

AMENDED IN ASSEMBLY APRIL 11, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 11

Introduced by Assembly Members Chiu, Aguiar-Curry, Bloom, Bonta, Daly, Eduardo Garcia, Gloria, Holden, Irwin, Mullin, Robert Rivas, Santiago, Ting, and Wicks

December 3, 2018

An act to *add Section 41202.7 to the Education Code, and 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 11, as amended, Chiu. Community Redevelopment Law of 2019.
~~The~~

(1) *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 Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure 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 both (1) would not result in a state fiscal impact, determined as specified by the Controller, that exceeds a specified amount and (2) 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 and housing 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 government 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 redevelopment housing or 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.

(2) Section 8 of Article XVI of the California Constitution sets forth a formula for computing the minimum amount of revenues that the state is required to appropriate for the support of school districts and community college districts for each fiscal year.

This bill would require the Director of Finance to adjust the percentage of General Fund revenues appropriated for school districts and community college districts for these purposes in a manner that ensures that the division of taxes authorized by the Community Redevelopment Law of 2019 have no net fiscal impact upon the total

amount of the General Fund revenue and local property tax revenue allocated to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution, as specified.

~~By~~

(3) 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.

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

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

1 *SECTION 1. Section 41202.7 is added to the Education Code,*
2 *to read:*

3 *41202.7. (a) It is the intent of the Legislature to ensure that*
4 *enactment of the Community Redevelopment Law of 2019 (Title*
5 *23 (commencing with Section 100600) of the Government Code),*
6 *and the authorization for the division of taxes upon taxable*
7 *property pursuant to that law, does not affect the amount of funding*
8 *required to be applied for the support of school districts and*
9 *community college districts pursuant to Section 8 of Article XVI*
10 *of the California Constitution.*

11 *(b) (1) The Director of Finance shall adjust “the percentage*
12 *of General Fund revenues appropriated for school districts and*
13 *community college districts” for the purpose of applying paragraph*
14 *(1) of subdivision (b) of Section 8 of Article XVI of the California*
15 *Constitution in a manner that ensures that the division of taxes*
16 *authorized by Section 100660 of the Government Code shall have*
17 *no net fiscal impact upon the total amount of General Fund revenue*
18 *and local property tax revenue allocated to school districts and*
19 *community college districts pursuant to Section 8 of Article XVI*
20 *of the California Constitution. The Director of Finance shall make*

this adjustment effective with the 2020–21 fiscal year, consistent with the effective date of the Community Redevelopment Law of 2019 (Title 23 (commencing with Section 100600) of the Government Code).

(2) The Director of Finance shall update the adjustment required by paragraph (1) to account for either of the following:

(A) Subsequent enactment of a redevelopment project plan that, pursuant to Section 100660 of the Government Code, includes a provision for the division of taxes upon taxable property within the area included within an affordable housing and infrastructure agency.

(B) The end of the division of taxes resulting from an affordable housing and infrastructure agency ceasing to exist pursuant to its redevelopment project plan and the payment of moneys received from taxes upon taxable property to school districts and community college districts pursuant to paragraph (2) of subdivision (a) of Section 100660 of the Government Code.

SECTION 1.

SEC. 2. Section 53993 of the Government Code is amended to read:

53993. (a) Notwithstanding any other law, except as provided in subdivision (b), for the purpose of any law authorizing the division of taxes levied upon taxable property, including, but not limited to, Sections 53369.30, 53396, 53398.30, 53398.75, and 62005, no revenues derived from the imposition of a property tax rate approved by the voters pursuant to subdivision (b) of Section 1 of Article XIII A of the California Constitution and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution shall be divided.

(b) Subdivision (a) shall not apply to either of the following:

(1) The allocation of property taxes pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code.

(2) The division of taxes authorized by Section 100660.

~~SEC. 2.~~

SEC. 3. Title 23 (commencing with Section 100600) is added to the Government Code, to read:

1 TITLE 23. COMMUNITY REDEVELOPMENT LAW OF
2 2019
3

4 PART 1. GENERAL PROVISIONS
5

6 100600. This title shall be known, and may be cited, as the
7 Community Redevelopment Law of 2019.

8 100601. For purposes of this title:

9 (a) “Affected taxing entity” means any governmental taxing
10 agency which levied or had levied on its behalf ~~a~~ *an ad valorem*
11 property tax on all or a portion of the property located in the
12 proposed agency in the fiscal year before the designation of the
13 agency district.

14 (b) “Affected taxing entity equity amount” means the amount
15 of ad valorem property tax revenue that the affected taxing entity
16 would have received from property located within the
17 redevelopment project area in the absence of the ~~redevelopment~~
18 ~~and affordable~~ housing and infrastructure agency, calculated
19 pursuant to subdivision ~~(d)~~ (e) of Section 100661.

