

AMENDED IN ASSEMBLY MARCH 3, 2025

CALIFORNIA LEGISLATURE—2025—26 REGULAR SESSION

ASSEMBLY BILL

No. 417

Introduced by Assembly Member Carrillo

February 5, 2025

An act to amend ~~Section 53311~~ of Sections 53398.52, 53398.66, 53398.68, 62001, and 62004 of, and to add Sections 62004.5 and 62004.6 to, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 417, as amended, Carrillo. ~~Community facilities districts. Local finance: enhanced infrastructure financing districts: community revitalization and investment authorities.~~

(1) Existing law authorizes the legislative body of a city or a county to designate a proposed enhanced infrastructure financing district to finance public capital facilities or other specified projects, including acquisition, construction, or repair of commercial structures by the small business occupant of such structures, if such acquisition, construction, or repair is for purposes of fostering economic recovery from the COVID-19 pandemic, as specified, with a governing body referred to as the public financing authority, by adopting a resolution of intention to establish the proposed district.

This bill would revise these provisions to instead authorize the designation of a proposed enhanced infrastructure financing district to finance capital facilities or other specified projects for the acquisition, construction, or repair of commercial structures by the small business occupant of such structures, as described above, if such acquisition, construction, or repair is for purposes of fostering economic recovery of a community, as specified.

Existing law requires the public financing authority of an enhanced infrastructure financing district to hold a meeting and 3 public hearings on a proposed infrastructure financing plan, as provided. Existing law requires the public financing authority to review the enhanced infrastructure financing plan at least annually and to make any amendments, as specified. Existing law authorizes amendments to an approved infrastructure financing plan, as described, subject to approval by a majority vote of the governing board at a public hearing held following the provision of a 30 day mailed notice, as described. Existing law requires amendments that propose the increase of the limit of the total number of dollars in local taxes allocation to the plan to be adopted in accordance with all notices and hearing requirements for the affected landowners and residents within the proposed additional territory applicable to an initial proposed enhanced infrastructure financing plan.

This bill would instead authorize the amendments, as specified, or the addition of a participating taxing entity and its representatives as members of a public financing authority after the date of district formation, to be approved by a majority vote of the public financing authority at a public hearing held following the provision of a 30-day mailed notice, as described above. The bill would instead require amendments that propose the increase of the limit of the total number of dollars in local taxes allocation to the plan, except where the increase is the result of an affected taxing entity agreeing to participate in the existing district and the plan is amended, as specified, to be adopted in accordance with all notices and hearing requirements, as described above.

Existing law requires a public financing authority to adopt an annual report on or before June 30 of each year after holding a public hearing.

This bill would instead require a public financing authority to adopt an annual report within 7 months of the close of each fiscal year after holding a public hearing.

If, after the date of district formation, an affected taxing entity adopts a resolution approving the plan and to participate in the division of taxes used to finance an enhanced infrastructure financing district, existing law requires the division of taxes to be based upon the last equalized assessment roll that is used for the district, as specified.

This bill would additionally authorize an affected taxing entity to, at any time after the date of district formation, approve the plan and

participate in the division of taxes used to finance the activities of a district, by adopting a resolution of the governing body.

(2) Existing law authorizes the creation of community revitalization and investment authorities, as specified, to carry out a community revitalization plan within a community revitalization and investment area. Existing law requires not less than 70% of the land calculated by census tracts, census block groups, as defined, or any combination of both within the area to be characterized by specified conditions, including the annual median household income that is less than, at the option of the authority, 80% of the statewide, countrywide, or citywide annual median income and three of four conditions, including deteriorated commercial or residential structures.

This bill would instead require not less than 60% of the land calculated by census tracts, census block groups, as defined, or any combination of both within the area to be characterized by either of the two specified conditions, including the annual median household income that is less than, at the option of the authority, 80% of the statewide, countrywide, or citywide annual median income or three of four conditions, including deteriorated commercial or residential structures. The bill would make related technical, nonsubstantive changes.

Existing law requires a community revitalization authority to consider adoption of a community revitalization plan at 3 public hearings, as specified. Existing law requires a community revitalization authority to post a notice of each meeting or public hearing, as specified, in an easily identifiable and accessible location on the authority's internet website and to mail a written notice of the meeting or public hearing to each owner of land and each resident at least 10 days prior to the meeting or public hearing. Existing law also requires notice of each public hearing to be published in a newspaper of general circulation, as specified.

This bill would instead require a community revitalization authority to consider adoption of a community revitalization plan at 2 public hearings, as specified, and would make conforming changes. As an alternative to mailing separate mailed notices prior to the meeting or public hearing, this bill would authorize the authority to mail a notice to each landowner, resident, and affected taxing entity at least 40 days before the meeting, as specified. The bill would require the designated contact person, as described, to assemble and maintain an email contact list of all landowners, residents, and other interested parties who have expressed interest in receiving information and materials. Except for

the newspaper notices, as described above, the bill would require a notice required by the above-described provisions to be provided in English and in all other languages spoken jointly by 20% or more of the population in the jurisdiction of the county of the proposed district that speaks English less than “very well” and jointly speaks a language other than English, as specified.

