

Memorandum 2012-25

**Community Redevelopment Law Cleanup:
Owner Participation and Project Area Committee**

Health and Safety Code Section 34189(b) requires the Law Revision Commission to “draft a Community Redevelopment Law cleanup bill for consideration by the Legislature no later than January 1, 2013.” The Commission is using the following general methodology for the conduct of that study:

- The Commission’s clean-up work will be limited to making technical changes to conform to the effect of ABx1 26 (Blumenfield), 2011 Cal. Stat. ch. 5.
- The Commission will not recommend any revisions to construe, clarify, or alter the substantive effect of ABx1 26.
- The Commission’s clean-up work will not alter the existing powers and duties of successor agencies, as established by ABx1 26.
- The Commission’s clean-up work will not alter the existing status of the employees of former redevelopment agencies, as established by ABx1 26.
- The Commission’s clean-up work will not disturb the existing allocation of the revenue of former redevelopment agencies, as established by ABx1 26.
- The scope of the Commission’s clean-up work will include Parts 1, 1.5, 1.7, 1.8, 1.85, and 1.9 of Division 24 of the Health and Safety Code. The Commission will also correct any cross-references to any of those provisions.
- If a provision of the community redevelopment statutes contains an apparent substantive defect or its meaning is unclear, the Commission may note the matter in an appendix for inclusion in the Commission’s final report. The appendix will state expressly that it has been prepared solely for informational purposes and that the Commission does not take any position on whether or how any of the issues noted in the appendix should be addressed. The appendix will also make clear that the omission of any issue from the appendix should not be construed to infer that the

Any California Law Revision Commission document referred to in this memorandum can be obtained from the Commission. Recent materials can be downloaded from the Commission’s website (www.clrc.ca.gov). Other materials can be obtained by contacting the Commission’s staff, through the website or otherwise.

The Commission welcomes written comments at any time during its study process. Any comments received will be a part of the public record and may be considered at a public meeting.

Commission evaluated the issue and concluded that it is unproblematic.

- If the Commission determines that a provision of the community redevelopment statute is wholly obsolete, it shall recommend the provision's repeal.
- The Commission's clean-up proposal will include a general "savings provision." The savings provision will expressly declare that the Commission's clean-up work does not have any effect on the existing powers and duties of successor agencies, the existing rights and obligations of the employees of former redevelopment agencies, the existing rules for allocation of the revenue of former redevelopment agencies, or any other substantive effect of ABx1 26.

See Minutes (Feb. 2012), p. 6; Minutes (April 2012), p. 9. The concept of the "savings provision" is explained in Memorandum 2012-11. For the current draft of the savings provision, see Memorandum 2012-20; see also Minutes (April 2012), pp. 3-6.

This memorandum provides preliminary analysis and staff recommendations regarding Articles 6 and 6.5 of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code (Sections 33380-33388). Article 6 relates to owner participation in the redevelopment process; Article 6.5 relates to formation of a project area committee and the role of such a committee. In addition to analyzing those articles, this memorandum analyzes a few other provisions on the same subjects (Health & Safety Code §§ 33339, 33340, 33345, 33347.5). All of the statutes discussed in this memorandum are reproduced in the attached Exhibit.

In many places, this memorandum refers to the "transitional period," a term that is defined in the proposed savings provision. At the April meeting, the Commission decided to revise its definition of "transitional period" to refer to mediation, but it did not decide exactly how to implement that decision. See Minutes (April 2012), p. 5. The staff has since recommended the following language to address that point, as well as an additional issue noted in another memorandum:

"Transitional period" means the period during which either or both of the following are true:

(A) A successor agency, housing successor, or other entity or individual is winding down the affairs of a former redevelopment agency.

(B) A redevelopment-related proceeding is pending or may be legally commenced. For the purposes of this section, "proceeding" means any adjudicative, investigative, or dispute resolution

proceeding, including, without limitation, a civil, criminal, or administrative action or proceeding, mediation, or arbitration.

