Wildomar and the existing City of Indio; and

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X. WHEREAS, all the cities and the County support the subject affordable housing development projects; and

XI. WHEREAS, the incorporation and annexation efforts result in the unintended consequence of an unfinished development project for lack of authority by the Agency to continue expending the above described Housing Set Aside Funds and complete the initiated project as a direct result of the intervening incorporation or annexation; and

XII. WHEREAS, an abandoned development project further contributes to the blight of a neighborhood in direct contradiction to the spirit and purpose of redevelopment; and

XIII. WHEREAS, the County, Agency and each of the respective cities desire each of the proposed affordable housing development projects to reach fruition.

**BE IT RESOLVED, FOUND, DETERMINED AND ORDERED** by the Board of Supervisors of the County of Riverside, in regular session assembled on February 9, 2010, that::

Section 1. The Board of Supervisors hereby finds and determines that the foregoing recitals are true, correct and incorporated herein.

Section 2. The Board of Supervisors hereby supports proposed legislation amending Section 33214 of the California Health and Safety Code which intends to, in relevant part, defines that

1 “the territorial jurisdiction of the Redevelopment Agency for the County of  
2 Riverside shall include unincorporated territory located outside a project  
3 area . . . even if that territory is subsequently annexed to a city or included  
4 within the boundaries of a new city . . . if prior to the effective date of  
5 annexation or incorporation of such territory . . . the Agency either (a)  
6 entered into a binding agreement with a third party with respect to such  
7 territory in furtherance of one or more of the affordable housing purposes  
8 set forth in Section 33334.2, or (b) acquired land or otherwise expended  
9 moneys with respect to such territory from the Agency’s Low and Moderate  
10 Income Housing Fund established pursuant to Section 33334.3.”

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