

AMENDED IN ASSEMBLY MARCH 21, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 2945

Introduced by Assembly Member Alvarez

February 16, 2024

~~An act to amend Section 53398.50 of the Government Code, relating to local government.~~ *An act to amend Section 53993 of, and to add Title 23 (commencing with Section 100600) to, the Government Code, relating to redevelopment.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2945, as amended, Alvarez. ~~Enhanced infrastructure financing districts.~~ *Reconnecting Communities Redevelopment Act.*

The California Constitution, with respect to any taxes levied on taxable property in a redevelopment project established under the Community Redevelopment Law, as it then read or may be amended, authorizes the Legislature to provide for the division of those taxes under a redevelopment plan between the taxing agencies and the redevelopment agency, as provided.

Existing law dissolved redevelopment agencies as of February 1, 2012, and designates successor agencies to act as successor entities to the dissolved redevelopment agencies.

This bill, the Reconnecting Communities Redevelopment Act, would authorize a city or county, or two or more cities acting jointly, to propose the formation of a reconnecting communities investment agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined. The bill would require the city or county to submit that

resolution to each affected taxing entity and would authorize an entity that receives that resolution to elect to not receive a passthrough payment, as provided. The bill would require the city or county that adopted that resolution to hold a public hearing on the proposal to consider all written and oral objections to the formation, as well as any recommendations of the affected taxing entities, and would authorize that city or county to adopt a resolution of formation at the conclusion of that hearing. The bill would then require that city or county to submit the resolution of intention to the Strategic Growth Council for a determination as to whether the agency would promote statewide greenhouse gas reduction goals. The bill would require the council to approve formation of the agency if it determines that formation of the agency would promote statewide greenhouse gas reduction goals. The bill would deem an agency to be in existence as of the date of the council's approval. The bill would require the council to establish a program to provide technical assistance to a city or county desiring to form an agency pursuant to these provisions.

The bill would provide for a governing board of the agency consisting of one member appointed by the legislative body or the legislative bodies, as applicable, that adopted the resolution of intention, one member appointed by each affected taxing entity, and 2 public members. The bill would authorize an agency formed pursuant to these provisions to finance specified infrastructure projects, and to carry out related powers, such as the power to purchase and lease property within the redevelopment project area, that are similar to the powers previously granted to redevelopment agencies. The bill would require an agency to adopt an annual budget and to maintain detailed records of every action taken by that agency for a specified period of time, and would provide that any person who violates this requirement be subject to a fine of \$10,000 per violation.

The bill would require the agency to submit an annual report containing specified information, and a final report of any audit undertaken by any other local, state, or federal governmental entity, to its governing body within specified time periods. The bill would also require the agency to submit a copy of the annual report with the Controller and a copy of any audit report with the Department of Housing and Community Development. The bill would establish procedures under which the Controller would identify major audit violations and the Attorney General would bring an action to compel compliance.

The bill would require the governing board of an agency to designate an appropriate official to prepare a proposed redevelopment project plan, in accordance with specified procedures. The bill would require the agency to hold a public hearing on the proposed redevelopment project plan, and would authorize the governing board to either adopt the redevelopment project plan or abandon proceedings, in which case the agency would cease to exist. The bill would authorize the redevelopment project plan to provide for the division of taxes levied upon taxable property, if any, between an affected taxing entity and the agency, as provided. The bill would declare that this authorization fulfills the intent of constitutional redevelopment provisions. The bill would also require that not less than 30% of all taxes allocated to the agency from an affected taxing entity be deposited into a separate fund, established by the agency, and used for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at an affordable housing cost, as provided.

The bill would authorize the agency to issue bonds to finance infrastructure projects, in accordance with specified requirements and procedures, including that the resolution proposing the bonds include a description of the facilities or developments to be financed and the estimated cost of those facilities or developments, and that the resolution adopting the bonds provide for specified matters such as the principal amount of bonds. The bill would also authorize a city, county, or special district that contains territory within the boundaries of an agency to loan moneys to the agency to fund activities described in the redevelopment project plan. The bill would require the agency to contract for an independent financial and performance audit every 2 years after the issuance of debt.

By imposing additional duties on the county auditor with respect to the allocation of tax increment revenues, and the review of information submitted to the county auditor by an agency pursuant to these provisions, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

~~Existing law authorizes a city or county to designate one or more proposed enhanced infrastructure financing districts, defined as governmental entities, separate and distinct from the cities or counties that established them, constituted for the sole purpose of financing public facilities or other projects, pursuant to specified requirements. Existing law declares that public benefits will accrue if local agencies are provided a means to finance the reuse and revitalization of former military bases, fund the creation of transit priority projects and the implementation of sustainable communities plans, fund projects that enable communities to adapt to the impacts of climate change, construct and rehabilitate affordable housing units, and construct facilities to house providers of consumer goods and services in the communities served by these efforts.~~

~~This bill would make a nonsubstantive change to the provisions described above stating the declaration of the Legislature within the context of the provisions that authorize the creation of enhanced infrastructure financing districts.~~

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

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

- 1 SECTION 1. Section 53993 of the Government Code is
- 2 amended to read:
- 3 53993. (a) Notwithstanding any other law, except as provided
- 4 in subdivision (b), for the purpose of any law authorizing the
- 5 division of taxes levied upon taxable property, including, but not
- 6 limited to, Sections 53369.30, 53396, 53398.30, 53398.75, and
- 7 62005, no revenues derived from the imposition of a property tax
- 8 rate approved by the voters pursuant to subdivision (b) of Section
- 9 1 of Article XIII A of the California Constitution and levied in
- 10 addition to the property tax rate limited by subdivision (a) of
- 11 Section 1 of Article XIII A of the California Constitution shall be
- 12 divided.
- 13 (b) Subdivision (a) shall not apply to ~~the~~ *either of the following:*
- 14 (1) *The* allocation of property taxes pursuant to Part 1.85
- 15 (commencing with Section 34170) of Division 24 of the Health
- 16 and Safety Code.

1 (2) *The division of taxes authorized by Section 100660.*
 2 *SEC. 2. Title 23 (commencing with Section 100600) is added*
 3 *to the Government Code, to read:*

4
 5 *TITLE 23. RECONNECTING COMMUNITIES*
 6 *REDEVELOPMENT ACT*

7
 8 *PART 1. GENERAL PROVISIONS*
 9

10 *100600. This title shall be known, and may be cited, as the*
 11 *Reconnecting Communities Redevelopment Act.*

12 *100601. For purposes of this title:*

13 (a) *“Affected taxing entity” means any governmental taxing*
 14 *agency that levied or had levied on its behalf an ad valorem*
 15 *property tax on all or a portion of the property located in the*
 16 *proposed agency in the fiscal year before the designation of the*
 17 *agency district.*

18 (b) *“Affected taxing entity equity amount” means the amount*
 19 *of ad valorem property tax revenue that the affected taxing entity*
 20 *would have received from property located within the*
 21 *redevelopment project area in the absence of the reconnecting*
 22 *communities investment agency, calculated pursuant to subdivision*
 23 *(e) of Section 100661.*

24 (c) *“Agency” means a reconnecting communities investment*
 25 *agency created by this title.*

26 (d) *“County” means a county or a city and county.*

27 (e) *“Debt” means any binding obligation to repay a sum of*
 28 *money, including obligations in the form of bonds, certificates of*
 29 *participation, long-term leases, loans from government agencies,*
 30 *or loans from banks, other financial institutions, private businesses,*
 31 *or individuals.*

32 (f) *“Designated official” means the appropriate official, such*
 33 *as an engineer of a city or county that is an affected taxing entity,*
 34 *designated pursuant to Section 100650.*

35 (g) *“Governing board” means the governing body of an agency*
 36 *established pursuant to this title.*

37 (h) *“Landowner” or “owner of land” means any person shown*
 38 *as the owner of land on the last equalized assessment roll or*
 39 *otherwise known to be the owner of the land by the governing*
 40 *board. The governing board has no obligation to obtain other*

1 information as to the ownership of land, and its determination of
2 ownership shall be final and conclusive for the purposes of this
3 title. A public agency is not a landowner or owner of land for
4 purposes of this title, unless the public agency owns all of the land
5 to be included within the proposed agency.

6 (i) “Legislative body” means the city council of the city or board
7 of supervisors of the county.

8 (j) “Redevelopment project” means any undertaking of an
9 agency pursuant to this title.

10 (k) “Special district” means an agency of the state formed for
11 the performance of governmental or proprietary functions within
12 limited geographic boundaries.

13 100602. (a) The Legislature declares that this title constitutes
14 the Community Redevelopment Law within the meaning of Article
15 XVI of Section 16 of the California Constitution, and that a
16 reconnecting communities investment agency formed pursuant to
17 this title shall have all powers granted to a redevelopment agency
18 pursuant to that section.

19 (b) Unless the context clearly indicates otherwise, or there is a
20 conflict with any provision of this title, whenever the term
21 “redevelopment agency” or “Community Redevelopment Law”
22 appears in this code or any other code, except those laws described
23 in the following sentence, it shall be deemed to refer to a
24 “reconnecting communities investment agency” formed pursuant
25 to this part or the “Reconnecting Communities Redevelopment
26 Act,” as applicable. The previous sentence does not apply to any
27 of the following laws:

28 (1) Part 1 (commencing with Section 33300) of Division 24 of
29 the Health and Safety Code.

30 (2) Part 1.7 (commencing with Section 34100) of Division 24
31 of the Health and Safety Code.

32 (3) Part 1.8 (commencing with Section 34161) of Division 24
33 of the Health and Safety Code.

34 (4) Part 1.85 (commencing with Section 34170) of Division 24
35 of the Health and Safety Code.

36 (5) Part 1.9 (commencing with Section 34192) of Division 24
37 of the Health and Safety Code.

1 PART 2. FORMATION OF A RECONNECTING COMMUNITIES
2 INVESTMENT AGENCY

3
4 100610. (a) *The legislative body of a city or county, subject*
5 *to the conditions as may apply under Section 100633, may propose*
6 *to form an agency pursuant to this title by adopting a resolution*
7 *of intention to establish the agency. The resolution of intention*
8 *shall contain all the following:*

9 (1) *A statement that a reconnecting communities investment*
10 *agency is proposed to be established in accordance with the terms*
11 *of this title.*

12 (2) *A statement of the need for the proposed agency and the*
13 *goals that the proposed agency seeks to achieve.*

14 (3) *A preliminary project plan prepared by the legislative body.*
15 *The preliminary project plan shall, at a minimum, include the*
16 *following:*

17 (A) *A description of the proposed boundaries of the project*
18 *area. The project area shall be an area that is centered around a*
19 *highway with a radius of one-half mile. This may be accomplished*
20 *by reference to a map on file in the office of the clerk of the city*
21 *or in the office of the recorder of the county, as applicable.*

22 (B) *A general statement of the land uses, layout of principal*
23 *streets, population densities and building intensities, and standards*
24 *proposed as the basis for the redevelopment of the project area.*

25 (C) *Evidence that redevelopment will achieve the purposes of*
26 *this title.*

27 (D) *Evidence that the proposed redevelopment is consistent*
28 *with the general plan of each applicable city or county in which*
29 *the projects are proposed to be located.*

30 (E) *A general description of the impact of the project upon the*
31 *area's residents and upon the surrounding neighborhood.*

32 (F) *A description of the reconnecting communities infrastructure*
33 *and other infrastructure projects that are proposed to be financed*
34 *by the agency, as described in paragraph (1) of subdivision (a) of*
35 *Section 100630. For purposes of this section, a reconnecting*
36 *communities infrastructure project means an infrastructure project*
37 *that is located on top, below or immediately adjacent of a highway,*
38 *that will increase mobility and active transportation by reuniting*
39 *communities split by the creation of the interstate highway system.*

1 (4) A financing section that shall contain all of the following
2 information:

3 (A) A projection of the amount of tax revenues expected to be
4 received by the agency in each year during which the agency will
5 receive tax revenues, including an estimate of the amount of tax
6 revenues attributable to each affected taxing entity for each year.

7 (B) A plan for financing the reconnecting communities
8 infrastructure and other infrastructure projects to be assisted by
9 the agency, including a detailed description of any intention to
10 incur debt.

11 (C) A statement of the total number of dollars of taxes that may
12 be allocated to the agency pursuant to the plan.

13 (D) The date on which the agency will cease to exist, by which
14 time all tax allocation to the agency will end. The date shall not
15 be more than 45 years from the date on which the issuance of
16 bonds is first approved pursuant to Section 100684, or the issuance
17 of a loan is first approved by the legislative body of a city, county,
18 or special district pursuant to Section 100689.

19 (E) An analysis of the costs to the city or county of providing
20 facilities and services to the area of the agency while the area is
21 being developed and after the area is developed. The plan shall
22 also include an analysis of the tax, fee, charge, and other revenues
23 expected to be received by the city or county as a result of expected
24 development in the area of the agency.

25 (F) An analysis of the projected fiscal impact of the agency and
26 the associated development upon each affected taxing entity.

27 (G) A passthrough provision that provides that the agency will,
28 except as otherwise provided in this subparagraph, pay to each
29 affected taxing entity an amount equivalent to the affected taxing
30 entity equity amount. A passthrough provision shall not provide
31 payment to the city or county that proposes to form the agency, or
32 to any school entity, as defined pursuant to subdivision (f) of
33 Section 95 of the Revenue and Taxation Code.

34 (H) An override passthrough provision that provides that the
35 agency will pay to each affected taxing entity that imposed an
36 override property tax on property located within the proposed
37 redevelopment project area an amount that is equivalent to the
38 amount the affected taxing entity would have received from the
39 override property tax imposed on that property in the absence of
40 the reconnecting communities investment agency. For purposes

1 of this subparagraph, “imposed an override property tax” means
2 that an ad valorem property tax was imposed on property by, or
3 on behalf of, the affected taxing entity within the meaning of
4 subdivision (b) of Section 1 of Article XIII A of the California
5 Constitution and levied in addition to the property tax rate limited
6 by subdivision (a) of Section 1 of Article XIII A of the California
7 Constitution. An override passthrough provision shall not provide
8 payment to the city or county that proposes to form the agency, or
9 to any school entity, as defined pursuant to subdivision (f) of
10 Section 95 of the Revenue and Taxation Code.

11 (5) A statement that the city or county adopting the resolution
12 thereby elects to not receive, whether by passthrough or otherwise,
13 a portion of those ad valorem property tax revenues that are in
14 excess of the base year amount as described in paragraph (2) of
15 subdivision (a) of Section 100660 that the city or county would
16 have otherwise been entitled to from property in the redevelopment
17 project area in the absence of the reconnecting communities
18 investment agency. This statement is irrevocable unless and until
19 the agency ceases to exist pursuant to the redevelopment project
20 plan.

21 (6) A statement that a public hearing shall be held on the
22 proposal, and a statement of the time and place of that hearing.

23 (b) The legislative body shall direct the city clerk or county
24 recorder, as applicable, to mail a copy of the resolution of intention
25 to each affected taxing entity.

26 100610.5. (a) The legislative body of two or more cities may
27 propose to jointly form an agency pursuant to this title, subject to
28 the conditions as may apply under Section 100633, by adoption
29 of a resolution of intention by each city proposing to jointly form
30 the agency.

31 (b) In order to jointly form an agency pursuant to this section,
32 each city shall do both of the following:

33 (1) Include all of the elements required by subdivision (a) of
34 Section 100610 in its resolution of intention adopted pursuant to
35 this section.

36 (2) Comply with all other applicable requirements of this part
37 with respect to the formation of an agency.

38 (c) The proposed boundaries of the project area of an agency
39 proposed to be jointly formed pursuant to this section may include

1 any or all of the territory within each city proposing to jointly form
2 the agency.

3 100611. (a) The city or county that adopted the resolution of
4 intention pursuant to Section 100610, or each of the cities that
5 adopted a resolution of intention pursuant to Section 100610.5,
6 as applicable, shall consult with each affected taxing entity. Any
7 affected taxing entity may suggest revisions to be included in the
8 resolution of formation.

9 (b) Any affected taxing entity entitled to receive a passthrough
10 may submit a written election to the city or county that adopted
11 the resolution of intention and the county auditor to not receive
12 an amount that the entity otherwise would have received under a
13 passthrough provision described in subparagraphs (G) and (H)
14 of paragraph (4) of subdivision (a) of Section 100610. The affected
15 taxing entity shall include in that written election a statement that
16 the affected taxing entity consents to not receive any amount that
17 would have been received under a passthrough provision, and that
18 the entity is aware that statement is irrevocable unless and until
19 the agency ceases to exist pursuant to the redevelopment project
20 plan.

