



## STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA

(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)

(916) 323-7713

WILLIAM M. BENNETT  
First District, KentfieldCONWAY H. COLLIS  
Second District, Los AngelesERNEST J. DRONENBURG, JR.  
Third District, San DiegoPAUL CARPENTER  
Fourth District, Los AngelesGRAY DAVIS  
Controller, SacramentoCINDY RAMEO  
Executive Director

May 19, 1989

Ms. Virginia A. Loftus  
Shasta County Assessor  
Courthouse, Room 115  
Redding, CA 96001-1694

Re: Redevelopment Agencies-Assessability of  
Property Purchased Outside the Agency's Project Area

Dear Ms. Loftus:

This is in response to your letter dated May 2, 1989. You ask whether property purchased by the City of Redding Redevelopment Agency is assessable when the agency has acquired title to the property within the city limits, but outside the redevelopment agency's defined project area.

I have reviewed the Community Redevelopment Law and have concluded that land purchased within the territorial boundaries of the city of Redding is land within the territorial jurisdiction of the Redding Redevelopment Agency, and that such land is exempt from assessment under California Constitution, article XIII, section 3(b). The land is not subject to assessment under California Constitution, article XIII, section 11(a), because the land is not outside the territorial boundaries of the owning city redevelopment agency. My reasons for this conclusion are as follows:

A redevelopment agency is created by a local legislative body to exercise the powers granted to such an agency under the Community Redevelopment Law. (See Health and Safety Code section 33003.) The territorial jurisdiction of the agency of a county is the unincorporated territory in the county, and that of a city or city and county is the territory within its limits. (See Health and Safety Code section 33120.) The legislative body creating an agency is the city council, board of supervisors, or other legislative body of the community. (See Health and Safety Code section 33007.) Redevelopment by an agency is the planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these of all or part of a survey area. (See Health and Safety Code section 33020.) A survey area may be designated by resolution of the legislative body, or the

legislative body may by resolution authorize the designation of survey areas by resolution of the Planning Commission or by resolution of the members of the agency. (See Health and Safety Code section 33310.) The Planning Commission may select one or more project areas comprised of all or part of any survey area, on its own motion, or at the request of the agency, at the direction of the legislative body, or upon the written petition of the owners in fee of the majority in the area of a proposed project area. (See Health and Safety Code section 33322.) A project area is an area of a community which is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in the Community Development Law, and which is selected by the Planning Commission pursuant to Health and Safety Code section 33322. (See Health and Safety Code section 33320.1.) Within the survey area or for purposes of redevelopment, an agency may purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property, any interest in property, and any improvements on it, including repurchase of developed property previously owned by the agency. (See Health and Safety Code section 33391.) An agency, at the request of the legislative body of the community, may accept a conveyance of real property (located either within or outside a survey area) owned by a public entity and declared surplus by the public entity, or owned by a private entity. (See Health and Safety Code section 33396.) An agency with the approval of the legislative body of the community may acquire, by negotiation or other means, real property in a project area at any time after formation of the preliminary plan for such area by the Planning Commission, and prior to the adoption of the redevelopment plan by the legislative body of the community. (See Health and Safety Code section 33392.) In carrying out an agency's purpose of using 20 percent of all taxes allocated to the agency for the purposes of increasing and improving the community's supply of low and moderate income housing, the agency may acquire land or building sites inside or outside the project area. (See Health and Safety Code section 33334.2(e) and (g).)

Given the broad scope of authority to use agency's funds and to purchase land, and in the absence of further information, I assume that the purchase of the unimproved vacant land located along the Sacramento River here at issue was a valid purchase by the Redding Redevelopment Agency. Nothing you told me by phone or in your correspondence would indicate to the contrary. In any event, if the agency holds title to the land, then it would be difficult for your office not to give the title full force and effect or to avoid tax assessment treatment in accord with the California Constitution and statutes. Accepting the title in the agency as good, then the

May 19, 1989

agency as an instrumentality of local government, would hold the land as would any other local governmental body. All real property owned by local government is exempt from taxation under California Constitution, article XIII, section 3(b), unless such property is located outside the boundaries of that local government and would therefore be taxable under California Constitution, article XIII, section 11. Since the land at issue lies within the boundaries of the city and the city boundaries are the boundaries for the redevelopment agency, then this property in question is not assessable by your county.

I have checked with our Valuation Division mapping section regarding filings of the Redding Redevelopment Agency. Our records show that the agency has two project areas. Those project areas are: 1) Canby Hill-Top-Cypress Redevelopment Project effective August 19, 1981, and 2) The Midtown Project Area #1 effective July 3, 1968, amended August 5, 1974, to delete certain territory and amended December 29, 1976, to add certain territory. The Midtown Project Area is made up of several noncontiguous pieces of land.

I am enclosing for your easy reference copies of the Health and Safety Code mentioned herein.

Very truly yours,

  
Robert R. Keeling  
Tax Counsel

RRK:wak  
2419H

Enclosures

cc: Mr. John Hagerty  
Mr. Robert Gustafson  
Mr. Verne Walton  
Mr. John Wong  
Mr. David Martin