~~Existing law, the Mello-Roos Community Facilities Act of 1982, authorizes the legislative body of a local agency, as defined, to create a community facilities district to finance specified types of services within an area.~~

~~This bill would make nonsubstantive changes to the provision naming that act.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 53398.52 of the Government Code is
- 2 amended to read:
- 3 53398.52. (a) (1) A district may finance any of the following:
- 4 (A) The purchase, construction, expansion, improvement,
- 5 seismic retrofit, or rehabilitation of any real or other tangible
- 6 property with an estimated useful life of 15 years or longer that
- 7 satisfies the requirements of subdivision (b).
- 8 (B) The planning and design work that is directly related to the
- 9 purchase, construction, expansion, or rehabilitation of property.
- 10 (C) The costs described in Sections 53398.56 and 53398.57.
- 11 (D) (i) The ongoing or capitalized costs to maintain public
- 12 capital facilities financed in whole or in part by the district.
- 13 (ii) Notwithstanding clause (i), a district shall not use the
- 14 proceeds of bonds issued pursuant to the authority in Article 4
- 15 (commencing with Section 53398.77) to finance maintenance of
- 16 any kind.
- 17 (2) The facilities are not required to be physically located within
- 18 the boundaries of the district. However, any facilities financed
- 19 outside of a district shall have a tangible connection to the work
- 20 of the district, as detailed in the infrastructure financing plan
- 21 adopted pursuant to Section 53398.69.
- 22 (3) A district shall not finance the costs of an ongoing operation
- 23 or providing services of any kind.

- 1 (b) The district shall finance only public capital facilities or
2 other specified projects of communitywide significance that
3 provide significant benefits to the district or the surrounding
4 community, including, but not limited to, all of the following:
- 5 (1) Highways, interchanges, ramps and bridges, arterial streets,
6 parking facilities, and transit facilities.
 - 7 (2) Sewage treatment and water reclamation plants and
8 interceptor pipes.
 - 9 (3) Facilities for the collection and treatment of water for urban
10 uses.
 - 11 (4) Flood control levees and dams, retention basins, and drainage
12 channels.
 - 13 (5) Childcare facilities.
 - 14 (6) Libraries.
 - 15 (7) Parks, recreational facilities, and open space.
 - 16 (8) Facilities for the transfer and disposal of solid waste,
17 including transfer stations and vehicles.
 - 18 (9) Brownfield restoration and other environmental mitigation.
 - 19 (10) The development of projects on a former military base,
20 provided that the projects are consistent with the military base
21 authority reuse plan and are approved by the military base reuse
22 authority, if applicable.
 - 23 (11) The repayment of the transfer of funds to a military base
24 reuse authority pursuant to Section 67851 that occurred on or after
25 the creation of the district.
 - 26 (12) The acquisition, construction, or rehabilitation of housing
27 for persons of very low, low, and moderate income, as defined in
28 Sections 50105 and 50093 of the Health and Safety Code, for rent
29 or purchase.
 - 30 (13) Acquisition, construction, or repair of industrial structures
31 for private use.
 - 32 (14) (A) Acquisition, construction, or repair of commercial
33 structures by the small business occupant of such structures, if
34 such acquisition, construction, or repair is for purposes of fostering
35 economic recovery ~~from the COVID-19 pandemic~~ *of a community*
36 and of ensuring the long-term economic sustainability of small
37 businesses.
 - 38 (B) For purposes of this paragraph and subject to subparagraph
39 (C), “small business” means an independently owned and operated
40 business that is not dominant in its field of operation, the principal

1 office of which is located in California, the officers of which are
2 domiciled in California, and which, together with affiliates, has
3 100 or fewer employees, and average annual gross receipts of
4 fifteen million dollars (\$15,000,000) or less over the previous three
5 years, or is a manufacturer, as defined in subdivision (c) of Section
6 14837, with 100 or fewer employees. An “independently owned
7 and operated business” shall include a formula retail business that
8 is an independently owned franchise.

9 (C) A district may set a lower threshold for the average annual
10 gross receipts over the previous three years and for the number of
11 employees described in subparagraph (B).

12 (15) Transit priority projects, as defined in Section 21155 of
13 the Public Resources Code, that are located within a transit priority
14 project area. For purposes of this paragraph, a transit priority
15 project area may include a military base reuse plan that meets the
16 definition of a transit priority project area and it may include a
17 contaminated site within a transit priority project area.

18 (16) Projects that implement a sustainable communities strategy,
19 when the State Air Resources Board, pursuant to Chapter 2.5
20 (commencing with Section 65080) of Division 1 of Title 7, has
21 accepted a metropolitan planning organization’s determination
22 that the sustainable communities strategy or the alternative planning
23 strategy would, if implemented, achieve the greenhouse gas
24 emission reduction targets.

25 (17) Projects that enable communities to adapt to the impacts
26 of climate change, including, but not limited to, higher average
27 temperatures, decreased air and water quality, the spread of
28 infectious and vector-borne diseases, other public health impacts,
29 extreme weather events, sea level rise, flooding, heat waves,
30 wildfires, and drought. This paragraph includes projects intended
31 to improve air quality.

32 (18) Port or harbor infrastructure, as defined by Section 1698
33 of the Harbors and Navigation Code.

