

MEMORANDUM OF LAW

DATE: March 8, 1988

TO: Maureen A. Stapleton, Deputy City Manager  
FROM: City Attorney  
SUBJECT: Reappropriations

Please excuse the inordinate delay in replying to your memorandum of January 12, 1988 regarding the above-captioned matter.

You ask about the applicability of City Charter Section 71a to the Redevelopment Agency, Centre City Development Corporation ("CCDC") and Southeast Economic Development Corporation ("SEDC"). You indicate that since the Agency is a "wholly-owned subsidiary" of the City and CCDC and SEDC are "instruments" of the City via the Agency that Section 71a could be construed to cover these entities as "City officers, departments, services or institutions" to which the reappropriation provisions of the Charter section applies. For your ready reference a copy of Section 71a is attached to this memorandum as Enclosure (1).

We think it highly unlikely that Charter Section 71a applies to the entities in question. Part of our reasoning goes to the very nature of the Redevelopment Agency itself. It is a creature of state statute (the Community Redevelopment Law, California Health and Safety Code, Division 24, Part 1, Section 33000, et seq.). It is not a "wholly-owned subsidiary" of the City.

Health and Safety Code Section 33100 states that there is in each community a public body, corporate and politic, known as the redevelopment agency of the community. Resolution No. 147378 dated May 6, 1958, copy attached as Enclosure (2) to which you refer is the determination by our City Council to be the redevelopment agency and was enacted by the legislative body pursuant to the authorization contained in Health and Safety Code Section 33200.

Thus, we think the Charter Section inapplicable to the Agency. In as much as CCDC and SEDC are non-profit corporations,

the sole member of which is the Redevelopment Agency, we also believe the Charter Section inapplicable to them.

By copies of this memorandum of law, we are requesting Mr. Bruce Ballmer, Special Counsel to the Agency and Mr. Larry Marshall, General Counsel to CCDC and SEDC to advise us if their views are to the contrary.

JOHN W. WITT, City Attorney

By

C. M. Fitzpatrick  
Assistant City Attorney

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Enclosures (1) & (2)

cc Valderhaug

Gardner

Thomas

ML-88-24