20 (c) “Agency” means an affordable housing and infrastructure
21 agency created by this title.

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

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

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

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

33 (h) “Landowner” or “owner of land” means any person shown
34 as the owner of land on the last equalized assessment roll or
35 otherwise known to be the owner of the land by the governing
36 board. The governing board has no obligation to obtain other
37 information as to the ownership of land, and its determination of
38 ownership shall be final and conclusive for the purposes of this
39 ~~chapter.~~ *title.* A public agency is not a landowner or owner of land

1 for purposes of this ~~chapter~~, *title*, unless the public agency owns
2 all of the land to be included within the proposed agency.

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

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

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

10 100602. (a) The Legislature declares that this title constitutes
11 the Community Redevelopment Law within the meaning of Article
12 XVI of Section 16 of the California Constitution, and that an
13 affordable housing and infrastructure agency formed pursuant to
14 this title shall have all powers granted to a redevelopment agency
15 pursuant to that section.

16 (b) Unless the context clearly indicates otherwise, *or there is a*
17 *conflict with any provision of this title*, whenever the term
18 “redevelopment agency” or “Community Redevelopment Law”
19 appears in this code or any other code, except those laws described
20 in the following sentence, it shall be deemed to refer to an
21 “affordable housing and infrastructure agency” formed pursuant
22 to this part or the “Community Redevelopment Law of 2019,” as
23 applicable. The previous sentence does not apply to any of the
24 following laws:

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

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

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

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

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

35
36 PART 2. FORMATION OF AN AFFORDABLE HOUSING
37 AND INFRASTRUCTURE AGENCY
38

39 100610. (a) The legislative body of a city or county, subject
40 to the conditions as may apply under Section 100633, may propose

1 to form an agency pursuant to this title by adopting a resolution
2 of intention to establish the agency. The resolution of intention
3 shall contain all the following:

4 (1) A statement that an affordable housing and infrastructure
5 agency is proposed to be established in accordance with the terms
6 of this title.

7 (2) A statement of the need for the proposed agency and the
8 goals that the proposed agency seeks to achieve.

9 (3) A preliminary project plan prepared by the legislative body.
10 The preliminary project plan shall, at a minimum, include the
11 following:

12 (A) A description of the proposed boundaries of the project
13 area. This may be accomplished by reference to a map on file in
14 the office of the clerk of the city or in the office of the recorder of
15 the county, as applicable.

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

19 (C) Evidence that redevelopment will achieve the purposes of
20 this title.

21 (D) Evidence that the proposed redevelopment is consistent
22 with the general plan of each applicable city or county in which
23 the projects are proposed to be located.

24 (E) A general description of the impact of the project upon the
25 area's residents and upon the surrounding neighborhood.

26 (F) A description of the affordable housing or infrastructure
27 projects that are proposed to be financed by the agency.

28 (4) A financing section that shall contain all of the following
29 information:

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

34 (B) A plan for financing the affordable housing or infrastructure
35 projects to be assisted by the agency, including a detailed
36 description of any intention to incur debt.

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

39 (D) The date on which the agency will cease to exist, by which
40 time all tax allocation to the agency will end. The date shall not

1 be more than 45 years from the date on which the issuance of bonds
2 is *first* approved pursuant to Section 100684, or the issuance of a
3 loan is *first* approved by the legislative body of a city, county, or
4 special district pursuant to Section 100689.

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

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

13 (G) A passthrough provision that provides that the agency will,
14 except as otherwise provided in this subparagraph, pay to each
15 affected taxing entity an amount equivalent to the affected taxing
16 entity equity amount. A passthrough provision shall not provide
17 payment to the city or county that proposes to form the agency, or
18 to any school entity, as defined pursuant to subdivision (f) of
19 Section 95 of the Revenue and Taxation Code.

20 (H) An override passthrough provision that provides that the
21 agency will pay to each affected taxing entity that imposed an
22 override property tax on property located within the proposed
23 redevelopment project area an amount that is equivalent to the
24 amount the affected taxing entity would have received from the
25 override property tax imposed on that property in the absence of
26 the affordable housing and infrastructure agency. For purposes of
27 this subparagraph, “imposed an override property tax” means that
28 an ad valorem property tax was imposed on property by, on or
29 behalf of, the affected taxing entity within the meaning of
30 subdivision (b) of Section 1 of Article XIII A of the California
31 Constitution and levied in addition to the property tax rate limited
32 by subdivision (a) of Section 1 of Article XIII A of the California
33 Constitution. An override passthrough provision shall not provide
34 payment to the city or county that proposes to form the agency, or
35 to any school entity, as defined pursuant to subdivision (f) of
36 Section 95 of the Revenue and Taxation Code.