34 (19) The acquisition, construction, or improvement of broadband
35 Internet access service. For purposes of this section, “broadband
36 Internet access services” has the same meaning as defined in
37 Section 53167. A district that acquires, constructs, or improves
38 broadband Internet access service may transfer the management
39 and control of those facilities to a local agency that is authorized
40 to provide broadband Internet access service, and that local agency

1 when providing that service shall comply with the requirements
2 of Article 12 (commencing with Section 53167) of Chapter 1 of
3 Part 1 of Division 2 of Title 5.

4 (20) Facilities in which nonprofit community organizations
5 provide health, youth, homeless, and social services.

6 (21) (A) For districts at least partially in high or very high fire
7 hazard severity zones designated by the State Fire Marshal pursuant
8 to Article 9 (commencing with Section 4201) of Chapter 1 of Part
9 2 of Division 4 of the Public Resources Code, the following:

10 (i) Heavy equipment to be used for vegetation clearance and
11 firebreaks.

12 (ii) Undergrounding of local publicly owned electric utilities,
13 as defined in Section 224.3 of the Public Utilities Code, against
14 wildfires.

15 (iii) Equipment used for fire watch, prevention, and fighting,
16 including, but not limited to, helicopters, air tankers, and
17 technological advancements to weather and wind science
18 infrastructure, risk modeling, and prediction.

19 (B) A district shall not use the proceeds of bonds issued pursuant
20 to the authority in Article 4 (commencing with Section 53398.77)
21 to finance the equipment described in clause (i) or (iii) of
22 subparagraph (A).

23 (c) The district shall require, by recorded covenants or
24 restrictions, that housing units built pursuant to this section shall
25 remain available at affordable housing costs to, and occupied by,
26 persons and families of very low, low, or moderate income for the
27 longest feasible time, but for not less than 55 years for rental units
28 and 45 years for owner-occupied units.

29 (d) The district may finance mixed-income housing
30 developments, but may finance only those units in such a
31 development that are restricted to occupancy by persons of very
32 low, low, or moderate incomes as defined in Sections 50105 and
33 50093 of the Health and Safety Code, and those onsite facilities
34 for childcare, after school care, and social services that are
35 integrally linked to the tenants of the restricted units.

36 (e) A district may utilize any powers under either the Polanco
37 Redevelopment Act (Article 12.5 (commencing with Section
38 33459) of Chapter 4 of Part 1 of Division 24 of the Health and
39 Safety Code) or Chapter 6.10 (commencing with Section 25403)

1 of Division 20 of the Health and Safety Code, and finance any
2 action necessary to implement that act.

3 *SEC. 2. Section 53398.66 of the Government Code is amended*
4 *to read:*

5 53398.66. (a) The draft-enhanced infrastructure financing plan
6 shall be made available to the public and to each landowner within
7 the area on a designated internet website and at a meeting held at
8 least 30 days before the first public hearing. The purposes of the
9 meeting shall be to allow the staff of the public financing authority
10 to present the draft-enhanced infrastructure financing plan, answer
11 questions about the enhanced infrastructure financing plan, and
12 consider comments about the enhanced infrastructure financing
13 plan.

14 (b) (1) (A) The public financing authority shall consider
15 adoption of the enhanced infrastructure financing plan at two public
16 hearings that shall take place at least 30 days apart.

17 (B) In addition to the notice given to landowners and affected
18 taxing entities pursuant to Sections 53398.60 and 53398.61, the
19 public financing authority shall post notice of each meeting or
20 public hearing required by this section in an easily identifiable and
21 accessible location on the enhanced infrastructure financing
22 district's internet website and shall mail a written notice of the
23 meeting or public hearing to each landowner, each resident, and
24 each taxing entity at least 10 days before the meeting or public
25 hearing.

26 (2) At the first public hearing, the public financing authority
27 shall consider any written and oral comments and take action to
28 modify or reject the enhanced infrastructure financing plan.

29 (3) If the enhanced infrastructure financing plan is not rejected
30 at the first public hearing, then the public financing authority shall
31 conduct a protest proceeding at the second public hearing to
32 consider whether the landowners and residents within the enhanced
33 infrastructure financing plan area wish to present oral or written
34 protests against the adoption of the enhanced infrastructure
35 financing plan.

36 (c) (1) The notices required in subparagraph (B) of paragraph
37 (1) of subdivision (b) shall do all of the following, as applicable:

38 (A) Describe specifically the boundaries of the proposed area.

39 (B) Describe the purpose of the enhanced infrastructure
40 financing plan.

1 (C) State the day, hour, and place when and where any and all
2 persons having any comments on the proposed enhanced
3 infrastructure financing plan may appear to provide written or oral
4 comments to the enhanced infrastructure financing district.

5 (D) Notice of the first public hearing shall include a summary
6 of the enhanced infrastructure financing plan and shall identify a
7 location accessible to the public where the enhanced infrastructure
8 financing plan proposed to be presented at the first public hearing
9 can be reviewed.