21 100612. (a) The legislative body shall, no sooner than 60 days
22 after the resolution of intention was provided to each affected
23 taxing entity pursuant to subdivision (b) of Section 100610, hold
24 a public hearing on the proposal.

25 (b) The legislative body shall provide notice of the public
26 hearing by publication not less than once a week for four
27 successive weeks in a newspaper of general circulation published
28 in each city or county in which the proposed agency is located.
29 The notice shall state that the agency will be used to finance
30 reconnecting communities infrastructure or other infrastructure
31 projects, briefly describe the proposed reconnecting communities
32 infrastructure or other infrastructure projects, briefly describe the
33 proposed financial arrangements, including the proposed
34 commitment of incremental tax revenue, describe the boundaries
35 of the proposed agency and state the day, hour, and place when
36 and where any persons having any objections to the proposed
37 agency or the regularity of any of the prior proceedings, may
38 appear before the legislative body and object to the formation of
39 the agency.

1 (c) At the public hearing, the legislative body shall proceed to
2 hear and pass upon all written and oral objections to the formation
3 of the agency. The hearing may be continued from time to time.
4 The legislative body shall consider the recommendations, if any,
5 of affected taxing entities, and all evidence and testimony for and
6 against the formation of the agency.

7 (d) At the conclusion of the public hearing, the legislative body
8 may adopt a resolution proposing the formation of the agency.
9 The resolution of formation shall contain all the information
10 described in subdivision (a) of Section 100610, and shall consider
11 the recommendations, if any, of affected taxing entities, and all
12 evidence and testimony for and against the adoption of the plan.
13 The legislative body shall direct the city clerk or county recorder,
14 as applicable, to mail the resolution of formation to each affected
15 taxing entity.

16 100614. (a) The legislative body that adopted the resolution
17 of formation pursuant to subdivision (d) of Section 100612 shall
18 submit that resolution, along with all supporting documents, to
19 the Strategic Growth Council for review.

20 (b) (1) The Strategic Growth Council shall determine whether
21 the establishment of an agency pursuant to this title, as provided
22 in the resolution of intention, would promote statewide greenhouse
23 gas reduction goals. In making the determination required by this
24 paragraph, the Strategic Growth Council shall ensure that the
25 projects proposed in the resolution of intention equitably represent
26 rural, suburban, and urban communities, and that establishing
27 the agency would not result in an inequitable geographic
28 distribution of agencies throughout the state.

29 (2) The Strategic Growth Council shall approve the resolution
30 of formation of an agency if it determines that the formation of the
31 agency would promote statewide greenhouse gas reduction goals,
32 as specified in paragraph (1).

33 (3) (A) If the Strategic Growth Council approves the resolution
34 of formation, the agency shall be deemed to be in existence as of
35 the date of that approval.

36 (B) If the Strategic Growth Council determines that either or
37 both of the criteria specified in paragraph (2) are not met, it shall
38 disapprove the formation of the agency and provide a written
39 explanation of its disapproval to the legislative body and to each
40 affected taxing agency.

1 (c) *The Strategic Growth Council shall adopt policies and*
2 *procedures for the receipt and evaluation of resolutions of intention*
3 *pursuant to this section.*

4 (d) *The Strategic Growth Council shall establish a program to*
5 *provide technical assistance to a city or county that desires to form*
6 *a reconnecting communities investment agency. The Strategic*
7 *Growth Council shall provide that technical assistance by entering*
8 *into a contract with that city or county, and may include a*
9 *provision in that contract to recover the reasonable cost of the*
10 *council in providing the technical assistance. In providing technical*
11 *assistance, the council shall encourage that the proposed agency*
12 *promote statewide greenhouse gas reduction goals as described*
13 *in subdivision (b).*

14
15 **PART 3. GOVERNING BOARD OF A RECONNECTING**
16 **COMMUNITIES INVESTMENT AGENCY**
17

18 100620. (a) *The governing board of the agency shall consist*
19 *of the following:*

20 (1) (A) *Except as otherwise provided in subparagraph (B), one*
21 *member appointed by the legislative body that adopted the*
22 *resolution of intention pursuant to Section 100610.*

23 (B) *In the case of an agency jointly formed by two or more cities*
24 *pursuant to Section 100610.5, one member appointed by the*
25 *legislative body of each city that adopted the resolution of intention*
26 *pursuant to Section 100610.5.*

27 (2) *One member appointed by each affected taxing entity.*

28 (3) *Two public members initially appointed by the members*
29 *appointed by the board composed of the members described in*
30 *paragraphs (1) and (2) appointed, and then thereafter appointed*
31 *by the board as a whole. The public members shall not be an*
32 *elective officer or employee of any affected taxing entity.*

33 (b) *A majority of the membership of the board constitutes a*
34 *quorum for the transaction of any business, the performance of*
35 *any duty, or the exercise of any power of the board. If a vacancy*
36 *in the board occurs, then a majority of the remaining members of*
37 *the board constitutes a quorum.*

38 100621. *Members of the governing board established pursuant*
39 *to this chapter shall not receive compensation but may receive*
40 *reimbursement for actual and necessary expenses incurred in the*

1 performance of official duties pursuant to Article 2.3 (commencing
2 with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title
3 5.

4 100623. (a) Members of the governing board are subject to
5 Article 2.4 (commencing with Section 53234) of Chapter 2 of Part
6 1 of Division 2 of Title 5.

7 (b) An agency created pursuant to this title shall be a local
8 public agency subject to the Ralph M. Brown Act (Chapter 9
9 (commencing with Section 54950) of Part 1 of Division 2 of Title
10 5), the California Public Records Act (Chapter 1 (commencing
11 with Section 7920.000) of Part 1 of Division 10 of Title 1), and
12 the Political Reform Act of 1974 (Title 9 (commencing with Section
13 81000)).

14
15 **PART 4. RECONNECTING COMMUNITIES INVESTMENT**
16 **AGENCY POWERS AND DUTIES**

17
18 **CHAPTER 1. AGENCY POWERS**

19
20 100630. (a) (1) An agency may finance any of the following:

21 (A) The purchase, construction, expansion, improvement, seismic
22 retrofit, or rehabilitation of any real or other tangible property
23 with an estimated useful life of 15 years or longer that constitutes
24 reconnecting communities infrastructure and other infrastructure
25 projects as described in subdivision (b).

26 (B) The planning and design work that is directly related to the
27 purchase, construction, expansion, or rehabilitation of property.

28 (C) The costs described in Section 100635.

29 (2) Facilities financed pursuant to this title are not required to
30 be physically located within the boundaries of the agency.
31 However, any facilities financed outside of an agency's boundaries
32 shall have a tangible connection to the work of the agency, as
33 detailed in the redevelopment project plan adopted pursuant to
34 Part 5 (commencing with Section 100650).

35 (3) An agency shall not finance routine maintenance, repair
36 work, or the costs of an ongoing operation or providing services
37 of any kind.

38 (b) An agency shall only finance redevelopment projects that
39 the agency finds are appropriate or necessary in the interests of
40 the general welfare. For purposes of this title, redevelopment

- 1 *projects shall only include the following reconnecting communities*
2 *infrastructure and other infrastructure projects:*
- 3 *(1) Highways and associated highway infrastructure, including*
4 *lids, tunnels, interchanges, ramps and bridges, arterial streets,*
5 *parking facilities, and transit facilities.*
- 6 *(2) Facilities for collection, transportation, and diversion of*
7 *water, including interceptor pipes and drainage channels.*
- 8 *(3) Childcare facilities.*
- 9 *(4) Libraries.*
- 10 *(5) Parks, recreational facilities, and open space.*
- 11 *(6) Facilities that capture or reduce air emissions caused by a*
12 *highway located within the proposed boundaries of the project*
13 *plan.*
- 14 *(7) Brownfield restoration and other environmental mitigation.*
- 15 *(8) The acquisition, construction, or rehabilitation of housing*
16 *for persons of very low, low, and moderate income, as those terms*
17 *are defined in Sections 50105 and 50093 of the Health and Safety*
18 *Code, for rent or purchase. The agency may finance mixed-income*
19 *housing developments, but may finance only those units in a*
20 *mixed-income development that are restricted to occupancy by*
21 *persons of very low, low, or moderate income, as those terms are*
22 *defined in Sections 50105 and 50093 of the Health and Safety*
23 *Code, and those onsite facilities for childcare, after school care,*
24 *and social services that are integrally linked to the tenants of the*
25 *restricted units.*
- 26 *(9) Transit priority projects, as defined in Section 21155 of the*
27 *Public Resources Code, that are located within a transit priority*
28 *project area. For purposes of this paragraph, a transit priority*
29 *project area may include a military base reuse plan that meets the*
30 *definition of a transit priority project area and it may include a*
31 *contaminated site within a transit priority project area. An agency*
32 *may reimburse a developer of a project that is located entirely*
33 *within the boundaries of that agency for any permit expenses*
34 *incurred and to offset additional expenses incurred by the*
35 *developer in constructing affordable housing units pursuant to the*
36 *Transit Priority Project Program established in Section 65470.*
- 37 *(10) Projects that implement a sustainable communities strategy,*
38 *when the State Air Resources Board, pursuant to Chapter 2.5*
39 *(commencing with Section 65080) of Division 1 of Title 7, has*
40 *accepted a metropolitan planning organization's determination*

1 *that the sustainable communities strategy or the alternative*
2 *planning strategy would, if implemented, achieve the greenhouse*
3 *gas emission reduction targets.*

4 *(11) Port or harbor infrastructure, as defined by Section 1698*
5 *of the Harbors and Navigation Code.*

6 *(12) Acquisition of air leases.*

7 *(c) An agency shall not finance any project that is not described*
8 *in subdivision (b).*

9 *(d) The agency shall require, by recorded covenants or*
10 *restrictions, that housing units built pursuant to this section shall*
11 *remain available at affordable housing costs to, and occupied by,*
12 *persons and families of very low, low-, or moderate-income*
13 *households for the longest feasible time, but for not less than 55*
14 *years for rental units and 45 years for owner-occupied units.*

15 *(e) An agency may utilize any powers under either the Polanco*
16 *Redevelopment Act (Article 12.5 (commencing with Section 33459)*
17 *of Chapter 4 of Part 1 of Division 24 of the Health and Safety*
18 *Code) or Chapter 6.10 (commencing with Section 25403) of*
19 *Division 20 of the Health and Safety Code, and finance any action*
20 *necessary to implement that act.*

21 *(f) An agency may enter into a public-private partnership for*
22 *the purpose of financing any action necessary to implement this*
23 *act.*

24 *100630.5. (a) Except as provided in subdivision (b), an agency*
25 *shall not, directly or indirectly, allocate or transfer any funds*
26 *received by the agency pursuant to Chapter 1 (commencing with*
27 *Section 100660) of Part 6 to any city, county, or special district.*

28 *(b) Notwithstanding subdivision (a), an agency shall make any*
29 *payment required by a passthrough provision that was included*
30 *in the financing section of its resolution of formation and included*
31 *within the redevelopment project plan, as required by paragraphs*
32 *(8) and (9) of subdivision (d) of Section 100651. In making*
33 *payments required by this subdivision, the agency shall comply*
34 *with the requirements of subparagraphs (G) and (H) of paragraph*
35 *(4) of subdivision (a) of Section 100610. An agency shall not,*
36 *directly or indirectly, make passthrough payments to any affected*
37 *taxing entity, including by entering into a passthrough agreement,*
38 *unless that passthrough provision was included in the resolution*
39 *of formation of the agency.*

1 100631. An agency may, within the area established in an
2 approved redevelopment project plan, do either of the following:

3 (a) Purchase, lease, obtain option upon, acquire by gift, grant,
4 bequest, devise, or otherwise, any real or personal property, any
5 interest in property, and any improvements on it, including
6 repurchase of developed property previously owned by the agency,
7 to be used in a redevelopment project. An agency shall obtain an
8 appraisal from a qualified independent appraiser to determine the
9 fair market value of property before the agency acquires or
10 purchases real property.

11 (b) Acquire real property by eminent domain to be used in a
12 redevelopment project. Property already devoted to a public use
13 may be acquired by the agency through eminent domain, but the
14 agency shall not acquire property of a public body without the
15 consent of that public body.

16 100632. An agency may rent, maintain, manage, operate,
17 repair, and clear real property owned by the agency within the
18 area established in an approved redevelopment project plan for
19 the purpose of providing reconnecting communities infrastructure
20 or other infrastructure projects.

21 100633. A city or county that created a former redevelopment
22 agency, as defined in Section 33003 of the Health and Safety Code
23 shall neither initiate the creation of an agency, either on its own
24 pursuant to Section 100610 or jointly pursuant to Section 100610.5,
25 nor participate in the governance or financing of an agency, until
26 each of the following has occurred:

27 (a) The successor agency for the former redevelopment agency
28 created by the city or county has received a finding of completion,
29 as specified in Section 34179.7 of the Health and Safety Code.

30 (b) The city or county certifies to the Department of Finance
31 and to the agency that no former redevelopment agency assets that
32 are the subject of litigation involving the state, where the city or
33 county, the successor agency, or the designated local authority
34 are a named plaintiff, have been or will be used to benefit any
35 efforts of an agency formed under this title, unless the litigation
36 and all possible appeals have been resolved in a court of law. The
37 city or county shall provide this certification to the Department of
38 Finance within 10 days of its legislative body's action to participate
39 or initiate the formation of an agency under this title.

1 (c) *The Controller has completed its review as specified in*
2 *Section 34167.5 of the Health and Safety Code.*

3 (d) *The successor agency and the entity that created the former*
4 *redevelopment agency have complied with all of the Controller's*
5 *findings and orders stemming from the reviews as specified in*
6 *subdivision (c).*

7 100634. (a) *An agency may include any portion of a former*
8 *redevelopment project area that was previously created pursuant*
9 *to Part 1 (commencing with Section 33000) of Division 24 of the*
10 *Health and Safety Code, provided that the city or county that*
11 *created the former redevelopment agency has met the requirements*
12 *of Section 100633.*

13 (b) *An agency may finance only the facilities authorized in this*
14 *title to the extent that the facilities are in addition to those provided*
15 *in the territory of the agency before the agency was created. The*
16 *additional facilities may not supplant facilities already available*
17 *within that territory when the agency was created but may*
18 *supplement, rehabilitate, upgrade, or make more sustainable those*
19 *facilities.*

20 (c) *An agency may include areas that are not contiguous.*

21 100635. *It is the intent of the Legislature that the creation of*
22 *an agency should not ordinarily lead to the removal of existing*
23 *dwelling units. If, however, any dwelling units are proposed to be*
24 *removed or destroyed in the course of public works construction*
25 *within the area of the agency or private development within the*
26 *area of the agency that is subject to a written agreement with the*
27 *agency or that is financed in whole or in part by the agency then*
28 *the redevelopment project plan adopted pursuant to Part 5*
29 *(commencing with Section 100650) shall contain provisions to do*
30 *all of the following:*

31 (a) *If the dwelling units to be removed or destroyed are or were*
32 *inhabited by persons or families of very low, low, or moderate*
33 *income, as defined in Sections 50105 and 50093 of the Health and*
34 *Safety Code, at any time within five years before establishment of*
35 *the agency, cause or require the construction or rehabilitation of*
36 *an equal number of replacement dwelling units, within one-half*
37 *mile of the location of the units to be removed or destroyed, that*
38 *have an equal or greater number of bedrooms as those removed*
39 *or destroyed units, within two years of the removal or destruction*
40 *of the dwelling units. The replacement dwelling units shall be*

1 available for rent or sale to persons or families of very low, low,
2 or moderate income, at affordable rent, as defined in Section 50053
3 of the Health and Safety Code, or at affordable housing cost, as
4 defined in Section 50052.5 of the Health and Safety Code, to
5 persons in the same or a lower income category (extremely low,
6 very low, low, or moderate), as the persons displaced from, or
7 who last occupied, the removed or destroyed dwelling units.