See Memorandum 2012-20, pp. 3-4; Memorandum 2012-22, p. 33. Throughout this memorandum, the staff has used that definition of “transitional period.”

Unless otherwise indicated, all further statutory citations in this memorandum are to the Health and Safety Code.

TWO-STEP ANALYSIS

In this memorandum, the staff will first group the provisions of each article by subject matter. The staff will then analyze each subject matter group separately, using the same two-step process that we first described and applied in Memorandum 2012-12:

- (1) **Analyze the relevance of the provisions *after* the transitional period.** First, the staff will assess whether any of the provisions in the subject matter group will serve any purpose after the end of the transitional period. In other words, once the affairs of all former redevelopment agencies (“RDAs”) have been wound down and all redevelopment-related proceedings have been finally resolved, will any of the provisions in the group still be needed? If not, the provisions are obsolete and should be repealed. If any of the provisions in the group would serve some continuing purpose after the end of the transitional period, the staff will recommend that those provisions be retained, or suggest another means of effectively dealing with the situation.
- (2) **Analyze the relevance of the provisions *during* the transitional period.** Second, the staff will assess whether any of the provisions in the subject matter group might have some continuing utility during the transitional period that would not be adequately preserved by the savings provision. If so, the staff will assess whether and how to adjust the savings provision to account for the issue.

OWNER PARTICIPATION

Article 6 consists of only two provisions (Sections 33380 and 33381) on owner participation in a redevelopment project. A few other provisions on that subject (Sections 33339, 33340, and 33345) are located in Article 4. All of these owner participation provisions are analyzed below.

Description of Statutory Content

Section 33339 requires a redevelopment plan to provide for owner participation: “Every redevelopment plan *shall* provide for participation in the redevelopment of property in the project area by the owners of all or part of such property if the owners agree to participate in the redevelopment in conformity with the redevelopment plan adopted by the legislative body for the area.” (Emphasis added.) An RDA must not only permit such owner participation (Section 33380), but must also adopt rules to implement it and must make those rules available for public inspection for a reasonable time before approving the redevelopment plan (Section 33345).

Section 33340 says that every redevelopment plan calling for owner participation in redevelopment of the project area “shall contain alternative provisions for redevelopment of the property if the owners fail to participate in the redevelopment as agreed.” Under Section 33381, if the owners fail or refuse to enter into a binding agreement for participation in accordance with the RDA’s rules governing such participation, the alternative provisions shall “become effective as the official redevelopment plan of the project area.”

Relevance After Transitional Period

The provisions described above relate to the redevelopment process. Once all redevelopment activity has ceased and all related litigation has been resolved (i.e., the “transitional period” has ended), there will no longer be any need to specify rules for owner participation in a redevelopment plan. Therefore, these provisions (Sections 33339, 33340, 33345, 33380, and 33381) **will be obsolete and should be repealed.**

Relevance During Transitional Period

During the transitional period, successor agencies will be winding down the affairs of redevelopment agencies, not commencing new redevelopment projects. Nonetheless, the statutes governing owner participation and the RDA rules on that subject (promulgated pursuant to Section 33345) might still have some relevance to existing redevelopment projects or related litigation.

To the extent that the statutes governing owner participation remain relevant during the transitional period, the proposed savings provision appears sufficient to ensure that repeal of those statutes by the Commission’s clean-up legislation

would have no substantive effect. Of particular note, the savings provision would:

- Broadly declare that the Commission’s clean-up legislation would have no effect on “the policy, substance, construction, or application of former law with regard to any redevelopment-related matter.” See proposed Section 33090(b).
- Encompass the authority, rights, powers, duties, and obligations of all persons and entities with respect to redevelopment. See proposed Section 33090(b)(1). That language is broad enough to include owner participants.
- Include language specifically intended to ensure that the Commission’s clean-up legislation would have no effect on any litigation relating to redevelopment. See proposed Section 33090(b)(4).
- State that the Commission’s clean-up legislation would not affect “[a]ny rule or procedure relating to any aspect of redevelopment” See proposed Section 33090(b)(7) (emphasis added). That language would encompass an RDA’s rules governing owner participation.