10 (E) Notice of the second public hearing to consider any written
11 or oral protests shall contain a copy of the enhanced infrastructure
12 financing plan, and shall inform the landowner and resident of
13 their right to submit an oral or written protest before the close of
14 the public hearing. The protest may state that the landowner or
15 resident objects to the public financing authority taking action to
16 implement the enhanced infrastructure financing plan.

17 (2) At the second public hearing, the public financing authority
18 shall consider all written and oral protests received before the close
19 of the public hearing along with the recommendations, if any, of
20 affected taxing entities, and shall terminate the proceedings or
21 adopt the enhanced infrastructure financing plan subject to
22 confirmation by the voters at an election called for that purpose.
23 The public financing authority shall terminate the proceedings if
24 there is a majority protest. A majority protest exists if protests have
25 been filed representing over 50 percent of the combined number
26 of landowners and residents in the area who are at least 18 years
27 of age. An election shall be called if between 25 percent and 50
28 percent of the combined number of landowners and residents in
29 the area who are at least 18 years of age file a protest.

30 (d) An election required pursuant to paragraph (2) of subdivision
31 (c) shall be held within 90 days of the public hearing and may be
32 held by mail-in ballot. The public financing authority shall adopt,
33 at a duly noticed public hearing, procedures for this election.

34 (e) If a majority of the landowners and residents vote against
35 the enhanced infrastructure financing plan, then the public
36 financing authority shall not take any further action to implement
37 the proposed enhanced infrastructure financing plan. The public
38 financing authority shall not propose a new or revised enhanced
39 infrastructure financing plan to the affected landowners and

1 residents for at least one year following the date of an election in
2 which the enhanced infrastructure financing plan was rejected.

3 (f) At the hour set in the notices required by subparagraph (B)
4 of paragraph (1) of subdivision (b), the public financing authority
5 shall consider all written and oral comments.

6 (g) If less than 25 percent of the combined number of
7 landowners and residents in the area who are at least 18 years of
8 age file a protest, the public financing authority may adopt the
9 enhanced infrastructure financing plan at the conclusion of the
10 second public hearing by resolution. The resolution adopting the
11 enhanced infrastructure financing plan shall be subject to
12 referendum as prescribed by law.

13 (h) The public financing authority shall consider and adopt an
14 amendment or amendments to an enhanced infrastructure financing
15 plan in accordance with the provisions of this section.

16 (i) (1) A separate notice of the first public hearing shall also
17 be published not less than once a week for four successive weeks
18 before the first public hearing in a newspaper of general circulation
19 published in the county in which the area lies. The notice shall
20 state that the district will be used to finance public facilities or
21 development, briefly describe the public facilities or development,
22 briefly describe the proposed financial arrangements, including
23 the proposed commitment of incremental tax revenue, describe
24 the boundaries of the proposed district, and state the day, hour,
25 and place when and where any persons having any objections to
26 the proposed infrastructure financing plan, or the regularity of any
27 of the prior proceedings, may appear before the public financing
28 authority and object to the adoption of the proposed plan by the
29 public financing authority.

30 (2) A separate notice of the second public hearing shall also be
31 published not less than 10 days before the second public hearing
32 in a newspaper of general circulation in the county in which the
33 area lies. The notice shall state that the district will be used to
34 finance public facilities or development, briefly describe the public
35 facilities or development, briefly describe the proposed financial
36 arrangements, describe the boundaries of the proposed district,
37 and state the day, hour, and place when and where any persons
38 having any objections to the proposed infrastructure financing
39 plan, or the regularity of any of the prior proceedings, may appear

1 before the public financing authority and object to the adoption of
2 the proposed plan by the public financing authority.

3 (j) (1) The public financing authority shall review the enhanced
4 infrastructure financing plan at least annually and make any
5 amendments that are necessary and appropriate and shall require
6 the preparation of an annual independent financial audit paid for
7 from revenues of the enhanced infrastructure financing district.

8 (A) Amendments to an approved infrastructure financing plan,
9 including proposals to finance affordable housing and additional
10 eligible projects, as specified in Section 53398.52, *or to add a*
11 *participating taxing entity and its representatives as members of*
12 *a public financing authority after the date of district formation,*
13 may be approved by a majority vote of the ~~governing board~~ *public*
14 *financing authority* at a public hearing held following the provision
15 of a 30-day mailed notice describing the proposed changes to all
16 property owners, residents, and affected taxing entities.

17 (B) Amendments that propose any of the following shall be
18 adopted in accordance with all notices and hearing requirements
19 for the affected landowners and residents within the proposed
20 additional territory applicable to an initial proposed enhanced
21 infrastructure financing plan:

22 (i) Addition of new territory to a district.

23 (ii) Increase of the limit of the total number of dollars in local
24 taxes allocated to the ~~plan~~ *plan, except where the increase is a*
25 *result of an affected taxing entity agreeing to participate in the*
26 *existing district and the plan is amended pursuant to subparagraph*
27 (A).

28 (iii) Approval of a public facility or development that was not
29 proposed to be financed or assisted by the district in the approved
30 plan.