8 (b) If the dwelling units to be removed or destroyed were not
9 inhabited by persons of low or moderate income within the period
10 of time specified in subdivision (a), cause or require the
11 construction or rehabilitation within one-half mile of the location
12 of the units to be removed or destroyed of at least one unit but not
13 less than 25 percent of the total dwelling units removed or
14 destroyed, within two years of the removal or destruction of the
15 dwelling units. The units constructed or rehabilitated pursuant to
16 this subdivision shall be of equivalent size and type to the units to
17 be removed or destroyed. An equal percentage of the replacement
18 dwelling units constructed or rehabilitated pursuant to this
19 subdivision shall be available for rent or sale at affordable rent,
20 as defined in Section 50053 of the Health and Safety Code, or
21 affordable housing cost, as defined in Section 50052.5 of the Health
22 and Safety Code, to extremely low and very low income persons
23 or families, as defined in Sections 50105 and 50106 of the Health
24 and Safety Code.

25 (c) Comply with all relocation assistance requirements of
26 Chapter 16 (commencing with Section 7260) of Division 7 of Title
27 1, for persons displaced from dwelling units by any public works
28 construction within the area of the agency or private development
29 within the area of the agency that is subject to a written agreement
30 with the agency or that is financed in whole or in part by the
31 agency as a result of the redevelopment project plan adopted
32 pursuant to Part 5 (commencing with Section 100650). The
33 displacement of any persons from a dwelling unit as a result of
34 the plan shall be deemed to be the result of public action.

35 (d) Ensure that removal or destruction of any dwelling units
36 occupied by persons or families of low or moderate income not
37 take place unless and until there has been full compliance with
38 the relocation assistance requirements of this section, Section
39 100651, and Chapter 16 (commencing with Section 7260) of
40 Division 7 of Title 1.

1 (e) (1) *The agency shall require, by recorded covenants or*
2 *restrictions, that all dwelling units constructed or rehabilitated*
3 *pursuant to this section shall remain available at affordable rent*
4 *or housing cost to, and occupied by, persons and families of the*
5 *same income categories as required by subdivision (a) or (b), as*
6 *applicable, for the longest feasible time, but for not less than 55*
7 *years for rental units and 45 years for owner-occupied units.*

8 (2) *The agency may permit sales of owner-occupied units before*
9 *the expiration of the 45-year period for a price in excess of that*
10 *otherwise permitted under this subdivision pursuant to an adopted*
11 *program that protects the agency's investment of moneys in the*
12 *unit or units, including, but not limited to, an equity sharing*
13 *program, that is not in conflict with another public funding source*
14 *or law, and that establishes a schedule of equity sharing that*
15 *permits retention by the seller of a portion of those excess proceeds*
16 *based on the length of occupancy. For purposes of this paragraph,*
17 *the terms of the equity sharing program shall be consistent with*
18 *the provisions of paragraph (2) of subdivision (c) of Section 65915,*
19 *provided, however, that the program shall require any amounts*
20 *recaptured by the agency to be used within five years for any of*
21 *the affordable housing purposes described in Section 34176.1 of*
22 *the Health and Safety Code.*

23 100636. *Any action or proceeding to attack, review, set aside,*
24 *void, or annul the creation of an agency or adoption of a*
25 *redevelopment project plan, including a division of taxes*
26 *thereunder, shall be commenced within 30 days after the formation*
27 *of the agency or adoption of the redevelopment project plan, as*
28 *applicable. Consistent with the time limitations of this section,*
29 *action or proceeding with respect to a division of taxes under this*
30 *chapter may be brought pursuant to Chapter 9 (commencing with*
31 *Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.*

32 100637. *An action to determine the validity of the issuance of*
33 *bonds pursuant to this title may be brought pursuant to Chapter*
34 *9 (commencing with Section 860) of Title 10 of Part 2 of the Code*
35 *of Civil Procedure. However, notwithstanding the time limits*
36 *specified in Section 860 of the Code of Civil Procedure, the action*
37 *shall be commenced within 30 days after adoption of the resolution*
38 *pursuant to Section 100684 providing for issuance of the bonds if*
39 *the action is brought by an interested person pursuant to Section*
40 *863 of the Code of Civil Procedure. Any appeal from a judgment*

1 *in that action or proceeding shall be commenced within 30 days*
 2 *after entry of judgment.*

3 100638. (a) *An agency shall maintain detailed records of every*
 4 *action taken by that agency, including, but not limited to, all the*
 5 *following:*

6 (1) *Original copies of any agreement, memorandum of*
 7 *understanding, or contact entered into by the agency.*

8 (2) *A record of any payment made by the agency.*

9 (3) *For each loan, advance, or indebtedness incurred or entered*
 10 *into, all of the following information:*

11 (A) *The date the loan, advance, or indebtedness was incurred*
 12 *or entered into.*

13 (B) *The principal amount, term, purpose, interest rate, and total*
 14 *interest of each loan, advance, or indebtedness.*

15 (C) *The principal amount and interest due in the fiscal year in*
 16 *which the statement of indebtedness is filed for each loan, advance,*
 17 *or indebtedness.*

18 (D) *The total amount of principal and interest remaining to be*
 19 *paid for each loan, advance, or indebtedness.*

20 (b) *The agency shall maintain any record described in this*
 21 *section for a period of 15 years after the later of the following:*

22 (1) *The date the record was originally created.*

23 (2) *The date that the agreement, memorandum of understanding,*
 24 *or contract expired or concluded.*

25 (3) *The date that the loan was fully paid off.*

26 (c) *Any person who violates this section is subject to a civil*
 27 *penalty of ten thousand dollars (\$10,000) per violation. All moneys*
 28 *collected as penalties pursuant to this subdivision shall be*
 29 *deposited in the Housing Rehabilitation Loan Fund, and,*
 30 *notwithstanding Section 50661 of the Health and Safety Code,*
 31 *those funds shall be available, upon appropriation by the*
 32 *Legislature, for support of the Multifamily Housing Program*
 33 *(Chapter 6.7 (commencing with Section 50675) of Part 2 of*
 34 *Division 31 of the Health and Safety Code).*

35 100639. (a) *An agency shall adopt an annual budget*
 36 *containing all of the following specific information:*

37 (1) *The proposed expenditures of the agency.*

38 (2) *The proposed indebtedness to be incurred by the agency.*

39 (3) *The anticipated revenues of the agency.*

1 (4) *The work program planned by the agency with respect to*
2 *projects approved for the coming year, including goals.*

3 (5) *An examination of the previous year's achievements and a*
4 *comparison of the achievements with the goals of the previous*
5 *year's work program.*

6 (b) *An agency may amend the annual budget from time to time.*
7 *All expenditures and indebtedness of the agency shall be in*
8 *conformity with the adopted or amended budget.*

9

10 *CHAPTER 2. REPORTING REQUIREMENT*

11

12 100640. (a) *An agency shall submit an annual report to its*
13 *governing board within six months of the end of the agency's fiscal*
14 *year. The agency shall also submit the final report of any audit*
15 *undertaken by any other local, state, or federal governmental entity*
16 *to its governing board within 30 days of receipt of that audit report.*

17 (b) *The annual report required by subdivision (a) shall contain*
18 *all of the following:*

19 (1) (A) *An independent financial audit report for the previous*
20 *fiscal year. For purposes of this section, "audit report" means an*
21 *examination of, and opinion on, the financial statements of the*
22 *agency that present the results of the operations and financial*
23 *position of the agency, including all financial activities with moneys*
24 *required to be held in a separate fund established pursuant to*
25 *subdivision (a) of Section 100670. This audit shall be conducted*
26 *by a certified public accountant or public accountant, licensed by*
27 *the State of California, in accordance with Government Auditing*
28 *Standards adopted by the Comptroller General of the United States.*
29 *The audit report shall meet, at a minimum, the audit guidelines*
30 *prescribed by the Controller's office pursuant to Section 100642,*
31 *and also include a report on the agency's compliance with laws,*
32 *regulations, and administrative requirements governing activities*
33 *of the agency, and a calculation of the excess surplus, as that term*
34 *is defined in subdivision (g) of Section 100674, in the separate*
35 *fund established pursuant to subdivision (a) of Section 100670.*

36 (B) *However, the governing board may elect to omit from*
37 *inclusion in the audit report prepared pursuant to subparagraph*
38 *(A) any distinct activity of the agency that is funded exclusively by*
39 *the federal government and that is subject to audit by the federal*
40 *government.*

- 1 (2) A fiscal statement for the previous fiscal year that contains
 2 the information required pursuant to Section 100644.
- 3 (3) A description of the agency’s activities in the previous fiscal
 4 year affecting housing and displacement that contains the
 5 information required by Section 100643.
- 6 (4) A description of the agency’s progress, including specific
 7 actions and expenditures, in accomplishing the agency’s purpose
 8 in the previous fiscal year.
- 9 (5) A list of, and status report on, all loans made by the agency
 10 that are fifty thousand dollars (\$50,000) or more, that in the
 11 previous fiscal year were in default, or not in compliance with the
 12 terms of the loan approved by the agency.
- 13 (6) A description of the total number and nature of the properties
 14 that the agency owns and those properties the agency has acquired
 15 in the previous fiscal year.
- 16 (7) A list of the fiscal years that the agency expects each of the
 17 following time limits to expire:
- 18 (A) The time limit for the commencement for eminent domain
 19 proceedings to acquire property within the project area.
- 20 (B) The time limit for the establishment of loans, advances, and
 21 indebtedness to finance the redevelopment project.
- 22 (C) The time limit for the effectiveness of the redevelopment
 23 plan.
- 24 (D) The time limit to repay indebtedness with the proceeds of
 25 property taxes.
- 26 (8) Any other information that the agency believes useful to
 27 explain its programs, including, but not limited to, the number of
 28 jobs created and lost in the previous fiscal year as a result of its
 29 activities.
- 30 (c) (1) The agency shall file with the Controller within six
 31 months of the end of the agency’s fiscal year a copy of the annual
 32 report required by subdivision (a). In addition, the agency shall
 33 file with the Department of Housing and Community Development
 34 a copy of an audit report as required by subdivision (a). The
 35 reports shall be made in the time, format, and manner prescribed
 36 by the Controller after consultation with the Department of
 37 Housing and Community Development.
- 38 (2) The agency shall provide a copy of the annual report
 39 required by subdivision (a), upon the written request of any person
 40 or any affected taxing entity. If the report does not include detailed

1 *information regarding administrative costs, professional services,*
2 *or other expenditures, the person or affected taxing entity may*
3 *request, and the agency shall provide, that information consistent*
4 *with the California Public Records Act (Chapter 1 (commencing*
5 *with Section 7920.000) of Part 1 of Division 10 of Title 1).*

6 *100641. (a) When the agency presents the annual report to*
7 *the governing board pursuant to Section 100640, the agency shall*
8 *inform the governing board of any major audit violations of this*
9 *title based on the independent financial audit report. The agency*
10 *shall inform the governing board that the failure to correct a major*
11 *audit violation of this part may result in the filing of an action by*
12 *the Attorney General pursuant to Section 100646.*

13 *(b) The governing board shall review any report submitted*
14 *pursuant to Section 100640 and take any action it deems*
15 *appropriate on that report no later than the first meeting of the*
16 *governing board occurring more than 21 days from the receipt of*
17 *the report.*

18 *100642. The Controller shall develop and periodically revise*
19 *the guidelines for the content of the report required by Section*
20 *100640. The Controller shall appoint an advisory committee to*
21 *advise in the development of the guidelines. The advisory committee*
22 *shall include representatives from among those persons nominated*
23 *by the Department of Housing and Community Development, the*
24 *Legislative Analyst, the California Society of Certified Public*
25 *Accountants, and any other authorities in the field that the*
26 *Controller deems necessary and appropriate.*

27 *100643. (a) For the purposes of compliance with paragraph*
28 *(3) of subdivision (b) of Section 100640, the description of the*
29 *agency's activities shall contain the following information,*
30 *regardless of whether each activity is funded exclusively by the*
31 *state or federal government, for each project area and for the*
32 *agency overall:*

33 *(1) The total number of nonelderly and elderly households,*
34 *including separate subtotals of the numbers of very low income*
35 *households, other lower income households, and persons and*
36 *families of moderate income, that were displaced or moved from*
37 *their dwelling units as part of a redevelopment project of the*
38 *agency during the previous fiscal year.*

39 *(2) The total number of nonelderly and elderly households,*
40 *including separate subtotals of the numbers of very low income*

1 households, other lower income households, and persons and
2 families of moderate income, that the agency estimates will be
3 displaced or will move from their dwellings as part of a
4 redevelopment project of the agency during the present fiscal year
5 and the date of adoption of a replacement housing portion of the
6 redevelopment project plan required by Section 100635.

7 (3) The total number of dwelling units housing very low income
8 households, other lower income households, and persons and
9 families of moderate income, respectively, which have been
10 destroyed or removed from the low- or moderate-income housing
11 market during the previous fiscal year as part of a redevelopment
12 project of the agency, specifying the number of those units that
13 are not subject to the replacement requirements of Section 100635.

14 (4) The total numbers of agency-assisted dwelling units that
15 were constructed, rehabilitated, acquired, or subsidized during
16 the previous fiscal year for occupancy at an affordable housing
17 cost by elderly persons and families, but only if the units are
18 restricted by agreement or ordinance for occupancy by the elderly,
19 and by very low income households, other lower income
20 households, and persons and families of moderate income,
21 respectively, specifying those units that are not currently so
22 occupied, those units that have replaced units destroyed or removed
23 pursuant to Section 100635, and the length of time any
24 agency-assisted units are required to remain available at
25 affordable costs.

26 (5) The total numbers of new or rehabilitated units subject to
27 Section 100635, including separate subtotals of the number
28 originally affordable to and currently occupied by, elderly persons
29 and families, but only if the units are restricted by agreement or
30 ordinance for occupancy by the elderly, and by very low income
31 households, other lower income households, and persons and
32 families of moderate income, respectively, and the length of time
33 these units are required to remain available at affordable costs.

34 (6) The status and use of the separate fund established pursuant
35 to subdivision (a) of Section 100670, including information on the
36 use of this fund for very low income households, other lower
37 income households, and persons and families of moderate income,
38 respectively. If the separate fund is used to subsidize the cost of
39 onsite or offsite improvements, then the description of the agency's
40 activities shall include the number of housing units affordable to

1 *persons and families of low or moderate income that have been*
2 *directly benefited by the onsite or offsite improvements.*

3 *(7) The amount of excess surplus, as defined in Section*
4 *100673.5, that has accumulated in the agency's separate fund*
5 *established pursuant to subdivision (a) of Section 100670. Of the*
6 *total excess surplus, the description shall also identify the amount*
7 *that has accrued to the separate fund during each fiscal year. This*
8 *component of the annual report shall also include any plan*
9 *required to be reported by subdivision (c) of Section 100673.5.*

10 *(8) The total amount of funds expended for planning and general*
11 *administrative costs.*

12 *(9) Any other information that the agency believes useful to*
13 *explain its housing programs, including, but not limited to, housing*
14 *for persons and families of other than low and moderate income.*

15 *(10) The total number of dwelling units for very low income*
16 *households, other lower income households, and persons and*
17 *families of moderate income to be constructed under the terms of*
18 *an executed agreement or contract and the name and execution*
19 *date of the agreement or contract. These units may only be reported*
20 *for a period of two years from the execution date of the agreement*
21 *or contract.*

22 *(11) The date and amount of all deposits and withdrawals of*
23 *moneys deposited to and withdrawn from the separate fund*
24 *established pursuant to subdivision (a) of Section 100670.*

25 *(b) As used in this section:*

26 *(1) "Elderly," has the same meaning as specified in Section*
27 *50067 of the Health and Safety Code.*

28 *(2) "Persons and families of moderate income," has the same*
29 *meaning as specified in subdivision (b) of Section 50093 of the*
30 *Health and Safety Code.*

31 *(3) "Other lower income households," has the same meaning*
32 *as "lower income households" as specified in Section 50079.5 of*
33 *the Health and Safety Code, exclusive of very low income*
34 *households.*

35 *(4) "Persons and families of low or moderate income," has the*
36 *same meaning as specified in Section 50093 of the Health and*
37 *Safety Code.*

38 *(5) "Very low income households," has the same meaning as*
39 *specified in Section 50105 of the Health and Safety Code.*

1 (c) Notwithstanding any other law, costs associated with
2 preparing the report required by this section may be paid with
3 moneys from the separate fund established pursuant to subdivision
4 (a) of Section 100670.

5 100644. For the purposes of compliance with paragraph (2)
6 of subdivision (b) of Section 100640, the fiscal statement shall
7 contain the following information:

8 (a) The amount of outstanding indebtedness of the agency and
9 each project area.

10 (b) The amount of tax increment property tax revenues generated
11 in the agency and in each project area.