The proposed savings provision would also specifically point out that the Commission’s clean-up legislation would not affect “[t]he validity of any redevelopment-related ordinance, resolution, referendum, regulation, plan, report, map, boundary description, or *other legally operative document*” See proposed Section 33090(b)(6) (emphasis added). The italicized language would cover a binding agreement for owner participation, as referenced in Section 33381. However, **it might be helpful to revise paragraph (b)(6) to refer to a “contract,” as previously suggested at page 13 of Memorandum 2012-23:**

(6) The validity of any redevelopment-related ordinance, resolution, referendum, regulation, plan, report, map, boundary description, contract, or other legally operative document promulgated by a former redevelopment agency, a successor agency, or any other person or entity.

Aside from this point, the staff sees no reason to adjust the proposed savings provision to account for the owner participation provisions (Sections 33339, 33340, 33345, 33380, and 33381).

PROJECT AREA COMMITTEE

Article 6.5 (Sections 33385-33388) governs formation of a project area committee and specifies the role of such a committee in a redevelopment project.

The article is analyzed below, along with another provision relating to the role of a project area committee (Section 33347.5).

Description of Statutory Content

Section 33385(a) directs the legislative body of a city or county to call upon the residents and existing community organizations in a project area to form a project area committee (“PAC”) in either of the following situations:

- A substantial number of low-income persons or moderate-income persons, or both, reside within the project area, and the redevelopment plan will contain authority for the RDA to acquire residential property by eminent domain.
- The redevelopment plan contains one or more public projects that will displace a substantial number of low-income persons or moderate-income persons, or both.

Formation of a PAC is optional with respect to a project area that was selected before March 7, 1973. Section 33385(e). Formation of a PAC is also optional when the project area does not contain a substantial number of low- and moderate-income persons. Section 33385(f). If a PAC is not formed in that situation, however, the RDA must nonetheless consult with, and obtain the advice of, residents and community organizations like it does with a PAC. *Id.*

Formation of a PAC does not prevent an RDA or the legislative body from creating any other committee for a project area. Section 33385(g). But such a committee may not be merged into the PAC, and a person who is a member of such a committee may not vote in a PAC meeting unless the person is also a member of the PAC. *Id.*

When formation of a PAC is required, the legislative body must, by resolution, adopt a procedure for formation of the PAC. Section 33385(b). At minimum, that procedure must include all of the following:

- (1) Publicizing the opportunity to serve on the PAC by first-class mail to all residents, businesses, and community organizations in the project area, including religious institutions and other nonprofit organizations.
- (2) Having the RDA conduct at least one public meeting to explain the establishment of, functions of, and opportunity to serve on, the PAC.
- (3) Providing published notice of all meetings, hearings, or plebiscites conducted by, or on behalf of, the RDA or legislative body regarding formation and selection of the PAC.

- (4) Providing written notice to all residents, businesses, and community organizations in the project area of all meetings, hearings, or plebiscites conducted by, or on behalf of, the RDA or legislative body regarding formation and selection of the PAC.
- (5) Providing other forms of notice appropriate to the community in which the project area is to be established, as determined by the RDA.
- (6) Specifying the number of community organizations and the method of selection, which may include election, appointment, or both.
- (7) Obtaining any other forms of assistance that the legislative body requires in connection with formation of the PAC.

Id.