37 (5) A statement that the city or county adopting the resolution
38 thereby elects to not receiving, whether by pass through or
39 otherwise, a portion of those ad valorem property tax revenues
40 that are in excess of the base year amount as described in paragraph

(2) of subdivision (a) of Section 100660 that the city or county would have otherwise been entitled to from property in the redevelopment project area in the absence of the affordable housing and infrastructure agency. This statement is irrevocable unless and until the agency ceases to exist pursuant to the redevelopment project plan.

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

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

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

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

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

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

(c) The proposed boundaries of the project area of an agency proposed to be jointly formed pursuant to this section may include any or all of the territory within each city proposing to jointly form the agency.

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

(b) Any affected taxing entity entitled to receive a passthrough may submit a written election *to the city or county that adopted the resolution of intention and the county auditor* to not receive an amount that the entity otherwise would have received under a passthrough provision described in subparagraphs (G) or (H) of paragraph (4) of subdivision (a) of Section 100610. The affected taxing entity shall include in that written election a statement that

1 the affected taxing entity consents to not receive any amount that
2 would have been received under a passthrough provision, and that
3 the entity is aware that statement is irrevocable unless and until
4 the agency ceases to exist pursuant to the redevelopment project
5 plan.

6 100612. (a) The legislative body shall, no sooner than 60 days
7 after the resolution of intention was provided to each affected
8 taxing entity pursuant to subdivision (b) of Section 100610, hold
9 a public hearing on the proposal.

10 (b) The legislative body shall provide notice of the public
11 hearing by publication not less than once a week for four successive
12 weeks in a newspaper of general circulation published in each city
13 or county in which the proposed agency is located. The notice shall
14 state that the agency will be used to finance affordable housing or
15 infrastructure projects, briefly describe the proposed affordable
16 housing or infrastructure projects, briefly describe the proposed
17 financial arrangements, including the proposed commitment of
18 incremental tax revenue, describe the boundaries of the proposed
19 agency and state the day, hour, and place when and where any
20 persons having any objections to the proposed agency or the
21 regularity of any of the prior proceedings, may appear before the
22 legislative body and object to the formation of the agency.

23 (c) At the public hearing, the legislative body shall proceed to
24 hear and pass upon all written and oral objections to the formation
25 of the agency. The hearing may be continued from time to time.
26 The legislative body shall consider the recommendations, if any,
27 of affected taxing entities, and all evidence and testimony for and
28 against the formation of the agency.

29 (d) At the conclusion of the public hearing, the legislative body
30 may adopt a resolution proposing the formation of the agency. The
31 resolution of formation shall contain all the information described
32 in subdivision (a) of Section 100610, and shall consider the
33 recommendations, if any, of affected taxing entities, and all
34 evidence and testimony for and against the adoption of the plan.
35 The legislative body shall direct the city clerk or county recorder,
36 as applicable, to mail the resolution of formation to each affected
37 taxing entity.

38 100613. (a) For purposes of this section, “state fiscal impact”
39 means the impact on the amount that the state is required to

1 apportion to local educational entities, in accordance with existing
2 requirements, with respect to all agencies within the state.

3 (b) (1) For the 2020–21 fiscal year, and each fiscal year
4 thereafter, the Controller shall determine the state fiscal impact
5 with respect to all agencies within the state, based on the latest
6 annual report for each agency filed pursuant to paragraph (1) of
7 subdivision (c) of Section 100640. The Controller's determination
8 of the state fiscal impact shall remain in effect for one year.

9 (2) If the state fiscal impact exceeds ____ dollars (\$____) in
10 any fiscal year, an agency shall not be ~~formed~~ *formed, and an*
11 *existing agency shall not incur any additional indebtedness*, until
12 the next fiscal year in which the Controller determines that the
13 state fiscal impact is below the limit specified in this paragraph.

14 (3) The Controller shall publish on ~~his or her Internet Web~~ *the*
15 *Controller's internet website* site a notice that includes ~~his or her~~
16 *the Controller's* determination of the state fiscal impact of all
17 agencies within the state for the prior fiscal year and stating
18 whether or not any additional agencies may be formed pursuant
19 to this title based on that determination.

20 100614. (a) The legislative body that adopted the resolution
21 of formation pursuant to subdivision (d) of Section 100612 shall
22 submit that resolution, along with all supporting documents, to the
23 Strategic Growth Council for review.