31 (2) A public financing authority shall adopt an annual report ~~on~~
32 ~~or before June 30 of each year~~ *within seven months of the close of*
33 *each fiscal year, after holding a public hearing. Written copies of*
34 *the draft report shall be made available to the public 30 days before*
35 *the public hearing. The public financing authority shall cause the*
36 *draft report to be posted in an easily identifiable and accessible*
37 *location on the enhanced infrastructure financing district's internet*
38 *website and shall mail a written notice of the availability of the*
39 *draft report on the internet website to each owner of land and each*
40 *resident within the area covered by the enhanced infrastructure*

1 financing plan and to each taxing entity that has adopted a
2 resolution pursuant to Section 53398.68.

3 (3) The annual report shall contain all of the following:

4 (A) A description of the projects undertaken in the fiscal year,
5 including any rehabilitation of structures, and a comparison of the
6 progress expected to be made on those projects compared to the
7 actual progress.

8 (B) A chart comparing the actual revenues and expenses,
9 including administrative costs, of the public financing authority
10 to the budgeted revenues and expenses.

11 (C) The amount of tax increment revenues received.

12 (D) An assessment of the status regarding completion of the
13 enhanced infrastructure financing district's projects.

14 (E) The amount of revenues expended to assist private
15 businesses.

16 (4) If the public financing authority fails to provide the annual
17 report required by paragraph (3), the public financing authority
18 shall not spend any funds received pursuant to a resolution adopted
19 pursuant to this chapter until the public financing authority has
20 provided the report.

21 *SEC. 3. Section 53398.68 of the Government Code is amended*
22 *to read:*

23 53398.68. (a) The public financing authority shall not adopt
24 a resolution proposing formation of a district and providing for
25 the division of taxes of any affected taxing entity pursuant to
26 Article 3 (commencing with Section 53398.75) unless a resolution
27 approving the plan has been adopted by the governing body of
28 each affected taxing entity that is proposed to be subject to division
29 of taxes pursuant to Article 3 (commencing with Section 53398.75)
30 and has been filed with the legislative body at or before the time
31 of the hearing.

32 (b) Nothing in this section shall be construed to prevent the
33 public financing authority from amending its infrastructure
34 financing plan and adopting a resolution proposing formation of
35 the enhanced infrastructure financing district without allocation
36 of the tax revenues of any affected taxing entity that has not
37 approved the infrastructure financing plan by resolution of the
38 governing body of the affected taxing entity.

39 (c) (1) *At any time after the date of district formation, an*
40 *affected taxing entity may choose to approve the plan and*

1 *participate in the division of taxes used to finance the activities of*
2 *a district, by adopting a resolution of the governing body.*

3 ~~(e) If~~

4 (2) *If, after the date of district formation, an affected taxing*
5 *entity adopts a resolution approving the plan and to participate in*
6 *the division of taxes used to finance an enhanced infrastructure*
7 *financing district, the division of taxes shall be based upon the last*
8 *equalized assessment roll that is used for the district pursuant to*
9 *paragraph (2) of subdivision (a) of Section 53398.75.*

10 *SEC. 4. Section 62001 of the Government Code is amended to*
11 *read:*

12 62001. (a) A community revitalization and investment
13 authority is a public body, corporate and politic, with jurisdiction
14 to carry out a community revitalization plan within a community
15 revitalization and investment area. The authority shall be deemed
16 to be the “agency” described in subdivision (b) of Section 16 of
17 Article XVI of the California Constitution for purposes of receiving
18 tax increment revenues. The authority shall have only those powers
19 and duties specifically set forth in Section 62002.

20 (b) (1) An authority may be created in any one of the following
21 ways:

22 (A) A city, county, or city and county may adopt a resolution
23 creating an authority. The composition of the governing board
24 shall be comprised as set forth in subdivision (c).

25 (B) A city, county, city and county, and special district, as
26 special district is defined in subdivision (m) of Section 95 of the
27 Revenue and Taxation Code, or any combination thereof, may
28 create an authority by entering into a joint powers agreement
29 pursuant to Chapter 5 (commencing with Section 6500) of Division
30 7 of Title 1.

31 (2) (A) A school entity, as defined in subdivision (f) of Section
32 95 of the Revenue and Taxation Code, may not participate in an
33 authority created pursuant to this part.

34 (B) A successor agency, as defined in subdivision (j) of Section
35 34171 of the Health and Safety Code, may not participate in an
36 authority created pursuant to this part, and an entity created
37 pursuant to this part shall not receive any portion of the property
38 tax revenues or other moneys distributed pursuant to Section 34188
39 of the Health and Safety Code.

1 (3) An authority formed by a city or county that created a
2 redevelopment agency that was dissolved pursuant to Part 1.85
3 (commencing with Section 34170) of Division 24 of the Health
4 and Safety Code shall not become effective until the successor
5 agency or designated local authority for the former redevelopment
6 agency has adopted findings of fact stating all of the following:

7 (A) The agency has received a finding of completion from the
8 Department of Finance pursuant to Section 34179.7 of the Health
9 and Safety Code.

10 (B) Former redevelopment agency assets that are the subject of
11 litigation against the state, where the city or county or its successor
12 agency or designated local authority are a named plaintiff, have
13 not been or will not be used to benefit any efforts of an authority
14 formed under this part unless the litigation has been resolved by
15 entry of a final judgment by any court of competent jurisdiction
16 and any appeals have been exhausted.