The PAC “shall only include, when applicable, elected representatives of residential owner occupants, residential tenants, business owners, and existing organizations within the project area.” Section 33385(c). Each of those groups must be adequately represented. *Id.* Further, each organization represented “shall appoint one of its members” to the PAC. *Id.* Neither the legislative body nor the RDA, nor any member of those entities, may appoint a PAC member. *Id.*

Section 33385(d) specifies procedures for conducting the election of PAC members, and for resolving any election challenge. Among other things, the election procedures “shall prohibit crossover voting between categories of residential owner occupants, residential tenants, and business owners to ensure, for example, that a business owner cannot vote for a tenant representative.” Section 33385(d)(1).

If a PAC is formed, the proposed redevelopment plan must be submitted to the PAC before it is submitted to the legislative body for approval. Section 33347.5. If the PAC chooses to do so, it may submit a report and recommendation on the proposed plan to the legislative body. *Id.* If the PAC recommends against approval of the plan, a two-thirds vote of the legislative body is necessary to approve the plan, not just a majority vote. Section 33366.

Upon the direction and approval of the legislative body, the RDA shall consult with, and obtain the advice of, the PAC on “those policy matters which deal with the planning and provision of residential facilities or replacement housing for those to be displaced by project activities.” Section 33386. The RDA shall also consult with the PAC on other policy matters that affect the residents of the project area. *Id.* These consultation requirements apply while the

redevelopment plan is being prepared, and for a three-year period after adoption of the plan, which is subject to one-year extensions by the legislative body. *Id.*

PAC meetings must comply with the Brown Act (Gov't Code § 54950 *et seq.*), which guarantees the public's right to attend and participate. Section 33385(h). Meetings of an RDA with a PAC must also be open and public. Section 33387. Minutes of those meetings, together with a record of all information presented by the RDA to the PAC or vice versa, must be maintained by the RDA and must be open to public inspection. *Id.* A summary of that record must be included in the RDA's report to the legislative body on the proposed redevelopment plan. *Id.*

To defray the costs of forming a PAC, an RDA may charge fees to persons buying or leasing property from the RDA in the project area and persons participating in the redevelopment project under an owner participation agreement. Section 33385(i). PAC members serve without compensation. Section 33385(c). The legislative body, acting upon recommendation of the PAC, must provide funding necessary for the PAC's operation, which shall include "funds or equivalent resources for a committee office, equipment, and supplies, legal counsel, and adequate staff for the consultation functions of the PAC. Section 33388. Those funds may not be used for litigation, except litigation to enforce or defend the rights of the PAC under the Community Redevelopment Law. *Id.*

If an RDA proposes to amend a redevelopment plan, formation or expansion of a PAC is sometimes required. A PAC must be formed if one does not already exist and the proposed amendment would either (1) grant the RDA authority to acquire by eminent domain "property on which persons reside in a project area in which a substantial number of low- and moderate-income persons reside," or (2) add territory in which a substantial number of low- and moderate-income persons reside and grant the RDA authority "to acquire by eminent domain property on which persons reside in the added territory." Section 33385.3. Similarly, if a proposed amendment would enlarge a project area for which a PAC already exists, the PAC must expand its membership in accordance with the usual rules for selection of PAC members, including the requirement that the PAC be representative of the proposed project area. Section 33385.5.

Once a PAC is formed or enlarged, the PAC must be given at least 30 days to consider the proposed amendment. *Id.*; see also Section 33385.3(b). If it chooses to do so, the PAC may submit a report and recommendation on the proposed amendment to the legislative body. Section 33385.5; see also Section 33385.3(b). If the PAC recommends against approval of the amendment, a two-thirds vote of

the legislative body is necessary to approve the amendment, not just a majority vote. Section 33385.5; see also Section 33385.3(b).