12 (c) The financial transactions report required pursuant to
13 Section 53891.

14 (d) The amount of outstanding debt and the total amount of
15 payments required to be paid on that debt for that fiscal year.

16 (e) The amount owed under any passthrough provision that was
17 approved at the time of the creation of the agency, and calculated
18 pursuant to subdivision (e) or (f) of Section 100661.

19 (f) Any other fiscal information that the agency believes useful
20 to describe its programs.

21 100645. (a) On or before May 1 of each year, the Department
22 of Housing and Community Development shall compile and publish
23 reports of the activities of each agency for the previous fiscal year,
24 based on the information reported pursuant to paragraph (3) of
25 subdivision (b) of Section 100640 and reporting the types of
26 findings made by agencies pursuant to subdivision (a) of Section
27 100670, including the date of the findings. The department shall
28 publish this information for each redevelopment project of each
29 agency. These reports may also contain the biennial review of
30 relocation assistance required by Section 50460 of the Health and
31 Safety Code. The report shall contain a list of those project areas
32 that are not subject to the requirements of Section 100635.

33 (b) The department shall send a copy of the executive summary
34 of its report to each agency for which information was reported
35 pursuant to Section 100640 for the fiscal year covered by the
36 report. The department shall send a copy of its report to each
37 agency that requests a copy.

38 100646. (a) On or before April 1 of each year, the Controller
39 shall compile a list of agencies that appear to have major audit
40 violations as defined in this section, based on the independent

1 *financial audit reports filed with the Controller pursuant to Section*
2 *100640.*

3 *(b) On or before June 1 of each year, for each major audit*
4 *violation of each agency identified pursuant to subdivision (a), the*
5 *Controller shall determine if the agency has corrected the major*
6 *audit violation. Before making this determination, the Controller*
7 *shall consult with each affected agency that is the subject of the*
8 *report. In making this determination, the Controller may request*
9 *and shall receive the prompt assistance of public officials and*
10 *public agencies, including, but not limited to, the affected agency*
11 *subject to the report, counties, and cities. If the Controller*
12 *determines that an agency has not corrected the major audit*
13 *violation, the Controller shall send a list of that agency, its major*
14 *violations, all relevant documents, and the affidavits required*
15 *pursuant to subdivision (d) to the Attorney General for action*
16 *pursuant to this section.*

17 *(c) For each agency that the Controller refers to the Attorney*
18 *General pursuant to subdivision (b), the Controller shall notify*
19 *the agency and the governing board that the agency was on the*
20 *list sent to the Attorney General. The Controller's notice shall*
21 *inform the agency and the governing board of the duties imposed*
22 *by Section 100641.*

23 *(d) Within 45 days of receiving the referral from the Controller*
24 *pursuant to subdivision (b), the Attorney General shall determine*
25 *whether to file an action to compel the agency's compliance with*
26 *this title. Any action filed pursuant to this section shall be*
27 *commenced in the County of Sacramento. The time limit for the*
28 *Attorney General to make this determination is directory and not*
29 *mandatory. Any action shall be accompanied by an affidavit or*
30 *affidavits, to be provided by the Controller with the referral, setting*
31 *forth facts that demonstrate a likelihood of success on the merits*
32 *of the claim that the agency has a major audit violation. The*
33 *affidavit shall also certify that the agency and the governing board*
34 *were informed not less than 10 days before the date on which the*
35 *action was filed. The agency shall file a response to any action*
36 *filed by the Attorney General pursuant to this section within 15*
37 *days of service.*

38 *(e) (1) On the earliest day that the business of the court will*
39 *permit, but not later than 45 days after the filing of an action*
40 *pursuant to this section, the court shall conduct a hearing to*

1 *determine if good cause exists for believing that the agency has a*
2 *major audit violation and has not corrected that violation.*

3 *(2) If the court determines that no good cause exists or that the*
4 *agency had a major audit violation but corrected the major audit*
5 *violation, the court shall dismiss the action.*

6 *(3) If the court determines that there is good cause for believing*
7 *that the agency has a major audit violation and has not corrected*
8 *that major audit violation, the court shall immediately issue an*
9 *order that prohibits the agency from doing any of the following:*

10 *(A) Encumbering any funds or expending any money derived*
11 *from any source except to pay the obligations designated in*
12 *paragraph (1) of subdivision (e) of Section 100674.*

13 *(B) Adopting a redevelopment project plan.*

14 *(C) Amending a redevelopment project plan, except to correct*
15 *the major audit violation that is the subject of the action.*

16 *(D) Issuing, selling, offering for sale, or delivering any bonds*
17 *or any other evidence of indebtedness.*

18 *(E) Incurring any indebtedness.*

19 *(f) In a case that is subject to paragraph (3) of subdivision (e),*
20 *the court shall also set a hearing on the matter within 60 days.*

21 *(g) If, on the basis of that subsequent hearing, the court*
22 *determines that the agency has a major audit violation and has*
23 *not corrected that violation, the court shall order the agency to*
24 *comply with this part within 30 days, and order the agency to*
25 *forfeit to the state no more than:*

26 *(1) Two thousand dollars (\$2,000) in the case of an agency with*
27 *a total revenue, in the prior year, of less than one hundred*
28 *thousand dollars (\$100,000) as reported in the Controller's annual*
29 *financial reports.*

30 *(2) Five thousand dollars (\$5,000) in the case of an agency with*
31 *a total revenue, in the prior year, of at least one hundred thousand*
32 *dollars (\$100,000) but less than two hundred fifty thousand dollars*
33 *(\$250,000) as reported in the Controller's annual financial reports.*

34 *(3) Ten thousand dollars (\$10,000) in the case of an agency*
35 *with a total revenue, in the prior year, of at least two hundred fifty*
36 *thousand dollars (\$250,000) as reported in the Controller's annual*
37 *financial reports.*

38 *(h) The order issued by the court pursuant to paragraph (3) of*
39 *subdivision (e) shall continue in effect until the court determines*
40 *that the agency has corrected the major audit violation. If the court*

1 *determines that the agency has corrected the major audit violation,*
2 *the court may dissolve its order issued pursuant to paragraph (3)*
3 *of subdivision (e) at any time.*

4 *(i) An action filed pursuant to this section to compel an agency*
5 *to comply with this part is in addition to any other remedy, and is*
6 *not an exclusive means to compel compliance.*

7 *(j) As used in this section, “major audit violation” means that,*
8 *for the fiscal year in question, an agency did not:*

9 *(1) File an independent financial audit report that substantially*
10 *conforms to the requirements of paragraph (1) of subdivision (b)*
11 *of Section 100640.*

12 *(2) File a fiscal statement that includes substantially all of the*
13 *information required by Section 100644.*

14 *(3) Deposit all required tax increment revenues directly into*
15 *the separate fund established pursuant to subdivision (a) of Section*
16 *100670 upon receipt, as required under Chapter 2 (commencing*
17 *with Section 100670) of Part 6.*

18 *(4) Establish a separate fund as required by subdivision (a) of*
19 *Section 100670.*

20 *(5) Accrue interest earned by the separate fund established*
21 *pursuant to subdivision (a) of Section 100670 to that fund, as*
22 *required by subdivision (b) of Section 100670.*

23 *(6) Determine that the planning and administrative costs*
24 *charged to the separate fund established pursuant to subdivision*
25 *(a) of Section 100670 are necessary for the production,*
26 *improvement, or preservation of low- and moderate-income*
27 *housing, as required by subdivision (d) of Section 100670.5.*

28 *(7) Initiate development of housing on real property acquired*
29 *using moneys from the separate fund established pursuant to*
30 *subdivision (a) of Section 100670 or sell the property, as required*
31 *by Section 100676.*

32

33 **PART 5. PREPARATION OF REDEVELOPMENT PROJECT**
34 **PLANS**

35

36 *100650. (a) After the agency is formed, the governing board*
37 *of the agency shall designate an appropriate official, such as an*
38 *engineer of a city or county that is an affected taxing entity, to*
39 *prepare a redevelopment project plan pursuant to Section 100651.*

1 (b) In the case of an agency proposed for port or harbor
2 infrastructure, the governing board shall designate and direct the
3 harbor agency, except as provided in Section 1719 of the Harbors
4 and Navigation Code, to prepare a redevelopment project plan
5 pursuant to Section 100651.

6 100651. The official designated pursuant to Section 100650
7 shall prepare a proposed redevelopment project plan. The
8 redevelopment project plan shall be consistent with the general
9 plan of each city or county within the agency's boundaries, or, if
10 the proposed project is located outside those boundaries, with the
11 general plan of the city or county that the project is located. The
12 plan shall include all of the following:

13 (a) A map and legal description of the proposed agency, which
14 may include all or a portion of the agency designated in the
15 resolution of formation.

16 (b) A description of the public facilities and other forms of
17 development or financial assistance that is proposed in the area
18 of the agency, including those to be provided by the private sector,
19 those to be provided by governmental entities without assistance
20 under this chapter, those public improvements and facilities to be
21 financed with assistance from the proposed agency, and those to
22 be provided jointly. The description shall include the proposed
23 location, timing, and costs of the development and financial
24 assistance.

25 (c) If tax increment funding is incorporated into the financing
26 plan, a finding that the development and financial assistance
27 further the purposes of this title and are for redevelopment
28 purposes.

29 (d) A financing section that shall contain all of the following
30 information:

31 (1) A projection of the amount of tax increment revenues
32 expected to be received by the agency in each year during which
33 the agency will receive tax increment revenues, including an
34 estimate of the amount of tax revenues attributable to each affected
35 taxing entity for each year.

36 (2) A plan for financing the public facilities to be assisted by
37 the agency, including a detailed description of any intention to
38 incur debt.

39 (3) A statement of the total number of dollars of taxes that may
40 be allocated to the agency pursuant to the plan.

1 (4) A date on which the agency will cease to exist, by which
2 time all tax allocation to the agency will end. The date shall not
3 be more than 45 years from the date on which the issuance of
4 bonds is first approved pursuant to Section 100684, or the issuance
5 of a loan is first approved by the legislative body of a city, county,
6 or special district pursuant to Section 100689.

7 (5) An analysis of the costs to the city or county of providing
8 facilities and services to the area of the agency while the area is
9 being developed and after the area is developed. The plan shall
10 also include an analysis of the tax, fee, charge, and other revenues
11 expected to be received by the city or county as a result of expected
12 development in the area of the agency.

13 (6) An analysis of the projected fiscal impact of the agency and
14 the associated development upon each affected taxing entity.

15 (7) A plan for financing any potential costs that may be incurred
16 by reimbursing a developer of a project that is both located entirely
17 within the boundaries of that agency and qualifies for the Transit
18 Priority Project Program, pursuant to Section 65470, including
19 any permit and affordable housing expenses related to the project.

20 (8) A passthrough provision that is consistent with the
21 requirements of subparagraph (G) of paragraph (4) of subdivision
22 (a) of Section 100610, including any modifications necessary as
23 a result of an affected taxing entity electing to waive receipt of its
24 passthrough pursuant to subdivision (b) of Section 100610.

25 (9) An override passthrough provision that is consistent with
26 the requirements of subparagraph (H) of paragraph (4) of
27 subdivision (a) of Section 100610, including any modifications
28 necessary as a result of an affected taxing entity electing to waive
29 receipt of its passthrough pursuant to subdivision (b) of Section
30 100610.

31 (e) A housing program that describes how the agency will
32 comply with Chapter 2 (commencing with Section 100670) of Part
33 6. The program shall include the following information:

34 (1) The amount available in the separate fund established
35 pursuant to subdivision (a) of Section 100670 and the estimated
36 amounts that will be deposited in the fund during each of the next
37 five years.

38 (2) Estimates of the number of new, rehabilitated, or price
39 restricted residential units to be assisted during each of the five

1 years and estimates of the expenditures of moneys from the fund
2 during each of the five years.

3 (3) Estimates of the number of units, if any, developed by the
4 agency for very low, low-, and moderate-income households during
5 the next five years.

6 (f) Those components required to be included pursuant to
7 Section 100671.5.

8 (g) The goals the agency proposes to achieve for each project
9 financed pursuant to Section 100630.

10 (h) When preparing the plan, the designated official shall consult
11 with each affected taxing entity, and, at the request of any affected
12 taxing entity, shall meet with representatives of an affected taxing
13 entity. Any affected taxing entity may suggest revisions to the plan.

14 100652. The designated official shall mail the redevelopment
15 project plan to each owner of land within the agency's boundaries
16 and to each affected taxing entity together with any report required
17 by the California Environmental Quality Act (Division 13
18 (commencing with Section 21000) of the Public Resources Code)
19 that pertains to the proposed public facilities or the proposed
20 development project for which the public facilities are needed,
21 and shall be made available for public inspection. The report shall
22 also be sent to the governing board.

23 100653. (a) The governing board shall, no sooner than 60
24 days after the redevelopment project plan was submitted to each
25 affected taxing entity pursuant to Section 100652, hold a public
26 hearing on the proposal.

27 (b) The governing board shall provide notice of the public
28 hearing by publication not less than once a week for four
29 successive weeks in a newspaper of general circulation published
30 in each city or county in which the agency is located. The notice
31 shall briefly describe the proposed reconnecting communities
32 infrastructure or other infrastructure projects, briefly describe the
33 proposed financial arrangements, including the proposed
34 commitment of incremental tax revenue, and state the day, hour,
35 and place when and where any persons having any objections to
36 the proposed plan or the regularity of any of the prior proceedings,
37 may appear before the governing board and object to the proposed
38 redevelopment project plan.

39 (c) At the public hearing, the governing board shall proceed to
40 hear and pass upon all written and oral objections to the proposed

1 redevelopment project plan. The hearing may be continued from
2 time to time. The governing board shall consider the
3 recommendations, if any, of affected taxing entities, and all
4 evidence and testimony for and against the proposed redevelopment
5 project plan. The governing board may modify the plan by
6 eliminating or reducing the size and cost of the proposed facilities
7 or development or by reducing the amount of proposed debt or by
8 making other necessary changes.

9 100654. (a) At the conclusion of the hearing pursuant to
10 Section 100653, the governing board may adopt a resolution
11 proposing the adoption of the redevelopment project plan, as
12 modified, or it may adopt a resolution abandoning the proceedings.
13 If the proceedings are abandoned, then the agency shall cease to
14 exist by operation of this section with no further action required
15 of the legislative body that initially proposed to form the agency
16 and the legislative body may not enact a resolution of intention to
17 form an agency that includes the same geographic area within one
18 year of the date of the resolution abandoning the proceedings.

19 (b) The redevelopment project plan shall take effect upon the
20 adoption of the resolution. The redevelopment project plan shall
21 specify if the agency shall be funded solely through the agency's
22 share of tax increment, governmental or private loans, grants,
23 bonds, assessments, fees, or some combination thereof. However,
24 the agency shall not issue bonds or levy assessments or fees that
25 may be included in the redevelopment project plan before one or
26 more of the following:

27 (1) Approval pursuant to Section 100673, if applicable, to issue
28 bonds to finance the redevelopment project plan.

29 (2) Compliance with the procedures required in subdivision (e)
30 of Section 100660, to levy assessments or fees to finance the
31 redevelopment project plan.

32 (c) In addition, the agency may expend up to 10 percent of any
33 accrued tax increment in the first two years of the effective date
34 of the formation of the agency on planning and dissemination of
35 information to the residents within the agency's boundaries about
36 the redevelopment project plan and planned activities to be funded
37 by the agency.

PART 6. DIVISION OF TAXES

CHAPTER 1. GENERAL PROVISIONS

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100660. (a) Any redevelopment project plan may contain a provision that taxes, if any, levied upon taxable property in the area included within the agency each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the resolution approving the redevelopment project plan, shall be divided as follows:

(1) That portion of the taxes that would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the agency as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the formation of the agency, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid. For the purpose of allocating taxes levied by or for any affected taxing entity or entities that did not include the territory in a redevelopment project on the effective date of the resolution but to which that territory has been annexed or otherwise included after that effective date, the assessment roll of the county last equalized on the effective date of the resolution shall be used in determining the assessed valuation of the taxable property in the project on the effective date.