17 (C) The agency has complied with all orders of the Controller
18 pursuant to Section 34167.5 of the Health and Safety Code.

19 (c) (1) The governing board of an authority created pursuant
20 to subparagraph (A) of paragraph (1) of subdivision (b) shall be
21 appointed by the legislative body of the city, county, or city and
22 county that created the authority and shall include three members
23 of the legislative body of the city, county, or city and county that
24 created the authority and two public members. The legislative body
25 may appoint one of its members to be an alternate member of the
26 legislative body who may serve and vote in place of a member
27 who is absent or disqualifies themselves from participating in a
28 meeting of the authority. The appointment of the two public
29 members shall be subject to Sections 54970 and 54972. The two
30 public members shall live or work within the community
31 revitalization and investment area.

32 (2) The governing body of the authority created pursuant to
33 subparagraph (B) of paragraph (1) of subdivision (b) shall be
34 comprised of a majority of members from the legislative bodies
35 of the public agencies that created the authority, and a minimum
36 of two public members who live or work within the community
37 revitalization and investment area. A legislative body of a
38 participating affected taxing entity may appoint one of its members
39 to be an alternate member of the legislative body who may serve
40 and vote in place of a member who is absent or disqualifies

1 themselves from participating in a meeting of the authority. The
2 majority of the board shall appoint the public members to the
3 governing body. The appointment of the public members shall be
4 subject to Sections 54970 and 54972.

5 (3) If an authority has more than three participating affected
6 taxing entities, the legislative bodies of the taxing entities may,
7 upon agreement by all participating affected taxing entities appoint
8 only one member of their respective legislative bodies, and one
9 alternate member, to the authority, and a minimum of two members
10 of the public chosen by the legislative bodies of the participating
11 entities. The appointment of the public members shall be subject
12 to Sections 54970 and 54972.

13 (4) For purposes of this subdivision, “legislative body” may
14 include a directly elected mayor of a charter city who is not a
15 member of the city’s legislative body under the city’s adopted
16 charter.

17 (d) An authority may carry out a community revitalization plan
18 within a community revitalization and investment ~~area~~. ~~Not area~~
19 *where not* less than ~~70~~ 60 percent of the land calculated by census
20 tracts, census block groups, as defined by the United States Census
21 Bureau, or any combination of both within the area shall ~~be~~
22 ~~characterized by both~~ *meet either* of the following conditions:

23 (1) ~~An~~ *Have an* annual median household income that is less
24 than, at the option of the authority, 80 percent of the statewide,
25 countywide, or citywide annual median income.

26 (2) ~~Three~~ *Meet three* of the following four conditions:

27 (A) An unemployment rate that is at least 3 percentage points
28 higher than the statewide average annual unemployment rate, as
29 defined by the report on labor market information published by
30 the Employment Development Department in March of the year
31 in which the community revitalization plan is prepared. In
32 determining the unemployment rate within the community
33 revitalization and investment area, an authority may use
34 unemployment data from the periodic American Community
35 Survey published by the United States Census Bureau.

36 (B) Crime rates, as documented by records maintained by the
37 law enforcement agency that has jurisdiction in the proposed plan
38 area for violent or property crime offenses, that are at least 5
39 percent higher than the statewide average crime rate for violent or
40 property crime offenses, as defined by the most recent annual

1 report of the Criminal Justice Statistics Center within the
2 Department of Justice, when data is available on the Attorney
3 General's internet website. The crime rate shall be calculated by
4 taking the local crime incidents for violent or property crimes, or
5 any offense within those categories, for the most recent calendar
6 year for which the Department of Justice maintains data, divided
7 by the total population of the proposed plan area, multiplied by
8 100,000. If the local crime rate for the proposed plan area exceeds
9 the statewide average rate for either violent or property crime, or
10 any offense within these categories, by more than 5 percent, then
11 the condition described in this subparagraph shall be met.

12 (C) Deteriorated or inadequate infrastructure, including streets,
13 sidewalks, water supply, sewer treatment or processing, and parks.

14 (D) Deteriorated commercial or residential structures.

15 (e) ~~As an alternative to~~ *alternative, and in addition to the areas*
16 *described in* subdivision (d), an authority may also carry out a
17 community revitalization plan within a community revitalization
18 and investment area ~~if it~~ *that* meets any of the following conditions:

19 (1) The area is established within a former military base that is
20 principally characterized by deteriorated or inadequate
21 infrastructure and structures. Notwithstanding subdivision (c), the
22 governing board of an authority established within a former
23 military base shall include a member of the military base closure
24 commission as a public member.

25 (2) The census tracts or census block groups, as defined by the
26 United States Census Bureau, within the area are situated within
27 a disadvantaged community as described in Section 39711 of the
28 Health and Safety Code.

29 (3) Sites identified in the inventory of land in a city or county's
30 housing element that are suitable for residential development
31 pursuant to paragraph (3) or (4) of subdivision (a) of Section
32 65583.2, including parcels that are zoned to allow transit priority
33 projects, as defined under Chapter 4.2 (commencing with Section
34 21155) of Division 13 of the Public Resources Code, consistent
35 with the general use designation, density, building intensity, and
36 applicable policies specified for the project area in either a
37 sustainable communities strategy or an alternative planning
38 strategy, for which the State Air Resources Board, pursuant to
39 subparagraph (H) of paragraph (2) of subdivision (b) of Section
40 65080, has accepted a metropolitan planning organization's

1 determination of the sustainable communities strategy or the
2 alternative planning strategy.