Relevance After Transitional Period

Here again the above-described provisions relate to the redevelopment process. Once the transitional period ends, there will no longer be any need for provisions governing the formation of a PAC and specifying its role in a redevelopment project. Therefore, these provisions (Sections 33347.5 and 33385-33388) **will be obsolete and should be repealed.**

Relevance During Transitional Period

During the transitional period, the importance of PACs probably will wane quickly and sharply, because successor agencies will be winding down RDA affairs, and probably will not be preparing any new redevelopment plans or amending any existing redevelopment plans to add new territory or expand the authority to acquire property by eminent domain. *Compare* Sections 34164(a)-(b) (RDAs shall no longer prepare or amend a redevelopment plan, or create or expand a project area) *and* 34165(g) (RDAs shall not “[b]egin any condemnation proceeding or begin the process to acquire real property by eminent domain”) *with* Section 34173 (successor agency has all authority, rights, powers, duties, and obligations previously vested with redevelopment agency, “[e]xcept for those provisions of the Community Redevelopment Law that are repealed, restricted, or revised pursuant to the act adding this part”). Although successor agencies may still need to consult with PACs for awhile, that period is likely to be brief, because the consultation requirement applies only for a three-year period after adoption of a redevelopment plan, and extension of that period seems unlikely given the dissolution of the RDAs.

There might still be litigation relating to PACs during the transitional period, or other circumstances in which the statutes governing PACs remain relevant. If that occurs, however, the proposed savings provision appears sufficient to ensure that clean-up legislation repealing the statutes governing PACs would have no substantive effect.

As noted in connection with the owner participation provisions, the savings provision includes language specifically intended to ensure that the Commission’s clean-up legislation would have no effect on any litigation relating to redevelopment. See proposed Section 33090(b)(4). Even more importantly, the savings provision provides broad assurance that the clean-up legislation would

have no effect on “the policy, substance, construction, or application of former law with regard to any redevelopment-related matter.” See proposed Section 33090(b).

Further, the savings provision specifically states that the Commission’s clean-up legislation would have no effect on the “authority, rights, powers, duties, and obligations of a successor agency or any other person or entity who is granted or charged with authority, rights, powers, duties, and obligations relating to redevelopment.” See proposed Section 33090(b)(1). That language is broad enough to include PACs, their staffs and counsel, and the legislative bodies, community organizations, residential owner occupants, residential tenants, and business owners referenced in the above-described statutes.

In addition, the savings provision specifically states that the Commission’s clean-up legislation would not affect any “*rule or procedure* relating to any aspect of redevelopment, including, but not limited to, any rule relating to an ordinance, *resolution*, referendum, regulation, bylaw, or other legislative act in connection with redevelopment” See proposed Section 33090(b)(7) (emphasis added). That language would encompass the procedures for formation of a PAC, including the election procedures and the requirement that the legislative body adopt a resolution on the subject. The quoted language would also encompass the procedures relating to the role of a PAC in the redevelopment process, and the rules requiring preparation and maintenance of records relating to PAC activities.

Finally, the savings provision specifically states that the Commission’s clean-up legislation would not affect the validity of “any redevelopment-related ordinance, *resolution*, referendum, regulation, plan, *report*, map, boundary description, or other legally operative document promulgated by a former redevelopment agency, a successor agency, or any other person or entity.” See proposed Section 33090(b)(6) (emphasis added). That language would extend to any PAC reports, as well as any resolution regarding formation of a PAC.

In sum, **the staff sees no reason to revise the proposed savings provision to account for the provisions pertaining to PACs** (Sections 33347.5 and 33385-33388). The current language appears sufficient to address this context.

Respectfully submitted,

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HEALTH AND SAFETY CODE

1 DIVISION 24. COMMUNITY DEVELOPMENT
2 AND HOUSING

3 PART 1. COMMUNITY REDEVELOPMENT LAW

4 CHAPTER 4. REDEVELOPMENT PROCEDURES AND ACTIVITIES
5 [*SELECTED ARTICLES*]

6 Article 4. Preparation and Adoption of Redevelopment Plans by the
7 Agency [*Selected Provisions*]

8 **§ 33339. Owner participation in redevelopment of property**

9 33339. Every redevelopment plan shall provide for participation in the
10 redevelopment of property in the project area by the owners of all or part of such
11 property if the owners agree to participate in the redevelopment in conformity with
12 the redevelopment plan adopted by the legislative body for the area.