(2) That portion of the levied taxes each year in excess of the amount specified in paragraph (1) shall be allocated to and when collected shall be paid into a special fund of the agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the agency to finance or refinance, in whole or in part, the redevelopment project. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in that project as shown by the last equalized assessment roll referred to in paragraph (1), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid to the affected taxing entities. When the loans, advances, and

1 *indebtedness, if any, and interest thereon, have been paid, all*
2 *moneys thereafter received from taxes upon the taxable property*
3 *in the redevelopment project shall be paid to the affected taxing*
4 *entities as taxes on all other property are paid. When the agency*
5 *ceases to exist pursuant to the adopted redevelopment project plan,*
6 *all moneys thereafter received from taxes upon the taxable property*
7 *in the agency shall be paid to the respective affected taxing entities*
8 *as taxes on all other property are paid.*

9 (3) *That portion of the taxes in excess of the amount identified*
10 *in paragraph (1) that are attributable to a tax rate levied by an*
11 *affected taxing entity for the purpose of producing revenues in an*
12 *amount sufficient to make annual repayments of the principal of,*
13 *and the interest on, any bonded indebtedness for the acquisition*
14 *or improvement of real property shall be allocated to, and when*
15 *collected shall be paid into, the fund of that affected taxing entity.*
16 *This subdivision shall only apply to taxes levied to repay bonded*
17 *indebtedness approved by the voters of the affected taxing entity*
18 *on or after January 1, 1989.*

19 (b) *Notwithstanding subdivision (a), where an agency's*
20 *boundaries overlap with the boundaries of any former*
21 *redevelopment project area that is subject to Part 1.85*
22 *(commencing with Section 34170) of Division 24 of the Health*
23 *and Safety Code, any debt or obligation of the agency shall be*
24 *subordinate to any and all enforceable obligations of the former*
25 *redevelopment agency, as approved by the Oversight Board and*
26 *the Department of Finance. For the purposes of this part, the*
27 *division of taxes allocated to the agency pursuant to subdivision*
28 *(a) shall not include any taxes required to be deposited by the*
29 *county auditor-controller into the Redevelopment Property Tax*
30 *Trust Fund created pursuant to subdivision (b) of Section 34170.5*
31 *of the Health and Safety Code.*

32 (c) (1) *The legislative body of the city or county forming the*
33 *agency, or of each city that jointly formed the agency, as*
34 *applicable, may choose to dedicate any portion of its net available*
35 *revenue to the agency through the redevelopment project plan.*

36 (2) *For the purposes of this subdivision, "net available revenue"*
37 *means periodic distributions to the city or county from the*
38 *Redevelopment Property Tax Trust Fund, created pursuant to*
39 *Section 34170.5 of the Health and Safety Code, that are available*
40 *to the city or county after all preexisting legal commitments and*

1 statutory obligations funded from that revenue are made pursuant
2 to Part 1.85 (commencing with Section 34170) of Division 24 of
3 the Health and Safety Code. “Net available revenue” shall not
4 include any funds deposited by the county auditor-controller into
5 the Redevelopment Property Tax Trust Fund or funds remaining
6 in the Redevelopment Property Tax Trust Fund before distribution.

7 (d) (1) That portion of any ad valorem property tax revenue
8 annually allocated to a city or county pursuant to Section 97.70
9 of the Revenue and Taxation Code that is specified in the
10 redevelopment project plan adopted pursuant to Part 5
11 (commencing with Section 100650), and that corresponds to the
12 increase in the assessed valuation of taxable property shall be
13 allocated to, and, when collected, shall be apportioned to, a special
14 fund of the agency for redevelopment purposes.

15 (2) When the agency ceases to exist pursuant to the adopted
16 redevelopment project plan, the revenues described in this
17 subdivision shall be allocated to, and, when collected, shall be
18 apportioned to, the respective city or county.

19 (e) This section shall not be construed to prevent an agency
20 from utilizing revenues from any of the following sources to support
21 its activities provided that the applicable voter approval has been
22 obtained, and the redevelopment project plan has been approved:

23 (1) The Improvement Act of 1911 (Division 7 (commencing with
24 Section 5000) of the Streets and Highways Code).

25 (2) The Municipal Improvement Act of 1913 (Division 12
26 (commencing with Section 10000) of the Streets and Highways
27 Code).

28 (3) The Improvement Bond Act of 1915 (Division 10
29 (commencing with Section 8500) of the Streets and Highways
30 Code).

31 (4) The Landscaping and Lighting Act of 1972 (Part 2
32 (commencing with Section 22500) of Division 15 of the Streets
33 and Highways Code).

34 (5) The Vehicle Parking District Law of 1943 (Part 1
35 (commencing with Section 31500) of Division 18 of the Streets
36 and Highways Code).

37 (6) The Parking District Law of 1951 (Part 4 (commencing with
38 Section 35100) of Division 18 of the Streets and Highways Code).

1 (7) *The Park and Playground Act of 1909 (Chapter 7*
2 *(commencing with Section 38000) of Part 2 of Division 3 of Title*
3 *4 of this code).*

4 (8) *The Mello-Roos Community Facilities Act of 1982 (Chapter*
5 *2.5 (commencing with Section 53311) of Part 1 of Division 2 of*
6 *this title).*

7 (9) *The Benefit Assessment Act of 1982 (Chapter 6.4*
8 *(commencing with Section 54703) of Part 1 of Division 2 of this*
9 *title).*

10 (10) *The so-called facilities benefit assessment levied by the*
11 *charter city of San Diego or any substantially similar assessment*
12 *levied for the same purpose by any other charter city pursuant to*
13 *any ordinance or charter provision.*

14 100661. (a) *The portion of taxes required to be allocated*
15 *pursuant to paragraph (2) of subdivision (a) of Section 100660*
16 *shall be allocated and paid into a special fund held in trust for the*
17 *agency by the county auditor or officer responsible for the payment*
18 *of taxes into the funds of the affected taxing entities pursuant to*
19 *the procedure contained in this section.*

20 (b) *Not later than October 1 of each year, for each*
21 *redevelopment project for which the redevelopment project plan*
22 *provides for the division of taxes pursuant to Section 100660, the*
23 *agency shall file, with the county auditor or officer described in*
24 *subdivision (a), a statement of indebtedness consistent with*
25 *subdivision (c), a reconciliation statement consistent with*
26 *subdivision (d), a passthrough statement consistent with subdivision*
27 *(e), and an override passthrough statement consistent with*
28 *subdivision (f). All statements required to be filed by this*
29 *subdivision shall be certified by the chief financial officer of the*
30 *agency.*

31 (c) (1) *For each redevelopment project for which a statement*
32 *of indebtedness is required to be filed, the statement of*
33 *indebtedness shall contain all of the following:*

34 (A) *For each loan, advance, or indebtedness incurred or entered*
35 *into, all of the following information:*

36 (i) *The date the loan, advance, or indebtedness was incurred*
37 *or entered into.*

38 (ii) *The principal amount, term, purpose, interest rate, and total*
39 *interest of each loan, advance, or indebtedness.*

- 1 (iii) *The principal amount and interest due in the fiscal year in*
2 *which the statement of indebtedness is filed for each loan, advance,*
3 *or indebtedness.*
- 4 (iv) *The total amount of principal and interest remaining to be*
5 *paid for each loan, advance, or indebtedness.*
- 6 (B) *The sum of the amounts determined under clause (iii) of*
7 *subparagraph (A).*
- 8 (C) *The sum of the amounts determined under clause (iv) of*
9 *subparagraph (A).*
- 10 (D) *The available revenues as of the end of the previous year,*
11 *as determined pursuant to paragraph (10) of subdivision (d).*
- 12 (2) *The agency may estimate the amount of principal or interest,*
13 *the interest rate, or term of any loan, advance, or indebtedness if*
14 *the nature of the loan, advance, or indebtedness is such that the*
15 *amount of principal or interest, the interest rate or term cannot*
16 *be precisely determined. The agency may list on a statement of*
17 *indebtedness any loan, advance, or indebtedness incurred or*
18 *entered into on or before the date the statement is filed.*
- 19 (d) *For each redevelopment project for which a reconciliation*
20 *statement is required to be filed, the reconciliation statement shall*
21 *contain all of the following:*
- 22 (1) *A list of all loans, advances, and indebtedness listed on the*
23 *previous year's statement of indebtedness.*
- 24 (2) *A list of all loans, advances, and indebtedness, not listed on*
25 *the previous year's statement of indebtedness, but incurred or*
26 *entered into in the previous year and paid in whole or in part from*
27 *revenue received by the agency pursuant to Section 100660. This*
28 *listing may aggregate loans, advances, and indebtedness incurred*
29 *or entered into in the previous year for a particular purpose,*
30 *including relocation expenses, administrative expenses, consultant*
31 *expenses, or property management expenses, into a single item in*
32 *the listing.*
- 33 (3) *For each loan, advance, or indebtedness described in*
34 *paragraph (1) or (2), all of the following information:*
- 35 (A) *The total amount of principal and interest remaining to be*
36 *paid as of the later of the beginning of the previous year or the*
37 *date the loan, advance, or indebtedness was incurred or entered*
38 *into.*
- 39 (B) *Any increases or additions to the loan, advance, or*
40 *indebtedness occurring during the previous year.*

1 (C) The amount paid on the loan, advance, or indebtedness in
2 the previous year from revenue received by the agency pursuant
3 to Section 100660.

4 (D) The amount paid on the loan, advance, or indebtedness in
5 the previous year from revenue other than revenue received by the
6 agency pursuant to Section 100660.

7 (E) The total amount of principal and interest remaining to be
8 paid as of the end of the previous fiscal year.

9 (4) The available revenues of the agency as of the beginning of
10 the previous fiscal year.

11 (5) The amount of revenue received by the agency in the
12 previous fiscal year pursuant to Section 100660.

13 (6) The amount of available revenue received by the agency in
14 the previous fiscal year from any source other than pursuant to
15 Section 100660.

16 (7) The sum of the amounts specified in subparagraph (D) of
17 paragraph (3), to the extent that the amounts are not included as
18 available revenues pursuant to paragraph (6).

19 (8) The sum of the amounts specified in paragraphs (4), (5),
20 (6), and (7).

21 (9) The sum of the amounts specified in subparagraphs (C) and
22 (D) of paragraph (3).

23 (10) The amount determined by subtracting the amount
24 determined under paragraph (9) from the amount determined
25 under paragraph (8). The amount determined pursuant to this
26 paragraph shall be the available revenues as of the end of the
27 previous fiscal year.

28 (e) An agency shall prepare a passthrough statement that
29 includes all of the following information:

30 (1) The projected amount of revenue that the agency expects to
31 be allocated as provided in paragraph (2) of subdivision (a) of
32 Section 100660.

33 (2) For each affected taxing entity that is entitled to a
34 passthrough, the agency shall subtract from the amount described
35 in paragraph (1) the amount calculated by the county auditor as
36 provided in this paragraph. The county auditor shall calculate the
37 proportional amount that the affected taxing entity would have
38 received from property located in the redevelopment project area
39 during the relevant fiscal year, inclusive of amounts the affected
40 taxing entity would receive, if any, pursuant to Section 97.70 of,

1 *clause (i) of subparagraph (B) of paragraph (4) of subdivision (d)*
2 *of Section 97.2 of, clause (i) of subparagraph (B) of paragraph*
3 *(4) of subdivision (d) of Section 97.3 of, or Article 4 (commencing*
4 *with Section 98) of Chapter 6 of Part 0.5 of Division 1 of, the*
5 *Revenue and Taxation Code. However, in no instance shall the*
6 *amount calculated under this paragraph result in the affected*
7 *taxing entity receiving an amount of ad valorem property tax*
8 *revenue that is greater or lesser than the amount of ad valorem*
9 *tax revenue received by the agency that is attributable to that*
10 *affected taxing entity, inclusive of the amounts the affected taxing*
11 *entity would receive from any of the sources described in the*
12 *preceding sentence.*

13 *(3) A statement of the total amount of passthrough payments*
14 *that the agency is required to make as calculated pursuant to*
15 *paragraph (2).*

16 *(f) For each agency that has an override passthrough provision*
17 *in the financing section of its resolution of intention, in accordance*
18 *with subparagraph (H) of paragraph (4) of subdivision (a) of*
19 *Section 160010, at the time of creation of that agency, the agency*
20 *shall prepare an override passthrough statement that includes all*
21 *of the following information:*

22 *(1) The projected amount of revenue that the agency expects to*
23 *be allocated as provided in paragraph (2) of subdivision (a) of*
24 *Section 100660.*

25 *(2) For each affected taxing entity that imposed an override*
26 *property tax with respect to property located with the*
27 *redevelopment project area, the agency shall subtract from the*
28 *amount described in paragraph (1) the amount calculated by the*
29 *county auditor that is equivalent to the amount the affected taxing*
30 *entity would have received from the override property tax imposed*
31 *on that property in the absence of the reconnecting communities*
32 *investment agency during the relevant fiscal year. The agency*
33 *shall include in the override passthrough statement the following*
34 *information, to be provided to the county auditor:*

35 *(A) A description of the applicable override property tax that*
36 *was imposed.*

37 *(B) The purpose for which it was imposed.*

38 *(C) The entity that is entitled to receive revenue under that*
39 *override property tax.*

1 (3) A statement of the total amount of override passthrough
2 payments that the agency is required to make as calculated
3 pursuant to paragraph (2).

4 (g) For the purposes of this section, available revenues shall
5 include all cash or cash equivalents held by the agency that were
6 received by the agency pursuant to Section 100660 and all cash
7 or cash equivalents held by the agency that are irrevocably pledged
8 or restricted to payment of a loan, advance, or indebtedness that
9 the agency has listed on a statement of indebtedness. However,
10 available revenue, for purposes of this section, shall not include
11 the amount of any payment that the agency is required to make
12 under a passthrough provision as described in the passthrough
13 statements prepared pursuant to subdivisions (e) and (f).

14 (h) The county auditor or officer shall, at the same time or times
15 as the payment of taxes into the funds of the affected taxing entities
16 of the county, allocate and pay the portion of taxes provided by
17 paragraph (2) of subdivision (a) of Section 100660 to a special
18 trust fund established for each agency. The amount allocated and
19 paid shall not exceed the amount determined pursuant to
20 subparagraph (C) of paragraph (1) of subdivision (c) plus the
21 amount owed under any passthrough provision under subdivision
22 (e) or (f), minus the amount determined pursuant to subparagraph
23 (D) of paragraph (1) of subdivision (c).

24 (i) (1) The statement of indebtedness constitutes prima facie
25 evidence of the loans, advances, or indebtedness of the agency.

26 (2) (A) If the county auditor or other officer disputes the amount
27 of loans, advances, or indebtedness as shown on the statement of
28 indebtedness, the county auditor or other officer shall, within 30
29 days after receipt of the statement, give written notice to the agency
30 thereof.

31 (B) The agency shall, within 30 days after receipt of notice
32 pursuant to subparagraph (A), submit any further information it
33 deems appropriate to substantiate the amount of any loans,
34 advances, or indebtedness that has been disputed. If the county
35 auditor or other officer still disputes the amount of loans, advances,
36 or indebtedness, final written notice of that dispute shall be given
37 to the agency, and the amount disputed may be withheld from
38 allocation and payment to the agency as otherwise required by
39 subdivision (h). In that event, the auditor or other officer shall
40 bring an action in the superior court in declaratory relief to

1 *determine the matter not later than 90 days after the date of the*
2 *final notice.*

3 *(3) In any court action brought pursuant to this section, the*
4 *issue shall involve only the amount of loans, advances, or*
5 *indebtedness, and not the validity of any contract or debt*
6 *instrument or any expenditures pursuant thereto. Payments to a*
7 *trustee under a bond resolution or indenture of any kind or*
8 *payments to a public agency in connection with payments by that*
9 *public agency pursuant to a lease or bond issue shall not be*
10 *disputed in any action under this section. The matter shall be set*
11 *for trial at the earliest possible date and shall take precedence*
12 *over all other cases except older matters of the same character.*
13 *Unless an action is brought within the time provided for herein,*
14 *the auditor or other officer shall allocate and pay the amount*
15 *shown on the statement of indebtedness as provided in subdivision*
16 *(h).*

17 *(j) This section does not permit a challenge to or attack on*
18 *matters precluded from challenge or attack by reason of Section*
19 *100636 or 100637. However, this section does not deny a remedy*
20 *against the agency otherwise provided by law.*

21 *(k) The Controller shall prescribe a uniform form for a statement*
22 *of indebtedness, reconciliation, passthrough, and override*
23 *passthrough. These forms shall be consistent with this section. In*
24 *preparing these forms, the Controller shall obtain the input of*
25 *county auditors, agencies, and organizations of county auditors*
26 *and agencies.*

27 *(l) For the purposes of this section, a fiscal year shall be a year*
28 *that begins on July 1 and ends the following June 30.*

29 *100662. (a) Section 100660 fulfills the intent of Section 16 of*
30 *Article XVI of the California Constitution. To further carry out*
31 *the intent of Section 16 of Article XVI of the California*
32 *Constitution, whenever that provision requires the allocation of*
33 *money between agencies, that allocation shall be consistent with*
34 *the intent of the people when they approved Section 16 of Article*
35 *XVI of the California Constitution. Whenever money is allocated*
36 *between agencies by means of a comparison of assessed values*
37 *for different years, that comparison shall be based on the same*
38 *assessment ratio. When there are different assessment ratios for*
39 *the years compared, the assessed value shall be changed so that*
40 *it is based on the same assessment ratio for the years so compared.*

1 (b) As used in this part, the word “taxes” shall include, but
2 without limitation, all levies on an ad valorem basis upon land or
3 real property. However, “taxes” shall not include amounts of
4 money deposited in a Sales and Use Tax Compensation Fund
5 pursuant to Section 97.68 of the Revenue and Taxation Code or a
6 Vehicle License Fee Property Tax Compensation Fund pursuant
7 to Section 97.70 of the Revenue and Taxation Code.