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

33 (2) The Strategic Growth Council shall approve the resolution
34 of formation of an agency if it determines both of the following:

35 (A) Formation of the agency would not result in a state fiscal
36 impact that exceeds the limit specified in Section 100613.

37 (B) Formation of the agency would promote statewide
38 greenhouse gas reduction goals, as specified in paragraph (1).

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

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

9 (c) The Strategic Growth Council shall adopt policies and
10 procedures for the receipt and evaluation of resolutions of intention
11 pursuant to this section.

12 (d) The Strategic Growth Council shall establish a program to
13 provide technical assistance to a city or county that desires to form
14 an affordable housing and infrastructure agency. The Strategic
15 Growth Council shall provide that technical assistance by entering
16 into a contract with that city or county, and may include a provision
17 in that contract to recover the reasonable cost of the council in
18 providing the technical assistance. In providing technical
19 assistance, the council shall encourage that the proposed agency
20 promote statewide greenhouse gas reduction goals as described in
21 subdivision (b).

22
23 **PART 3. GOVERNING BOARD OF AN AFFORDABLE**
24 **HOUSING AND INFRASTRUCTURE AGENCY**
25

26 100620. (a) The governing board of the agency shall consist
27 of the following:

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

31 (B) In the case of an agency jointly formed by two or more cities
32 pursuant to Section 100610.5, one member appointed by the
33 legislative body of each city that adopted the resolution of intention
34 pursuant to Section 100610.5.

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

36 (3) Two public members initially appointed by the members
37 appointed by the board composed of the members described in
38 paragraphs (1) and (2) appointed, and then thereafter appointed
39 by the board as a whole. The public members shall not be an
40 elective officer or employee of any affected taxing entity.

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

100621. Members of the governing board established pursuant to this chapter shall not receive compensation but may receive reimbursement for actual and necessary expenses incurred in the performance of official duties pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5.

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

(b) An agency created pursuant to this title shall be a local public agency subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

PART 4. AFFORDABLE HOUSING AND INFRASTRUCTURE AGENCY POWERS AND DUTIES

CHAPTER 1. AGENCY POWERS

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

(A) The purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer that constitutes affordable housing or infrastructure projects as described in subdivision (b).

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

(C) The costs described in ~~Sections 100635 and 100636~~. *Section 100635.*

(2) Facilities financed pursuant to this title are not required to be physically located within the boundaries of the agency. However, any facilities financed outside of an agency's boundaries shall have a tangible connection to the work of the agency, as

1 detailed in the redevelopment project plan adopted pursuant to
2 Part 5 (commencing with Section 100650).

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

6 (b) An agency shall only finance redevelopment projects that
7 the agency finds are appropriate or necessary in the interests of
8 the general welfare. For purposes of this title, redevelopment
9 projects shall only include the following *affordable* housing or
10 infrastructure projects:

11 (1) Highways, interchanges, ramps and bridges, arterial streets,
12 parking facilities, and transit facilities.

13 (2) Sewage treatment and water reclamation plants and
14 interceptor pipes.

15 (3) Facilities for the collection and treatment of water for urban
16 uses.

17 (4) Flood control levees and dams, retention basins, and drainage
18 channels.

19 (5) Child care facilities.

20 (6) Libraries.

21 (7) Parks, recreational facilities, and open space.

22 (8) Facilities for the transfer and disposal of solid waste,
23 including transfer stations and vehicles.

24 (9) Brownfield restoration and other environmental mitigation.

25 (10) The acquisition, construction, or rehabilitation of housing
26 for persons of very low, low, and moderate income, as those terms
27 are defined in Sections 50105 and 50093 of the Health and Safety
28 Code, for rent or purchase. The agency may finance mixed-income
29 housing developments, but may finance only those units in a
30 mixed-income development that are restricted to occupancy by
31 persons of very low, low, or moderate incomes, as those terms are
32 defined in Sections 50105 and 50093 of the Health and Safety
33 Code, and those onsite facilities for child care, after school care,
34 and social services that are integrally linked to the tenants of the
35 restricted units.

36 (11) Transit priority projects, as defined in Section 21155 of
37 the Public Resources Code, that are located within a transit priority
38 project area. For purposes of this paragraph, a transit priority
39 project area may include a military base reuse plan that meets the
40 definition of a transit priority project area and it may include a

1 contaminated site within a transit priority project area. An agency
2 may reimburse a developer of a project that is located entirely
3 within the boundaries of that agency for any permit expenses
4 incurred and to offset additional expenses incurred by the developer
5 in constructing affordable housing units pursuant to the Transit
6 Priority Project Program established in Section 65470.