3 (f) An authority created pursuant to this part shall be a local
4 public agency subject to the Ralph M. Brown Act (Chapter 9
5 (commencing with Section 54950) of Part 1 of Division 2 of Title
6 5), the California Public Records Act (Division 10 (commencing
7 with Section 7920.000) of Title 1), and the Political Reform Act
8 of 1974 (Title 9 (commencing with Section 81000)).

9 (g) (1) At any time after the authority is authorized to transact
10 business and exercise its powers, the legislative body or bodies of
11 the local government or governments that created the authority
12 may appropriate the amounts the legislative body or bodies deem
13 necessary for the administrative expenses and overhead of the
14 authority.

15 (2) The money appropriated may be paid to the authority as a
16 grant to defray the expenses and overhead, or as a loan to be repaid
17 upon the terms and conditions as the legislative body may provide.
18 If appropriated as a loan, the property owners and residents within
19 the plan area shall be made third-party beneficiaries of the
20 repayment of the loan. In addition to the common understanding
21 and usual interpretation of the term, “administrative expense”
22 includes, but is not limited to, expenses of planning and
23 dissemination of information.

24 *SEC. 5. Section 62004 of the Government Code is amended to*
25 *read:*

26 62004. (a) ~~The authority~~*The draft plan shall be made available*
27 *to the public and to each property owner within the area at a*
28 *meeting held at least 30 days prior to the notice given for the first*
29 *public hearing. The purposes of the meeting shall be to allow the*
30 *staff of the authority to present the draft plan, answer questions*
31 *about the plan, and consider comments about the plan.*

32 (b) (1) ~~The authority shall consider adoption of the plan at three~~
33 ~~two public hearings that shall take place at least 30 days apart. At~~

34 (2) ~~At the first public hearing, the authority shall hear all~~
35 ~~consider any written and oral comments but take no action. At the~~
36 ~~second public hearing, the authority shall consider any additional~~
37 ~~written and oral comments and take action to modify or reject the~~
38 ~~plan. If and take action to modify or reject the plan.~~

39 (3) ~~If the plan is not rejected at the second first public hearing,~~
40 ~~then the authority shall conduct a protest proceeding at the third~~

1 *second* public hearing to consider whether the property owners
2 and residents within the plan area wish to present oral or written
3 protests against the adoption of the plan.

4 ~~(b) The draft plan shall be made available to the public and to~~
5 ~~each property owner within the area at a meeting held at least 30~~
6 ~~days prior to the notice given for the first public hearing. The~~
7 ~~purposes of the meeting shall be to allow the staff of the authority~~
8 ~~to present the draft plan, answer questions about the plan, and~~
9 ~~consider comments about the plan.~~

10 (c) (1) Notice of the meeting required by subdivision ~~(b)~~ (a)
11 and the public hearings required by this subdivision (b) shall be
12 given in accordance with subdivision (j). The notice shall do all
13 of the following, as applicable:

14 (A) Describe specifically the boundaries of the proposed area.

15 (B) Describe the purpose of the plan.

16 (C) State the day, hour, and place when and where any and all
17 persons having any comments on the proposed plan may appear
18 to provide written or oral comments to the authority.

19 (D) Notice of ~~second~~ *the first* public hearing shall include a
20 summary of the ~~changes made to the plan as a result of the oral~~
21 ~~and written testimony received at or before the public hearing~~ and
22 shall identify a location accessible to the public where the plan
23 proposed to be presented and adopted at the ~~second~~ *first* public
24 hearing can be reviewed.

25 (E) Notice of the ~~third~~ *second* public hearing to consider any
26 written or oral protests shall contain a copy of the final plan
27 adopted pursuant to subdivision ~~(a)~~, (b), and shall inform the
28 property owner and resident of ~~his or her~~ *their* right to submit an
29 oral or written protest before the close of the public hearing. The
30 protest may state that the property owner or resident objects to the
31 authority taking action to implement the plan.

32 (2) At the ~~third~~ *second* public hearing, the authority shall
33 consider all written and oral protests received prior to the close of
34 the public hearing and shall terminate the proceedings or adopt
35 the plan subject to confirmation by the voters at an election called
36 for that purpose. The authority shall terminate the proceedings if
37 there is a majority protest. A majority protest exists if protests have
38 been filed representing over 50 percent of the combined number
39 of property owners and residents in the area who are at least 18
40 years of age. An election shall be called if between 25 percent and

1 50 percent of the combined number of property owners and
2 residents in the area who are at least 18 years of age file a protest.

3 (d) An election required pursuant to paragraph (2) of subdivision
4 (c) shall be held within 90 days of the public hearing and may be
5 held by mail-in ballot. The authority shall adopt, at a duly noticed
6 public hearing, procedures for this election.

7 (e) If a majority of the property owners and residents vote
8 against the plan, then the authority shall not take any further action
9 to implement the proposed plan. The authority shall not propose
10 a new or revised plan to the affected property owners and residents
11 for at least one year following the date of an election in which the
12 plan was rejected.