8 100663. (a) This section implements and fulfills the intent of
9 this article and of Article XIII B and Section 16 of Article XVI of
10 the California Constitution. The allocation and payment to an
11 agency of the portion of taxes specified in paragraph (2) of
12 subdivision (a) of Section 100660 for the purpose of paying
13 principal of, or interest on, loans, advances, or indebtedness
14 incurred for redevelopment activity, as defined in subdivision (b)
15 of this section, shall not be deemed the receipt by an agency of
16 proceeds of taxes levied by or on behalf of the agency within the
17 meaning or for the purposes of Article XIII B of the California
18 Constitution, nor shall that portion of taxes be deemed receipt of
19 proceeds of taxes by, or an appropriation subject to limitation of,
20 any other public body within the meaning or for purposes of Article
21 XIII B of the California Constitution or any statutory provision
22 enacted in implementation of Article XIII B. The allocation and
23 payment to an agency of this portion of taxes shall not be deemed
24 the appropriation by an agency of proceeds of taxes levied by or
25 on behalf of an agency within the meaning or for purposes of
26 Article XIII B of the California Constitution.

27 (b) As used in this section, “redevelopment activity” means
28 redevelopment meeting all the following criteria:

29 (1) Is redevelopment as prescribed in Section 100630.

30 (2) Primarily benefits the project area.

31 (3) None of the funds are used for the purpose of paying for
32 employee or contractual services of any local governmental agency
33 unless these services are directly related to a redevelopment
34 project, as described in subdivision (b) of Section 100630.

35 (c) Should any law hereafter enacted, without a vote of the
36 electorate, confer taxing power upon an agency, the exercise of
37 that power by the agency in any fiscal year shall be deemed a
38 transfer of financial responsibility from the community to the
39 agency for that fiscal year within the meaning of subdivision (a)
40 of Section 3 of Article XIII B of the California Constitution.

1 100664. The county auditor shall, after deducting its
 2 administrative costs for activities performed pursuant to this
 3 chapter and Section 95.3 of the Revenue and Taxation Code,
 4 allocate the funds deposited in a special trust fund established for
 5 a district pursuant to subdivision (h) of Section 100661 and shall
 6 distribute those taxes in the same manner and at the same time or
 7 times as the payment of taxes into the funds of the affected taxing
 8 entities of the county, as follows:

9 (a) First, to satisfy any passthrough provisions described in
 10 subparagraph (G) or (H) of paragraph (4) of subdivision (a) of
 11 Section 100610 that was approved at the time of the formation of
 12 the agency, and calculated pursuant to subdivision (e) or (f) of
 13 Section 100661. The amount transferred to each affected taxing
 14 agency pursuant to this subdivision shall be based on the amount
 15 calculated pursuant to subdivision (e) or (f) of Section 10661.

16 (b) Second, 30 percent of the amount remaining after making
 17 the allocations pursuant to subdivision (a) shall be transferred
 18 from the special trust fund to the agency. The agency shall deposit
 19 the amount transferred pursuant to this subdivision into the
 20 separate fund established pursuant to Section 100670.

21 (c) Third, any amount remaining in the special trust fund after
 22 making the allocations pursuant to subdivisions (a) and (b) shall
 23 be transferred to the agency and shall be available to the agency
 24 for any valid redevelopment purpose.

25
 26 *CHAPTER 2. HOUSING FOR PERSONS OF LOW AND MODERATE*
 27 *INCOME*
 28

29 100670. (a) Not less than 30 percent of all taxes that are
 30 allocated to the agency from any affected taxing entity pursuant
 31 to Section 100664 shall be deposited into a separate fund, which
 32 the agency shall establish pursuant to Section 100670.5, and the
 33 agency shall use all moneys in that fund for the purposes of
 34 increasing, improving, and preserving the community's supply of
 35 low- and moderate-income housing available at affordable housing
 36 cost, as defined by the following sections of the Health and Safety
 37 Code: Section 50052.5, to persons and families of low or moderate
 38 income, as defined in Section 50093, lower income households,
 39 as defined by Section 50079.5, very low income households, as
 40 defined in Section 50105, and extremely low income households,

1 *as defined by Section 50106, that is occupied by these persons and*
2 *families unless the agency makes a finding that combining funding*
3 *received under this program with other funding for the same*
4 *purpose shall reduce administrative costs or expedite the*
5 *construction of affordable housing. If the agency makes the finding*
6 *described in the previous sentence, then (1) an agency may transfer*
7 *funding from the program adopted pursuant to subdivision (e) of*
8 *Section 100651 to the housing authority within the territorial*
9 *jurisdiction of the local jurisdiction that created the agency or to*
10 *the entity that received the housing assets of the former*
11 *redevelopment agency pursuant to Section 34176 of the Health*
12 *and Safety Code or to a private nonprofit housing developer, and*
13 *(2) Section 34176.1 of the Health and Safety Code shall not apply*
14 *to funds transferred. The agency shall spend all funds described*
15 *in this subdivision within the plan area in which the funds were*
16 *generated. Any person who receives funds transferred pursuant*
17 *to this subdivision shall comply with all applicable provisions of*
18 *this part.*

19 *(b) In carrying out the purposes of this section, the agency may*
20 *exercise any or all of its powers for the construction, rehabilitation,*
21 *or preservation of affordable housing for extremely low, very low,*
22 *low-, and moderate-income persons or families, including the*
23 *following:*

24 *(1) (A) Improve real property or building sites with onsite or*
25 *offsite improvements, but only if both of the following are met:*

26 *(i) The improvements are part of the new construction or*
27 *rehabilitation of affordable housing units for low- or*
28 *moderate-income persons that are directly benefited by the*
29 *improvements, and are a reasonable and fundamental component*
30 *of the housing units.*

31 *(ii) The agency requires that the units remain available at*
32 *affordable housing cost to, and occupied by, persons and families*
33 *of extremely low, very low, low, or moderate income for the same*
34 *time period and in the same manner as provided in subdivision*
35 *(c) and paragraph (2) of subdivision (f) of Section 100670.5.*

36 *(B) If the newly constructed or rehabilitated housing units are*
37 *part of a larger project and the agency improves or pays for onsite*
38 *or offsite improvements pursuant to the authority in this*
39 *subdivision, the agency shall pay only a portion of the total cost*
40 *of the onsite or offsite improvement. The maximum percentage of*

1 *the total cost of the improvement paid for by the agency shall be*
 2 *determined by dividing the number of housing units that are*
 3 *affordable to low- or moderate-income persons by the total number*
 4 *of housing units, if the project is a housing project, or by dividing*
 5 *the cost of the affordable housing units by the total cost of the*
 6 *project, if the project is not a housing project.*

7 *(2) Donate real property to private or public persons or entities.*

8 *(3) Finance insurance premiums necessary for the provision of*
 9 *insurance during the construction or rehabilitation of properties*
 10 *that are administered by governmental entities or nonprofit*
 11 *organizations to provide housing for lower income households,*
 12 *as defined in Section 50079.5 of the Health and Safety Code,*
 13 *including rental properties, emergency shelters, transitional*
 14 *housing, or special residential care facilities.*

15 *(4) Construct buildings or structures.*

16 *(5) Acquire buildings or structures.*

17 *(6) Rehabilitate buildings or structures.*

18 *(7) Provide subsidies to, or for the benefit of, extremely low*
 19 *income households, as defined by Section 50106 of the Health and*
 20 *Safety Code, very low income households, as defined by Section*
 21 *50105 of the Health and Safety Code, lower income households,*
 22 *as defined by Section 50079.5 of the Health and Safety Code, or*
 23 *persons and families of low or moderate income, as defined by*
 24 *Section 50093 of the Health and Safety Code, to the extent those*
 25 *households cannot obtain housing at affordable costs on the open*
 26 *market. Housing units available on the open market are those units*
 27 *developed without direct government subsidies.*

28 *(8) Develop plans, pay principal and interest on bonds, loans,*
 29 *advances, or other indebtedness, or pay financing or carrying*
 30 *charges.*

31 *(9) Maintain the community's supply of mobilehomes.*

32 *(10) Preserve the availability to lower income households of*
 33 *affordable housing units in housing developments that are assisted*
 34 *or subsidized by public entities and that are threatened with*
 35 *imminent conversion to market rates.*

36 *(c) The agency may use these funds to meet, in whole or in part,*
 37 *the replacement housing provisions in Section 100635. However,*
 38 *this section shall not be construed as limiting in any way the*
 39 *requirements of that section.*

40 *(d) The agency shall use these funds inside the plan area.*

1 (e) The Legislature finds and declares that expenditures or
2 obligations incurred by the agency pursuant to this section shall
3 constitute an indebtedness of the plan area.

4 (f) (1) (A) An action to compel compliance with the requirement
5 of this section to deposit not less than 30 percent of all taxes that
6 are allocated to the agency pursuant to Section 100664 in the
7 separate fund established pursuant to subdivision (a) shall be
8 commenced within 10 years of the alleged violation. A cause of
9 action for a violation accrues on the last day of the fiscal year in
10 which the funds were required to be deposited in that separate
11 fund.

12 (B) An action to compel compliance with the requirement of
13 this section that money deposited in the separate fund established
14 pursuant to subdivision (a) be used by the agency for purposes of
15 increasing, improving, and preserving the community's supply of
16 low- and moderate-income housing available at affordable housing
17 cost shall be commenced within 10 years of the alleged violation.
18 A cause of action for a violation accrues on the date of the actual
19 expenditure of the funds.

20 (C) An agency found to have deposited less into the separate
21 fund established pursuant to subdivision (a) than mandated by
22 Section 100670.5 or to have spent money from that fund for
23 purposes other than increasing, improving, and preserving the
24 community's supply of low- and moderate-income housing, as
25 mandated by this section, shall repay the funds with interest in
26 one lump sum pursuant to Section 970.4 or 970.5 or may do either
27 of the following:

28 (i) Petition the court under Section 970.6 for repayment in
29 installments.

30 (ii) Repay the portion of the judgment due to the separate fund
31 in equal installments over a period of five years following the
32 judgment.

33 (2) Repayment shall not be made from the funds required to be
34 set aside or used for low- and moderate-income housing pursuant
35 to this section.

36 (3) Notwithstanding clauses (i) and (ii) of subparagraph (C) of
37 paragraph (1), all costs, including reasonable attorney's fees if
38 included in the judgment, are due and shall be paid upon entry of
39 judgment or order.

1 (4) *Except as otherwise provided in this subdivision, Chapter*
2 *2 (commencing with Section 970) of Part 5 of Division 3.6 of Title*
3 *1 for the enforcement of a judgment against a local public entity*
4 *applies to a judgment against a local public entity that violates*
5 *this section.*

6 (5) *This subdivision applies to actions filed on and after January*
7 *1, 2019.*

8 (6) *The limitations period specified in subparagraphs (A) and*
9 *(B) of paragraph (1) does not apply to a cause of action brought*
10 *pursuant to Chapter 9 (commencing with Section 860) of Title 10*
11 *of Part 2 of the Code of Civil Procedure.*

12 100670.5. (a) *The funds that are required by Section 100670*
13 *or 100671.5 to be used for the purposes of increasing, improving,*
14 *and preserving the community's supply of low- and*
15 *moderate-income housing shall be held in a separate fund,*
16 *established pursuant to subdivision (a) of Section 100670, until*
17 *used.*

18 (b) *Any interest earned by the separate fund and any repayments*
19 *or other income to the agency for loans, advances, or grants, of*
20 *any kind from that fund, shall accrue to and be deposited in, the*
21 *fund and may only be used in the manner prescribed for the*
22 *separate fund.*

23 (c) *The moneys in the separate fund established pursuant to*
24 *subdivision (a) of Section 100670 shall be used to increase,*
25 *improve, and preserve the supply of low- and moderate-income*
26 *housing within the territorial jurisdiction of the agency.*

27 (d) *It is the intent of the Legislature that the separate fund*
28 *established pursuant to subdivision (a) of Section 100670 be used*
29 *to the maximum extent possible to defray the costs of production,*
30 *improvement, and preservation of low- and moderate-income*
31 *housing and that the amount of money spent for planning and*
32 *general administrative activities associated with the development,*
33 *improvement, and preservation of that housing not be*
34 *disproportionate to the amount actually spent for the costs of*
35 *production, improvement, or preservation of that housing. The*
36 *agency shall determine annually that the planning and*
37 *administrative expenses are necessary for the production,*
38 *improvement, or preservation of low- and moderate-income*
39 *housing.*

1 (e) (1) *Planning and general administrative costs that may be*
2 *paid with moneys from the separate fund established pursuant to*
3 *subdivision (a) of Section 100670 are those expenses incurred by*
4 *the agency that are directly related to the programs and activities*
5 *authorized under subdivision (e) of Section 100670 and are limited*
6 *to the following:*

7 (A) *Costs incurred for salaries, wages, and related costs of the*
8 *agency's staff or for services provided through interagency*
9 *agreements, and agreements with contractors, including usual*
10 *indirect costs related thereto.*

11 (B) *Costs incurred by a nonprofit corporation that are not*
12 *directly attributable to a specific project.*

13 (2) *Legal, architectural, and engineering costs and other*
14 *salaries, wages, and costs directly related to the planning and*
15 *execution of a specific project that are authorized under*
16 *subdivision (e) of Section 100670 and that are incurred by a*
17 *nonprofit housing sponsor are not planning and administrative*
18 *costs for the purposes of this section, but are instead project costs.*

19 (f) (1) *The requirements of this subdivision apply to all new or*
20 *substantially rehabilitated housing units developed or otherwise*
21 *assisted with moneys from the separate fund established pursuant*
22 *to subdivision (a) of Section 100670. Except to the extent that a*
23 *longer period of time may be required by other provisions of law,*
24 *the agency shall require that housing units subject to this*
25 *subdivision shall remain available at affordable housing cost to,*
26 *and occupied by, persons and families of low or moderate income*
27 *and very low income and extremely low income households for*
28 *the longest feasible time, but for not less than the following periods*
29 *of time:*

30 (A) *Fifty-five years for rental units. However, the agency may*
31 *replace rental units with equally affordable and comparable rental*
32 *units in another location within the community if both of the*
33 *following are met:*

34 (i) *The replacement units are available for occupancy before*
35 *the displacement of any persons and families of low or moderate*
36 *income residing in the units to be replaced.*

37 (ii) *The comparable replacement units are not developed with*
38 *moneys from the separate fund.*

39 (B) *Forty-five years for owner-occupied units. However, the*
40 *agency may permit sales of owner-occupied units before the*

1 expiration of the 45-year period for a price in excess of that
2 otherwise permitted under this subdivision pursuant to an adopted
3 program that protects the agency's investment of moneys from the
4 separate fund, including, but not limited to, an equity sharing
5 program that establishes a schedule of equity sharing that permits
6 retention by the seller of a portion of those excess proceeds based
7 on the length of occupancy. The remainder of the excess proceeds
8 of the sale shall be allocated to the agency and deposited in the
9 separate fund. Only the units originally assisted by the agency
10 shall be counted towards the agency's obligations under Section
11 100671.