13 **§ 33340. Alternative to owner participation**

14 33340. Every redevelopment plan which contemplates property owner
15 participation in the redevelopment of the project area shall contain alternative
16 provisions for redevelopment of the property if the owners fail to participate in the
17 redevelopment as agreed.

18 **§ 33345. Rules to implement owner participation**

19 33345. With respect to each redevelopment project, each agency shall, within a
20 reasonable time before its approval of the redevelopment plan adopt and make
21 available for public inspection rules to implement the operation of owner
22 participation in connection with the plan.

23 **§ 33347.5. Submission of plan to project area committee**

24 33347.5. If there exists within the project area a project area committee, the
25 redevelopment plan shall be submitted to such committee before it is submitted to
26 the legislative body. The committee may, if it chooses, prepare a report and
27 recommendation for submission to the legislative body.

1 Article 6. Owner Participation

2 **§ 33380. RDA to permit owner participation in conformity with plan**

3 33380. An agency shall permit owner participation in the redevelopment of
4 property in the project area in conformity with the redevelopment plan adopted by
5 the legislative body for the area.

6 **§ 33381. Failure or refusal to enter into binding agreement for owner participation**

7 33381. If the redevelopment plan adopted provides for participation in the
8 redevelopment of property in the area by the owners of such property, and the
9 owners fail or refuse to enter into a binding agreement for participation in
10 accordance with the rules adopted by the agency pursuant to Section 33339, the
11 alternative provisions provided for in Section 33340 become effective as the
12 official redevelopment plan of the project area.

13 Article 6.5. Project Area Committee

14 **§ 33385. Formation of project area committee and application of Brown Act**

15 33385. (a) The legislative body of a city or county shall call upon the residents
16 and existing community organizations in a redevelopment project area to form a
17 project area committee in either of the following situations:

18 (1) A substantial number of low-income persons or moderate-income persons, or
19 both, reside within the project area, and the redevelopment plan as adopted will
20 contain authority for the agency to acquire, by eminent domain, property on which
21 any persons reside.

22 (2) The redevelopment plan as adopted contains one or more public projects that
23 will displace a substantial number of low-income persons or moderate-income
24 persons, or both.

25 (b) The legislative body shall, by resolution, adopt a procedure pursuant to this
26 section for the formation of the project area committee. The procedure shall
27 include, but not be limited to, all of the following:

28 (1) Publicizing the opportunity to serve on the project area committee, by
29 providing written notice by first-class mail to all residents, businesses, and
30 community organizations, including religious institutions and other nonprofit
31 organizations, within the project area at least 30 days prior to the formation of the
32 project area committee.

33 (2) The agency shall conduct a minimum of one public meeting to explain the
34 establishment of, functions of, and opportunity to serve on, the project area
35 committee. At the public meeting, the agency shall distribute copies of this article,
36 copies of Sections 33347.5 and 33366, copies of the procedure adopted pursuant to
37 this subdivision, copies of the redevelopment plan or preliminary plan or the
38 pertinent portions thereof, and any other materials the agency determines would be
39 useful.

1 (3) Providing published notice of all meetings, hearings, or plebiscites
2 conducted by, or on behalf of, the agency or legislative body relative to the
3 formation and selection of the project area committee in the same manner as
4 specified in subdivision (a) of Section 65090 of the Government Code.