13 (f) At the hour set in the notice required by subdivision ~~(a)~~, (b),
14 the authority shall consider all written and oral comments.

15 (g) If less than 25 percent of the combined number of property
16 owners and residents in the area who are at least 18 years of age
17 file a protest, the authority may adopt the plan at the conclusion
18 of the ~~third~~ public hearing by ordinance. The ordinance adopting
19 the plan shall be subject to referendum as prescribed by law.

20 (h) For the purposes of Section 62005, the plan shall be the plan
21 adopted pursuant to this section.

22 (i) The authority shall consider and adopt an amendment or
23 amendments to a plan in accordance with the provisions of this
24 section.

25 (j) The authority shall post notice of ~~each~~ *the* meeting or public
26 hearing required by this section in an easily identifiable and
27 accessible location on the authority's ~~Internet Web site~~ *internet*
28 *website* and shall mail a written notice of the meeting or public
29 hearing to each owner of land and each resident at least 10 days
30 prior to the meeting or public hearing.

31 (1) ~~Notice~~ *A separate notice* of the first public hearing shall
32 also be published not less than once a week for four successive
33 weeks prior to the first public hearing in a newspaper of general
34 circulation published in the county in which the area lies.

35 (2) ~~Notice~~ *A separate notice* of the second public hearing shall
36 also be published not less than 10 days prior to the second public
37 hearing in a newspaper of general circulation in the county in
38 which the area lies.

39 ~~(3) Notice of the third public hearing shall also be published~~
40 ~~not less than 10 days prior to the third public hearing in a~~

1 newspaper of general circulation in the county in which the area
2 lies:

3 *SEC. 6. Section 62004.5 is added to the Government Code, to*
4 *read:*

5 *62004.5. (a) As an alternative to mailing separate mailed*
6 *notices prior to the meeting or public hearing pursuant to*
7 *subdivision (j) of Section 62004, the authority may mail a notice*
8 *to each landowner, resident, and affected taxing entity at least 40*
9 *days before the meeting held pursuant to subdivision (a) of Section*
10 *62004. This notice shall include all of the following, as applicable:*

11 *(1) A summary of the plan, including all required information*
12 *listed in paragraph (1) of subdivision (c) of Section 62004.*

13 *(2) The internet website where the applicable documents,*
14 *including those described in Section 62003, will be made available*
15 *for public viewing or inspection.*

16 *(3) A designated contact person to receive and process any*
17 *requests for a mailed or electronically mailed packet of all*
18 *materials.*

19 *(4) The location, date, and time of the meeting and the two*
20 *public hearings held in accordance with Section 62004.*

21 *(5) A description of the actions that may be taken at the meeting*
22 *and the two public hearings described in paragraph (4).*

23 *(6) A description of the schedule, information, and process for*
24 *accessing any amendments to the plan in accordance with*
25 *subdivision (a) of Section 62006.*

26 *(7) A description of the schedule, information, and process for*
27 *accessing annual reports in accordance with subdivision (b) of*
28 *Section 62006.*

29 *(b) (1) If the first or second public hearing on the plan occurs*
30 *at the location, date, and time listed in the mailed notice described*
31 *in subdivision (a), then the public financing authority shall be*
32 *deemed to comply with the 10-day mailed notice requirement*
33 *pursuant to subdivision (j) of Section 62004.*

34 *(2) If any public hearing is rescheduled for a later date than*
35 *listed in the mailed notice described in subdivision (a), due to*
36 *unanticipated circumstances, the authority shall do all of the*
37 *following:*

38 *(A) Publish notice of the rescheduled date and time of the first*
39 *or second public hearing, at least 10 days before the meeting, in*
40 *a newspaper in accordance with subdivision (j) of Section 62004.*

1 (B) Post, at least 10 days before the rescheduled public hearing,
2 notice of the rescheduled date and time of the first or second public
3 hearing on the internet website described in paragraph (2) of
4 subdivision (a).

5 (C) Email, at least 10 days before the rescheduled public
6 hearing, notification of the rescheduled date and time of the first
7 or second public hearing to the email contact list assembled and
8 maintained in accordance with subdivision (c).

9 (c) The designated contact person described in paragraph (3)
10 of subdivision (a) shall assemble and maintain an email contact
11 list of all landowners, residents, and other interested parties who
12 have expressed interest in receiving information and materials.

13 SEC. 7. Section 62004.6 is added to the Government Code, to
14 read:

15 62004.6. Except for the newspaper notices described in
16 subdivision (j) of Section 62004, a notice required by this part
17 shall be provided in English and in all other languages spoken
18 jointly by 20 percent or more of the population in the jurisdiction
19 of the county of the proposed district that speaks English less than
20 “very well” and jointly speaks a language other than English
21 according to data from the most recent American Community
22 Survey or data from an equally reliable source.

23 ~~SECTION 1. Section 53311 of the Government Code is~~
24 ~~amended to read:~~

25 ~~53311. This chapter shall be known, and may be cited, as the~~
26 ~~“Mello-Roos Community Facilities Act of 1982”.~~