12 (C) Fifteen years for mutual self-help housing units that are
13 occupied by and affordable to very low and low-income
14 households. However, the agency may permit sales of mutual
15 self-help housing units before expiration of the 15-year period for
16 a price in excess of that otherwise permitted under this subdivision
17 pursuant to an adopted program that (i) protects the agency's
18 investment of moneys from the separate fund, including, but not
19 limited to, an equity sharing program that establishes a schedule
20 of equity sharing that permits retention by the seller of a portion
21 of those excess proceeds based on the length of occupancy, and
22 (ii) ensures through a recorded regulatory agreement, deed of
23 trust, or similar recorded instrument that if a mutual self-help
24 housing unit is sold at any time after expiration of the 15-year
25 period and before 45 years after the date of recording of the
26 covenants or restrictions required pursuant to paragraph (2), the
27 agency recovers, at a minimum, its original principal from the
28 separate fund from the proceeds of the sale and deposits those
29 funds into that fund. The remainder of the excess proceeds of the
30 sale not retained by the seller shall be allocated to the agency and
31 deposited in the separate fund. For the purposes of this
32 subparagraph, "mutual self-help housing unit" means an
33 owner-occupied housing unit for which persons and families of
34 very low and low income contribute no fewer than 500 hours of
35 their own labor in individual or group efforts to provide a decent,
36 safe, and sanitary ownership housing unit for themselves, their
37 families, and others authorized to occupy that unit. This
38 subparagraph does not preclude the agency and the developer of
39 the mutual self-help housing units from agreeing to 45-year deed
40 restrictions.

1 (2) *If land on which those dwelling units are located is deleted*
2 *from the plan area, the agency shall continue to require that those*
3 *units remain affordable as specified in this subdivision.*

4 (3) *The agency shall require the recording in the office of the*
5 *county recorder of the following documents:*

6 (A) *The covenants or restrictions implementing this subdivision*
7 *for each parcel or unit of real property subject to this subdivision.*
8 *The agency shall obtain and maintain a copy of the recorded*
9 *covenants or restrictions for not less than the life of the covenant*
10 *or restriction.*

11 (B) *For all new or substantially rehabilitated units developed*
12 *or otherwise assisted with moneys from the separate fund*
13 *established pursuant to subdivision (a) of Section 100670, a*
14 *separate document called “Notice of Affordability Restrictions on*
15 *Transfer of Property,” set forth in 14-point type or larger. This*
16 *document shall contain all of the following information:*

17 (i) *A recitation of the affordability covenants or restrictions.*
18 *The document recorded under this subparagraph shall be recorded*
19 *concurrently with the covenants or restrictions recorded under*
20 *subparagraph (A) the recitation of the affordability covenants or*
21 *restrictions shall also reference the concurrently recorded*
22 *document.*

23 (ii) *The date the covenants or restrictions expire.*

24 (iii) *The street address of the property, including, if applicable,*
25 *the unit number, unless the property is used to confidentially house*
26 *victims of domestic violence.*

27 (iv) *The assessor’s parcel number for the property.*

28 (v) *The legal description of the property.*

29 (4) *The agency shall require the recording of the document*
30 *required under subparagraph (B) of paragraph (3) not more than*
31 *30 days after the date of recordation of the covenants or*
32 *restrictions required under subparagraph (A) of paragraph (3).*

33 (5) *The county recorder shall index the documents required to*
34 *be recorded under paragraph (3) by the agency and current owner.*

35 (6) *Notwithstanding Section 27383, a county recorder may*
36 *charge all authorized recording fees to any party, including a*
37 *public agency, for recording the document specified in*
38 *subparagraph (B) of paragraph (3).*

39 (7) *Notwithstanding any other law, the covenants or restrictions*
40 *implementing this subdivision shall run with the land and shall be*

1 enforceable against any owner who violates a covenant or
2 restriction and each successor in interest who continues the
3 violation, by any of the following:

4 (A) The agency.
5 (B) Any affected taxing entity.
6 (C) A resident of a unit subject to this subdivision.
7 (D) A residents' association with members who reside in units
8 subject to this subdivision.
9 (E) A former resident of a unit subject to this subdivision who
10 last resided in that unit.
11 (F) An applicant seeking to enforce the covenants or restrictions
12 for a particular unit that is subject to this subdivision, if the
13 applicant conforms to all of the following:

14 (i) Is of low or moderate income, as defined in Section 50093
15 of the Health and Safety Code.
16 (ii) Is able and willing to occupy that particular unit.
17 (iii) Was denied occupancy of that particular unit due to an
18 alleged breach of a covenant or restriction implementing this
19 subdivision.
20 (G) A person on an affordable housing waiting list who is of
21 low or moderate income, as defined in Section 50093 of the Health
22 and Safety Code, and who is able and willing to occupy a unit
23 subject to this subdivision.

24 (8) A dwelling unit shall not be counted as satisfying the
25 affordable housing requirements of this title, unless covenants for
26 that dwelling unit are recorded in compliance with subparagraph
27 (A) of paragraph (3).

28 (9) Failure to comply with the requirements of subparagraph
29 (B) of paragraph (3) shall not invalidate any covenants or
30 restrictions recorded pursuant to subparagraph (A) of paragraph
31 (3).

32 (g) "Housing," as used in this section, includes residential
33 hotels, as defined in subdivision (k) of Section 37912 of the Health
34 and Safety Code. The definitions of "lower income households,"
35 "very low income households," and "extremely low income
36 households" in Sections 50079.5, 50105, and 50106 of the Health
37 and Safety Code shall apply to this section. "Longest feasible
38 time," as used in this section, includes, but is not limited to,
39 unlimited duration.

1 (h) “Increasing, improving, and preserving the community’s
2 supply of low- and moderate-income housing,” as used in this
3 section and in Section 100670, includes the preservation of rental
4 housing units assisted by federal, state, or local government on
5 the condition that units remain affordable to, and occupied by,
6 low- and moderate-income households, including extremely low
7 and very low income households, for the longest feasible time, but
8 not less than 55 years, beyond the date the subsidies and use
9 restrictions could be terminated and the assisted housing units
10 converted to market rate rentals. In preserving these units the
11 agency shall require that the units remain affordable to, and
12 occupied by, persons and families of low and moderate income
13 and extremely low and very low income households for the longest
14 feasible time, but not less than 55 years.

15 (i) Funds from the separate fund established pursuant to
16 subdivision (a) of Section 100670 shall not be used to the extent
17 that other reasonable means of private or commercial financing
18 of the new or substantially rehabilitated units at the same level of
19 affordability and quantity are reasonably available to the agency
20 or to the owner of the units. Before the expenditure of funds from
21 the separate fund for new or substantially rehabilitated housing
22 units, where those funds will exceed 50 percent of the cost of
23 producing the units, the agency shall find, based on substantial
24 evidence, that the use of the funds is necessary because the agency
25 or owner of the units has made a good faith attempt but has been
26 unable to obtain commercial or private means of financing the
27 units at the same level of affordability and quantity.

28 100671. (a) Except as specified in subdivision (d), each agency
29 shall expend over each 10-year period of the redevelopment project
30 plan the moneys in the separate fund established pursuant to
31 subdivision (a) of Section 100670 to assist housing for persons of
32 low income and housing for persons of very low income in at least
33 the same proportion as the total number of housing units needed
34 that each of those income groups bears to the total number of units
35 needed for persons of moderate, low, and very low income within
36 the community, as those needs have been determined for the
37 community pursuant to Section 65584. In determining compliance
38 with this obligation, the agency may adjust the proportion by
39 subtracting from the need identified for each income category, the
40 number of units for persons of that income category that are newly

1 constructed over the duration of the implementation plan with
2 other locally controlled government assistance and without agency
3 assistance and that are required to be affordable to, and occupied
4 by, persons of the income category for at least 55 years for rental
5 housing and 45 years for ownership housing, except that in making
6 an adjustment the agency may not subtract units developed
7 pursuant to a replacement housing obligation under state or federal
8 law.

9 (b) Each agency shall expend over the duration of each plan,
10 the moneys in the separate fund established pursuant to subdivision
11 (a) of Section 100670 to assist housing that is available to all
12 persons regardless of age in at least the same proportion as the
13 number of low-income households with a member under 65 years
14 of age bears to the total number of low-income households of the
15 community as reported in the most recent census of the United
16 States Census Bureau.

17 (c) An agency that has deposited in the separate fund established
18 pursuant to subdivision (a) of Section 100670 over the first five
19 years of the period of a plan an aggregate that is less than two
20 million dollars (\$2,000,000) shall have an extra five years to meet
21 the requirements of this section.

22 (d) For the purposes of this section, “locally controlled” means
23 government assistance if the city or county that proposed formation
24 of the agency pursuant to Section 100610, one or more of the cities
25 that jointly proposed formation of the agency pursuant to Section
26 100610.5, or other local governmental entity has the discretion
27 and the authority to determine the recipient and the amount of the
28 assistance, whether or not the source of the funds or other
29 assistance is from the state or federal government. Examples of
30 locally controlled government assistance include, but are not
31 limited to, the Community Development Block Grant Program (42
32 U.S.C. Sec. 5301 et seq.) funds allocated to a city or county, the
33 Home Investment Partnership Program (42 U.S.C. Sec. 12721 et
34 seq.) funds allocated to a city or county, fees or funds received by
35 a city or county pursuant to a city or county authorized program,
36 and the waiver or deferral of city or other charges.

37 100671.5. Every redevelopment project plan shall contain both
38 of the following:

39 (a) A provision that requires, whenever dwelling units housing
40 persons and families of low or moderate income are destroyed or

1 removed from the low- and moderate-income housing market as
2 part of a revitalization project, the agency to, within two years of
3 the destruction or removal, rehabilitate, develop, or construct, or
4 cause to be rehabilitated, developed, or constructed, for rental or
5 sale to persons and families of low or moderate income an equal
6 number of replacement dwelling units at affordable housing costs,
7 as defined by Section 50052.5 of the Health and Safety Code, within
8 the territorial jurisdiction of the agency, in accordance with all
9 of the provisions of Section 100635.

10 (b) A provision that prohibits the number of housing units
11 occupied by extremely low, very low, and low-income households,
12 including the number of bedrooms in those units, at the time the
13 plan is adopted, from being reduced in the plan area during the
14 effective period of the plan.

15 100672. Programs to assist or develop low- and
16 moderate-income housing pursuant to this title shall be entitled
17 to priority consideration after a program implemented by a housing
18 successor pursuant to Section 34176.1 of the Health and Safety
19 Code for assistance in housing programs administered by the
20 California Housing Finance Agency, the Department of Housing
21 and Community Development, and other state agencies and
22 departments, if those agencies or departments determine that the
23 housing is otherwise eligible for assistance under a particular
24 program.

25 100672.5. The same notice requirements as specified in Section
26 65863.10 shall apply to multifamily rental housing that receives
27 financial assistance pursuant to Sections 100670 and 100670.5.

28 100673. Notwithstanding Sections 100670 and 100670.5,
29 assistance provided by an agency to preserve the availability to
30 lower income households of affordable housing units within the
31 plan area that are assisted or subsidized by public entities and
32 that are threatened with imminent conversion to market rates may
33 be credited and offset against an agency's obligations under
34 Section 100670.

35 100673.5. (a) Except as otherwise provided in this subdivision,
36 not later than six months following the close of any fiscal year of
37 an agency in which excess surplus accumulates in the agency's
38 separate fund established pursuant to subdivision (a) of Section
39 100670, the agency may adopt a plan pursuant to this section for
40 expenditure of all moneys in the separate fund within five years

1 from the end of that fiscal year. The plan may be general and need
 2 not be site-specific, but shall include objectives respecting the
 3 number and type of housing to be assisted, identification of the
 4 entities that will administer the plan, alternative means of ensuring
 5 the affordability of housing units for the longest feasible time, as
 6 specified in subdivision (f) of Section 100670.5, the income groups
 7 to be assisted, and a schedule by fiscal year for expenditure of the
 8 excess surplus.

9 (b) The agency shall separately account for any excess surplus
 10 accumulated each year either as part of or in addition to the
 11 separate fund established pursuant to subdivision (a) of Section
 12 100670.

13 (c) If the agency develops a plan for expenditure of excess
 14 surplus or other moneys in the separate fund established pursuant
 15 to subdivision (a) of Section 100670, a copy of that plan and any
 16 amendments to that plan shall be included in the agency's annual
 17 report pursuant to Section 100640.

18 100674. (a) (1) Upon failure of the agency to expend or
 19 encumber excess surplus in the separate fund established pursuant
 20 to subdivision (a) of Section 100670, within one year from the date
 21 the moneys become excess surplus, as defined in paragraph (1) of
 22 subdivision (g), the agency shall do either of the following:

23 (A) Disburse voluntarily its excess surplus to the county housing
 24 authority, a private nonprofit housing developer, or to another
 25 public agency exercising housing development powers within the
 26 territorial jurisdiction of the agency in accordance with subdivision
 27 (b).

28 (B) Expend or encumber its excess surplus within two additional
 29 years.

30 (2) If an agency, after three years has elapsed from the date
 31 that the moneys become excess surplus, has not expended or
 32 encumbered its excess surplus, the agency shall be subject to
 33 sanctions pursuant to subdivision (e), until the agency has
 34 expended or encumbered its excess surplus plus an additional
 35 amount, equal to 50 percent of the amount of the excess surplus
 36 that remains at the end of the three-year period. The additional
 37 expenditure shall not be from the agency's separate fund
 38 established pursuant to subdivision (a) of Section 100670, but
 39 shall be used in a manner that meets all requirements for
 40 expenditures from that fund.

1 (b) *The housing authority or other public agency to which the*
2 *money is transferred shall utilize the moneys for the purposes of,*
3 *and subject to the same restrictions that are applicable to, the*
4 *agency under this part, and for that purpose may exercise all of*
5 *the powers of a housing authority under Part 2 (commencing with*
6 *Section 34200) of Division 24 of the Health and Safety Code to an*
7 *extent not inconsistent with these limitations.*

8 (c) *Notwithstanding Section 34209 of the Health and Safety*
9 *Code or any other law, for the purpose of accepting a transfer of,*
10 *and using, moneys pursuant to this section, the housing authority*
11 *of a county or other public agency may exercise its powers within*
12 *the territorial jurisdiction of an agency located in that county.*

13 (d) *The amount of excess surplus that shall be transferred to*
14 *the housing authority or other public agency because of a failure*
15 *of the agency to expend or encumber excess surplus within one*
16 *year shall be the amount of the excess surplus that is not so*
17 *expended or encumbered. The housing authority or other public*
18 *agency to which the moneys are transferred shall expend or*
19 *encumber these moneys for authorized purposes not later than*
20 *three years after the date these moneys were transferred from the*
21 *separate fund established pursuant to subdivision (a).*

22 (e) (1) *Until a time when the agency has expended or*
23 *encumbered excess surplus moneys pursuant to subdivision (a),*
24 *the agency shall be prohibited from encumbering any funds or*
25 *expending any moneys derived from any source, except that the*
26 *agency may encumber funds and expend moneys to pay the*
27 *following obligations, if any, that were incurred by the agency*
28 *before three years from the date the moneys became excess surplus:*

29 (A) *Bonds, notes, interim certificates, debentures, or other*
30 *obligations issued by an agency, whether funded, refunded,*
31 *assumed, or otherwise, pursuant to Part 7 (commencing with*
32 *Section 100680).*

33 (B) *Loans or moneys advanced to the agency, including, but*
34 *not limited to, loans from federal, state, or local agencies, or a*
35 *private entity.*

36 (C) *Contractual obligations which, if breached, could subject*
37 *the agency to damages or other liabilities or remedies.*

38 (D) *Indebtedness incurred pursuant to Section 100670 or*
39 *100672.*

1 (E) An amount, to be expended for the operation and
2 administration of the agency, that may not exceed 75 percent of
3 the amount spent for those purposes in the preceding fiscal year.

4 (2) This subdivision shall not be construed to prohibit the
5 expenditure of excess surplus funds or other funds to meet the
6 requirement in paragraph (2) of subdivision (a) that the agency
7 spend or encumber excess surplus funds, plus an amount equal to
8 50 percent of excess surplus, before spending or encumbering
9 funds for any other purpose.

10 (f) This section shall not be construed to limit any authority that
11 an agency may have under other provisions of this title to contract
12 with a housing authority, private nonprofit housing developer, or
13 other public agency exercising housing developer powers, for
14 increasing or improving the community's supply of low- and
15 moderate-income housing.