5 (4)(A) Providing written notice to all residents, businesses, and community
6 organizations in the project area of all meetings, hearings, or plebiscites conducted
7 by, or on behalf of, the agency or legislative body relative to the formation and
8 selection of the project area committee. This mailed notice requirement shall only
9 apply when mailing addresses to all individuals and businesses, or to all
10 occupants, are obtainable by the agency at a reasonable cost. The notice shall be
11 mailed by first-class mail, but may be addressed to "occupant." In lieu of
12 providing separate notice for each meeting, hearing, or plebiscite, the agency may
13 provide a single notice pursuant to this paragraph stating all dates, times, and
14 locations of any meetings, hearings, and plebiscites relative to the formation and
15 selection of the project area committee.

16 (B) If the agency has acted in good faith to comply with the notice requirements
17 of this paragraph, the failure of the agency to provide the required notice to
18 residents or businesses unknown to the agency or whose addresses cannot be
19 obtained at a reasonable cost, shall not, in and of itself, invalidate the formation or
20 actions of the project area committee.

21 (5) Providing other forms of notice appropriate to the community in which the
22 project area is to be established, as determined by the agency. Notice provided
23 pursuant to this paragraph may include public service announcements,
24 advertisements in foreign-language publications, or flyers.

25 (6) The number of community organizations and the method of selection, which
26 may include election, appointment, or both.

27 (7) Any other forms of assistance which the legislative body requires in
28 connection with the formation of the project area committee.

29 (c) The project area committee shall only include, when applicable, elected
30 representatives of residential owner occupants, residential tenants, business
31 owners, and existing organizations within the project area. Each group shall be
32 adequately represented. Each organization represented pursuant to this subdivision
33 shall appoint one of its members to the project area committee. No project area
34 committee member may be appointed by the legislative body or the redevelopment
35 agency or any member of either body. The members of the committee shall serve
36 without compensation.

37 (d)(1) The election of a representative project area committee shall be held in
38 each project area within 100 days after the project area is selected. The legislative
39 body shall adopt, after a duly noticed public hearing, communitywide procedures
40 for filing for election, publicizing an election, holding an election, and for
41 reviewing disputed elections, filling vacated seats, and other matters related to the
42 electoral process. These procedures shall prohibit crossover voting between
43 categories of residential owner occupants, residential tenants, and business owners

1 to ensure, for example, that a business owner cannot vote for a tenant
2 representative. However, if the legislative body determines that the method of
3 selection of community organizations shall include election pursuant to
4 subdivision (b), the legislative body shall determine the appropriate electorate and
5 may authorize crossover voting in the election of community organizations.

6 (2) The procedures adopted pursuant to this subdivision shall provide that a
7 challenge to an election or to an electoral procedure shall be filed with the
8 legislative body no more than 15 calendar days after the election. The legislative
9 body shall adopt a finding that all adopted procedures of the legislative body were
10 followed in the election. The procedures shall require that the validity of all
11 challenges be determined within 30 days following the date of the election.

12 (e) For project areas selected prior to March 7, 1973, the legislative body may,
13 but shall not be required to, call upon the residents and existing community
14 organizations to form a project area committee.

15 (f) If the project does not contain a substantial number of low- and moderate-
16 income individuals, the agency shall either call upon the residents and existing
17 community organizations to form a project area committee or the agency shall
18 consult with, and obtain the advice of, residents and community organizations as
19 provided for project area committees in Section 33386 and provide those persons
20 and organizations with the redevelopment plan prior to submitting it to the
21 legislative body.

22 (g) Nothing contained in this section shall prevent an agency, or the legislative
23 body of any city or county, from creating any other committee for a project area.
24 However, these committees shall not be merged into the project area committee
25 subsequent to the formation thereof, and a member of any of these other
26 committees shall not be entitled to vote in meetings of the project area committee,
27 unless he or she is also a member of the project area committee.

28 (h) The meeting of a project area committee shall be subject to the Ralph M.
29 Brown Act (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5
30 of the Government Code).

31 (i) The agency may charge fees to persons purchasing or leasing property from
32 the agency in the project area and to persons participating in redevelopment of the
33 project area under an owner participation agreement to defray any cost to the
34 agency or legislative body in implementing this section.

