

DATE ISSUED: July 9, 2003

REPORT NO. 03-145

ATTENTION: Honorable Mayor and City Council Docket of July 15, 2003

SUBJECT: Amendments to the Formation Procedures for the City Heights, College Community, and North Bay Project Area Committees (PAC's)

SUMMARY:

Issue - Should the City Council amend the Formation Procedures for three (3) PAC's?

City Manager's Recommendation – Approve the Project Area Committee Formation Procedure Amendments as discussed in this report.

Fiscal Impact – None with this action.

Environmental Impact - This activity is not a “project” and is therefore exempt from CEQA pursuant to the State CEQA Guidelines Section 15060 (c) (3).

BACKGROUND:

California Community Redevelopment Law (i.e., Section 33385 of the California Health and Safety Code) requires the legislative body of a city to call upon the residents and existing community organizations in a redevelopment **Project Area** to form a **Project Area Committee (PAC)** if: 1) a substantial number of low-or moderate-income persons reside within the **Project Area**, and the redevelopment plan will contain authority for the redevelopment agency to acquire, by eminent domain, property on which any persons reside; or 2) the redevelopment plan contains one or more public projects that will displace a substantial number of low-or moderate-income persons. The minimum statutory limitation for retaining a PAC is three (3) years after the adoption of a redevelopment plan. Beyond this minimum, the life of a PAC may be extended annually, which usually occurs in conjunction with its annual election cycle.

Each PAC is formed and conducts its business in accordance with specific PAC Formation Procedures (Procedures) that were individually adopted by the City Council. These Procedures

address the purpose and authority of the PAC, define the PAC's composition and membership, establish eligibility requirements for the term of membership, set procedures for holding elections, etc.

On July 8, 2002, the City Council directed the City Manager to address the validity of candidates to be representative of and eligible to serve on the PAC. The issue arose in conjunction with the City Council's ratification of the Crossroads PAC election, but was subsequently deemed to apply to the Procedures of the six (6) PAC's administered by the Redevelopment Division, Community & Economic Development Department (CED).

On May 20, 2003, the City Council authorized the City Manager to proceed with amending the Procedures for the 6 CED-administered PAC's. The amendments included the recommendations in Manager's Report No. 03-098 of April, 2003 as well as specific direction provided by the Council at the May 20, 2003 meeting.

The rationale for processing amendments to only 3 (City Heights, College Community, and North Bay) of the six CED-administered PAC's at this time is based upon the immediacy of the approaching annual elections (October and November, 2003). The remaining 3 PAC's (Barrio Logan, Crossroads, and North Park) do not conduct annual elections until calendar 2004 or later; thus, amending their Procedures is far less time sensitive. Staff will process Formation Procedure amendments for the Barrio Logan, Crossroads, and North Park PAC's in the fall of 2003.

DISCUSSION:

Pursuant to Council direction, staff was directed to effect the following amendments to the Procedures for all CED-administered PAC's. The amendments include:

1. 72-hour deadline for receipt of PAC candidate materials & no write-in candidates allowed.
2. Business or property owner (BUSINESS category) may vote OR designate in writing ONE person (i.e., employee only) as proxy. Proxy must be submitted 72 hours prior to the election.
3. BUSINESS category - Require two (2) forms of identification (one being a property tax bill, lease, deed to property, or document proving business activity at address on Business Tax Certificate). Business must be in existence 2 years prior to PAC election.
4. COMMUNITY ORGANIZATIONS category – Reduce eligibility requirement to “at least two years prior to the current PAC election date” vs. “prior to PAC formation.”
5. City Clerk to administer “coin toss” to resolve tie PAC election vs. run-off elections.
6. City Clerk to administer filing of PAC member Form 700 (Conflict of Interest).
7. Obtain Council approval to hold PAC election prior to noticing and conducting the annual election (within no prescribed period of time).

8. Definition of the term Business is: “Any lawful activity conducted by a for profit entity only within the Project Area whose overall function and purpose are primarily: (1) for the purpose, sale, lease, or rental of personal and real property, and manufacture, processing or marketing of products, commodities, or any other personal property; or (2) for sale of services to the public.”

In addition, the City Attorney has determined that “crossover voting between categories of residential owner occupants, residential tenants, and business owners is prohibited” by State Law. This situation was initially thought to only occur in conjunction with the City Heights PAC; however, staff has subsequently determined that “crossover voting” occurs also with the College Community PAC. Although this issue has not been discussed with the College Community or North Bay PAC’s, staff has incorporated the prohibition in the amendments to all three Procedures consistent with the City Attorney’s interpretation and State Law.

Attached to this report are the three amended Procedures (in strike-out and underscore format) for College Community, City Heights, and North Bay, which are consistent with Council direction. Staff has prepared three (3) Resolutions addressing each PAC amendment, thus allowing the Council to act in concert or separately in effecting the respective Procedures.

ALTERNATIVES

Continue to allow individual PAC’s to have unique Procedures and definitions regarding eligibility for PAC membership. This alternative is not recommended.

Respectfully submitted,

Hank Cunningham
Community and Economic Development Director

Approved: Bruce Herring
Deputy City Manager

Note: The attachments are not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachment:

1. Amended Formation Procedures for the City Heights PAC
2. Amended Formation Procedures for the College Community PAC
3. Amended Formation Procedures for the North Bay PAC