16 (g) For purposes of this section:

17 (1) "Excess surplus" means any unexpended and unencumbered
18 amount in an agency's separate fund established pursuant to
19 subdivision (a) of Section 100670 that exceeds the greater of one
20 million dollars (\$1,000,000) or the aggregate amount deposited
21 into the separate fund pursuant to Sections 100670 and 100672
22 during the agency's preceding four fiscal years. The first fiscal
23 year to be included in this computation is the 2025–26 fiscal year,
24 and the first date on which an excess surplus may exist is July 1,
25 2029.

26 (2) Moneys shall be deemed encumbered if committed pursuant
27 to a legally enforceable contract or agreement for expenditure for
28 purposes specified in Sections 100670 and 100670.5.

29 (3) (A) For purposes of determining whether an excess surplus
30 exists, it is the intent of the Legislature to give credit to agencies
31 that convey land for less than fair market value, on which low-
32 and moderate-income housing is built or is to be built if at least
33 49 percent of the units developed on the land are available at an
34 affordable housing cost to lower income households for at least
35 the time specified in subdivision (f) of Section 100670.5, and
36 otherwise comply with all of the provisions of this division
37 applicable to expenditures of moneys from a low- and
38 moderate-income housing fund established pursuant to Section
39 100670.5. Therefore, for the sole purpose of determining the
40 amount, if any, of an excess surplus, an agency may make the

1 following calculation: if an agency sells, leases, or grants land
2 acquired with moneys from the separate fund established pursuant
3 to subdivision (a) of Section 100670 for an amount that is below
4 fair market value, and if at least 49 percent of the units constructed
5 or rehabilitated on the land are affordable to lower income
6 households, as defined in Section 50079.5 of the Health and Safety
7 Code, the difference between the fair market value of the land and
8 the amount the agency receives may be subtracted from the amount
9 of moneys in an agency's separate fund.

10 (B) If taxes that are deposited in the separate fund are used as
11 security for bonds or other indebtedness, the proceeds of the bonds
12 or other indebtedness, and income and expenditures related to
13 those proceeds, shall not be counted in determining whether an
14 excess surplus exists. The unspent portion of the proceeds of bonds
15 or other indebtedness, and income related thereto, shall be
16 excluded from the calculation of the unexpended and
17 unencumbered amount in the separate fund when determining
18 whether an excess surplus exists.

19 (C) This subdivision shall not be construed to restrict the
20 authority of an agency provided in any other provision of this title
21 to expend funds from the separate fund established pursuant to
22 subdivision (a) of Section 100670.

23 (D) The Department of Housing and Community Development
24 shall develop and periodically revise the methodology to be used
25 in the calculation of excess surplus as required by this section.
26 The Director of Housing and Community Development shall
27 appoint an advisory committee to advise in the development of this
28 methodology. The advisory committee shall include department
29 staff, affordable housing advocates, and representatives of the
30 housing successors of former redevelopment agencies, the League
31 of California Cities, the California Society of Certified Public
32 Accountants, the Controller, and any other authorities or persons
33 interested in the field that the director deems necessary and
34 appropriate.

35 (h) Communities in which an agency has disbursed excess
36 surplus funds pursuant to this section shall not disapprove a low-
37 or moderate-income housing project funded in whole or in part
38 by the excess surplus funds if the project is consistent with
39 applicable building codes and the land use designation specified
40 in any element of the general plan as it existed on the date the

1 application was deemed complete. A local agency may require
 2 compliance with local development standards and policies
 3 appropriate to and consistent with meeting the quantified objectives
 4 relative to the development of housing, as required in housing
 5 elements of the community pursuant to subdivision (b) of Section
 6 65583.

7 100674.5. (a) Notwithstanding Sections 50079.5, 50093, and
 8 50105 of the Health and Safety Code, for purposes of an agency
 9 providing assistance to mortgagors participating in a home
 10 ownership residential mortgage revenue bond program pursuant
 11 to Section 33750 of the Health and Safety Code, or a home
 12 financing program pursuant to Section 52020 of the Health and
 13 Safety Code, or a California Housing Finance Agency home
 14 financing program, “area median income” means the highest of
 15 the following:

- 16 (1) Statewide median household income.
- 17 (2) Countywide median household income.
- 18 (3) Median family income for the area, as determined by the
 19 United States Department of Housing and Urban Development
 20 with respect to either a standard metropolitan statistical area or
 21 an area outside of a standard metropolitan statistical area.

22 (b) To the extent that any portion of the separate fund
 23 established pursuant to subdivision (a) of Section 100670 is
 24 expended by an agency to provide assistance to mortgagors
 25 participating in programs whose income exceeds that of persons
 26 and families of low or moderate income, as defined in Section
 27 50093 of the Health and Safety Code, the agency shall, within two
 28 years, expend or enter into a legally enforceable agreement to
 29 expend twice that sum exclusively to increase and improve the
 30 community’s supply of housing available at an affordable housing
 31 cost, as defined in Section 50052.5 of the Health and Safety Code,
 32 to lower income households, as defined in Section 50079.5 of the
 33 Health and Safety Code, of which at least 50 percent shall be very
 34 low income households, as defined in Section 50105 of the Health
 35 and Safety Code.

36 (c) In addition to the requirements of subdivision (c) of Section
 37 33413 of the Health and Safety Code, the agency shall require that
 38 the lower and very low income dwelling units developed pursuant
 39 to this subdivision remain available at an affordable housing cost
 40 to lower and very low income households for at least 45 years,

1 *except as to dwelling units developed with the assistance of federal*
2 *or state subsidy programs that terminate in a shorter period and*
3 *cannot be extended or renewed.*

4 *(d) The agency shall include within the report required by*
5 *Section 100640 information with respect to compliance by the*
6 *agency with the requirements of this section.*

7 *100675. The covenants or restrictions imposed by the agency*
8 *pursuant to subdivision (f) of Section 100670.5 may be*
9 *subordinated under any of the following alternatives:*

10 *(a) To a lien, encumbrance, or regulatory agreement under a*
11 *federal or state program when a federal or state agency is*
12 *providing financing, refinancing, or other assistance to the housing*
13 *units or parcels, if the federal or state agency refuses to consent*
14 *to the seniority of the agency's covenant or restriction on the basis*
15 *that it is required to maintain its lien, encumbrance, or regulatory*
16 *agreement or restrictions due to statutory or regulatory*
17 *requirements, adopted or approved policies, or other guidelines*
18 *pertaining to the financing, refinancing, or other assistance of the*
19 *housing units or parcels.*

20 *(b) To a lien, encumbrance, or regulatory agreement of a lender*
21 *other than the agency or from a bond issuance providing financing,*
22 *refinancing, or other assistance of owner-occupied units or parcels,*
23 *provided that the agency makes a finding that an economically*
24 *feasible alternative method of financing, refinancing, or assisting*
25 *the units or parcels on substantially comparable terms and*
26 *conditions, but without subordination, is not reasonably available.*

27 *(c) To an existing lien, encumbrance, or regulatory agreement*
28 *of a lender other than the agency or from a bond issuance*
29 *providing financing, refinancing, or other assistance of rental*
30 *units, where the agency's funds are utilized for rehabilitation of*
31 *the rental units.*

32 *(d) To a lien, encumbrance, or regulatory agreement of a lender*
33 *other than the agency or from a bond issuance providing financing,*
34 *refinancing, or other assistance of rental units or parcels, provided*
35 *that the agency makes a finding that an economically feasible*
36 *alternative method of financing, refinancing, or assisting the units*
37 *or parcels on substantially comparable terms and conditions, but*
38 *without subordination, is not reasonably available, and the agency*
39 *obtains written commitments reasonably designed to protect the*

1 agency's investment in the event of default, including, but not
2 limited to, any of the following:

3 (1) A right of the agency to cure a default on the loan.

4 (2) A right of the agency to negotiate with the lender after notice
5 of default from the lender.

6 (3) An agreement that if before foreclosure of the loan, the
7 agency takes title to the property and cures the default on the loan,
8 the lender will not exercise any right it may have to accelerate the
9 loan by reason of the transfer of title to the agency.

10 (4) A right of the agency to purchase property from the owner
11 at any time after a default on the loan.

12 100675.5. Subsidies provided pursuant to paragraph (8) of
13 subdivision (b) of Section 100670 may include payment of a portion
14 of the principal and interest on bonds issued by a public agency
15 to finance housing for persons and families specified in that
16 paragraph if the agency ensures by contract that the benefit of the
17 subsidy will be passed on to those persons and families in the form
18 of lower housing costs.

19 100676. For each interest in real property acquired using
20 moneys from the separate fund established pursuant to subdivision
21 (a) of Section 100670, the agency shall, within five years from the
22 date it first acquires the property interest for the development of
23 housing affordable to persons and families of low and moderate
24 income, initiate activities consistent with the development of the
25 property for that purpose. These activities may include, but are
26 not limited to, zoning changes or agreements entered into for the
27 development and disposition of the property. If these activities
28 have not been initiated within this period, the agency may, by
29 resolution, extend the period during which the agency may retain
30 the property for one additional period not to exceed five years.
31 The resolution of extension shall affirm the intention of the
32 governing board that the property be used for the development of
33 housing affordable to persons and families of low and moderate
34 income. In the event that physical development of the property for
35 this purpose has not begun by the end of the extended period, or
36 if the agency does not comply with this requirement, the property
37 shall be sold and the moneys from the sale, less reimbursement to
38 the agency for the cost of the sale, shall be deposited in the
39 agency's separate fund established pursuant to subdivision (a) of
40 Section 100670.

PART 7. TAX INCREMENT BONDS

1
2
3 100680. The agency may, by majority vote of its governing
4 board, initiate proceedings to issue bonds pursuant to this chapter
5 by adopting a resolution stating its intent to issue the bonds.

6 100681. The resolution adopted pursuant to Section 100680
7 shall contain all of the following information:

8 (a) A description of the facilities or developments to be financed
9 with the proceeds of the proposed bond issue.

10 (b) The estimated cost of the facilities or developments, the
11 estimated cost of preparing and issuing the bonds, and the
12 principal amount of the proposed bond issuance.

13 (c) The maximum interest rate and discount on the proposed
14 bond issuance.

15 (d) A determination of the amount of tax revenue available or
16 estimated to be available, for the payment of the principal of, and
17 interest on, the bonds.

18 (e) A finding that the amount necessary to pay the principal of,
19 and interest on, the proposed bond issuance will be less than, or
20 equal to, the amount determined pursuant to subdivision (d).

21 100682. (a) (1) Except as otherwise provided in subdivision
22 (b), the clerk of the agency shall publish the resolution adopted
23 pursuant to Section 100681 once a day for at least seven successive
24 days in a newspaper published in the city or county at least six
25 days a week, or at least once a week for two successive weeks in
26 a newspaper published in the city or county less than six days a
27 week.

28 (2) In the case of an agency jointly formed by two or more cities
29 pursuant to Section 100610.5, the clerk shall publish the resolution
30 in a newspaper in each city in which the agency is located.

31 (b) If there are no newspapers that meet the criteria specified
32 in subdivision (a), the resolution shall be posted in three public
33 places within the territory of the district for two succeeding weeks.

34 100683. (a) If the agency adopts a resolution proposing
35 initiation of proceedings to issue bonds pursuant to Section 100680
36 for port or harbor infrastructure, it shall submit the proposal,
37 together with the information specified in Section 100681, to the
38 affected harbor agency pursuant to Section 1713 of the Harbors
39 and Navigation Code for its preliminary approval.

1 (b) If the harbor agency grants preliminary approval, the
 2 proposal shall be considered by the State Lands Commission for
 3 final approval pursuant to Section 1714 of the Harbors and
 4 Navigation Code.

5 (c) If the State Lands Commission votes in favor of the issuance
 6 of the bonds as provided in Section 1714 of the Harbors and
 7 Navigation Code, the agency may proceed with the issuance of
 8 bonds pursuant to this part.

9 100684. The agency shall issue bonds by adopting a resolution
 10 providing for all of the following:

- 11 (a) The issuance of the bonds in one or more series.
- 12 (b) The principal amount of the bonds that shall be consistent
- 13 with the amount specified in subdivision (b) of Section 100681.
- 14 (c) The date the bonds will bear.
- 15 (d) The date of maturity of the bonds.
- 16 (e) The denomination of the bonds.
- 17 (f) The form of the bonds.
- 18 (g) The manner of execution of the bonds.
- 19 (h) The medium of payment in which the bonds are payable.
- 20 (i) The place or manner of payment and any requirements for
- 21 registration of the bonds.
- 22 (j) The terms of call or redemption, with or without premium.

23 100685. The agency may provide for refunding of bonds issued
 24 pursuant to this chapter. However, refunding bonds shall not be
 25 issued if the total net interest cost to maturity on the refunding
 26 bonds plus the principal amount of the refunding bonds exceeds
 27 the total net interest cost to maturity on the bonds to be refunded.
 28 The agency shall not extend the time to maturity of the bonds.

29 100686. The agency or any person executing the bonds shall
 30 not be personally liable on the bonds by reason of their issuance.
 31 The bonds and other obligations of an agency issued pursuant to
 32 this part are not a debt of the city, county, or state or of any of its
 33 political subdivisions, other than the agency, and none of those
 34 entities, other than the agency, shall be liable on the bonds and
 35 the bonds or obligations shall be payable exclusively from funds
 36 or properties of the agency. The bonds shall contain a statement
 37 to this effect on their face. The bonds do not constitute an
 38 indebtedness within the meaning of any constitutional or statutory
 39 debt limitation.

1 100687. *The bonds may be sold at discount not to exceed 5*
2 *percent of par at public sale. At least five days before the sale,*
3 *notice shall be published, pursuant to Section 6061, in a newspaper*
4 *of general circulation and in a financial newspaper published in*
5 *the City and County of San Francisco and in the City of Los*
6 *Angeles. The bonds may be sold at not less than par to the federal*
7 *government at private sale without any public advertisement.*

8 100688. *If any member of the agency whose signature appears*
9 *on bonds ceases to be a member of the agency before delivery of*
10 *the bonds, the member's signature is as effective as if the member*
11 *had remained in office. Bonds issued pursuant to this part are fully*
12 *negotiable.*

13 100689. *Upon the approval of its legislative body, a city,*
14 *county, or special district that contains territory within the*
15 *boundaries of an agency may loan moneys to the agency to fund*
16 *those activities described in the redevelopment project plan*
17 *approved and adopted pursuant to Part 5 (commencing with*
18 *Section 100650). Moneys loaned pursuant to this provision may*
19 *be repaid at an interest rate that does not exceed the Local Agency*
20 *Investment Fund rate that is in effect on the date that the loan is*
21 *approved by the governing board. Notwithstanding any other*
22 *provision of law, it is the intent of the Legislature that any loan*
23 *issued to an agency by a governmental entity shall be repaid fully*
24 *unless agreed to otherwise between the agency and the*
25 *governmental entity.*

26 100690. (a) *Every two years after the issuance of debt pursuant*
27 *to Section 100684, the agency shall contract for an independent*
28 *financial and performance audit. The audit shall be conducted*
29 *according to guidelines established by the Controller. A copy of*
30 *the completed audit shall be provided to the Controller, the*
31 *Director of Finance, and to the Joint Legislative Budget*
32 *Committee.*

33 (b) *Upon the request of the Governor or of the Legislature, the*
34 *Bureau of State Audits may conduct financial and performance*
35 *audits of districts. The results of the audits shall be provided to*
36 *the agency, the Controller, the Director of Finance, and the Joint*
37 *Legislative Budget Committee.*

38 SEC. 3. *If the Commission on State Mandates determines that*
39 *this act contains costs mandated by the state, reimbursement to*
40 *local agencies and school districts for those costs shall be made*

1 *pursuant to Part 7 (commencing with Section 17500) of Division*
2 *4 of Title 2 of the Government Code.*

3 ~~SECTION 1. Section 53398.50 of the Government Code is~~
4 ~~amended to read:~~

5 ~~53398.50. The Legislature finds and declares that with the~~
6 ~~dissolution of redevelopment agencies, public benefits will accrue~~
7 ~~if local agencies, excluding schools, are given a means to finance~~
8 ~~the reuse and revitalization of former military bases, fund the~~
9 ~~creation of transit priority projects and the implementation of~~
10 ~~sustainable communities plans, fund projects that enable~~
11 ~~communities to adapt to the impacts of climate change, construct~~
12 ~~and rehabilitate affordable housing units, and construct facilities~~
13 ~~to house providers of consumer goods and services in the~~
14 ~~communities served by these efforts.~~