35 (j) The amendments made to this section by the act that adds this subdivision
36 shall be applicable only to a redevelopment plan that is adopted or amended on or
37 after the effective date of the act that adds this subdivision.

38 **§ 33385.3. Formation of project area committee when RDA proposes to amend**
39 **redevelopment plan**

40 33385.3. (a) If a project area committee does not exist, and the agency proposes
41 to amend a redevelopment plan, the agency shall establish a project area

1 committee pursuant to Section 33385 if the proposed amendment to a
2 redevelopment plan would do either of the following:

3 (1) Grant the authority to the agency to acquire by eminent domain property on
4 which persons reside in a project area in which a substantial number of low- and
5 moderate-income persons reside.

6 (2) Add territory in which a substantial number of low- and moderate-income
7 persons reside and grant the authority to the agency to acquire by eminent domain
8 property on which persons reside in the added territory. The project area
9 committee may be composed of persons from only the added territory or both the
10 added area and the existing project area.

11 (b) Once a project area committee is formed, the requirements of Section
12 33385.5, except for project area committee expansion, shall be followed.

13 **§ 33385.5. Submission of proposed amendment to project area committee**

14 33385.5. The agency shall forward copies of the proposed amendment to the
15 redevelopment plan to the project area committee, if one exists, at least 30 days
16 before the hearing of the legislative body, required in Section 33454.

17 Where the proposed amendment would enlarge the project area, the
18 redevelopment agency shall call upon the project area committee to expand its
19 membership to include additional members on the project area committee in
20 compliance with Section 33385. Such expansion of membership shall be
21 submitted to the legislative body within 30 days for the body's approval within 60
22 days to assure that the project area committee is representative. The legislative
23 body shall not hold the public hearing, required by Section 33454, until the
24 enlarged project area committee has had at least 30 days to consider the proposed
25 amendment.

26 The committee, if it chooses, may prepare a report and recommendations for
27 submission to the legislative body. If the project area committee opposes the
28 adoption of the proposed amendment, the legislative body may only adopt the
29 amendment by a two-thirds vote of its entire membership eligible and qualified to
30 vote on such amendments.

31 **§ 33386. RDA to consult with project area committee**

32 33386. The redevelopment agency through its staff, consultants, and agency
33 members shall, upon the direction of and approval of the legislative body consult
34 with, and obtain the advice of, the project area committee concerning those policy
35 matters which deal with the planning and provision of residential facilities or
36 replacement housing for those to be displaced by project activities. The agency
37 shall also consult with the committee on other policy matters which affect the
38 residents of the project area. The provisions of this section shall apply throughout
39 the period of preparation of the redevelopment plan and for a three-year period
40 after the adoption of the redevelopment plan, subject to one-year extensions by the
41 legislative body.

1 **§ 33387. Minutes, open meeting requirement, and record of information presented**

2 33387. Minutes of all the meetings of the redevelopment agency with the project
3 area committee, which meetings shall be open and public, together with a record
4 of all information presented to the project area committee by the redevelopment
5 agency or by the project area committee for the redevelopment agency for the
6 purpose of carrying out the provisions of this article shall be maintained by the
7 redevelopment agency. Such minutes and record shall be open to public inspection
8 and a summary of such record shall be included in the report to the legislative
9 body, submitted by the agency pursuant to Section 33352.

10 **§ 33388. Funding for operation of project area committee**

11 33388. (a) Upon recommendation of the project area committee, funds as
12 determined necessary by the legislative body for the operation of the project area
13 committee shall be allocated to the committee by the legislative body. This
14 allocation shall include funds or equivalent resources for a committee office,
15 equipment and supplies, legal counsel, and adequate staff for the purposes set forth
16 in Section 33386.

17 (b) No funds allocated under this section shall be used for any litigation, other
18 than litigation to enforce or defend the rights of the project area committee under
19 this part.