7 (12) Projects that implement a sustainable communities strategy,
8 when the State Air Resources Board, pursuant to Chapter 2.5
9 (commencing with Section 65080) of Division 1 of Title 7, has
10 accepted a metropolitan planning organization's determination
11 that the sustainable communities strategy or the alternative planning
12 strategy would, if implemented, achieve the greenhouse gas
13 emission reduction targets.

14 (13) Port or harbor infrastructure, as defined by Section 1698
15 of the Harbors and Navigation Code.

16 (c) An agency shall not finance any project that is not described
17 in subdivision (b).

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

24 (e) An agency may utilize any powers under either the Polanco
25 Redevelopment Act (Article 12.5 (commencing with Section
26 33459) of Chapter 4 of Part 1 of Division 24 of the Health and
27 Safety Code) or Chapter 6.10 (commencing with Section 25403)
28 of Division 20 of the Health and Safety Code, and finance any
29 action necessary to implement that act.

30 100630.5. (a) Except as provided in subdivision (b), an agency
31 shall not, directly or indirectly, allocate or transfer any funds
32 received by the agency pursuant to Chapter 1 (commencing with
33 Section 100660) of Part 6 to any city, county, or special district.

34 (b) Notwithstanding subdivision (a), an agency shall make any
35 payment required by a passthrough provision that was included in
36 the financing section of its resolution of formation and included
37 within the redevelopment project plan, as required by paragraphs
38 (8) and (9) of subdivision (d) of Section 100651. In making
39 payments required by this subdivision, the agency shall comply
40 with the requirements of subparagraphs (G) and (H) of paragraph

1 (4) of subdivision (a) of Section 100610. An agency shall not,
2 directly or indirectly, make passthrough payments to any affected
3 taxing entity, including by entering into a passthrough agreement,
4 unless that passthrough provision was included in the resolution
5 of formation of the agency.

6 100631. An agency may, within the area established in an
7 approved redevelopment project plan, do either of the following:

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

16 (b) Acquire real property by eminent domain to be used in a
17 redevelopment project. Property already devoted to a public use
18 may be acquired by the agency through eminent domain, but the
19 agency shall not acquire property of a public body without the
20 consent of that public body.

21 100632. An agency may rent, maintain, manage, operate, repair,
22 and clear real property owned by the agency within the area
23 established in an approved redevelopment project plan for the
24 purpose of providing affordable housing.

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

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

34 (b) The city or county certifies to the Department of Finance
35 and to the agency that no former redevelopment agency assets that
36 are the subject of litigation involving the state, where the city or
37 county, the successor agency, or the designated local authority are
38 a named plaintiff, have been or will be used to benefit any efforts
39 of an agency formed under this title, unless the litigation and all
40 possible appeals have been resolved in a court of law. The city or

1 county shall provide this certification to the Department of Finance
2 within 10 days of its legislative body's action to participate or
3 initiate the formation of an agency under this title.

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

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

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

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

23 (c) An agency may include areas which are not contiguous.

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

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

1 have an equal or greater number of bedrooms as those removed
2 or destroyed units, within two years of the removal or destruction
3 of the dwelling units. The replacement dwelling units shall be
4 available for rent or sale to persons or families of very low, low,
5 or moderate income, at affordable rent, as defined in Section 50053
6 of the Health and Safety Code, or at affordable housing cost, as
7 defined in Section 50052.5 of the Health and Safety Code, to
8 persons in the same or a lower income category (extremely low,
9 very low, low, or moderate), as the persons displaced from, or who
10 last occupied, the removed or destroyed dwelling units.

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

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

38 (d) Ensure that removal or destruction of any dwelling units
39 occupied by persons or families of low or moderate income not
40 take place unless and until there has been full compliance with the

1 relocation assistance requirements of this section, Section 100651,
2 and Chapter 16 (commencing with Section 7260) of Division 7 of
3 Title 1.

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

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

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

35 100637. An action to determine the validity of the issuance of
36 bonds pursuant to this title may be brought pursuant to Chapter 9
37 (commencing with Section 860) of Title 10 of Part 2 of the Code
38 of Civil Procedure. However, notwithstanding the time limits
39 specified in Section 860 of the Code of Civil Procedure, the action
40 shall be commenced within 30 days after adoption of the resolution

1 pursuant to Section 100684 providing for issuance of the bonds if
2 the action is brought by an interested person pursuant to Section
3 863 of the Code of Civil Procedure. Any appeal from a judgment
4 in that action or proceeding shall be commenced within 30 days
5 after entry of judgment.

6 100638. (a) An agency shall maintain detailed records of every
7 action taken by that agency, including, but not limited to, all the
8 following:

9 (1) Original copies of any agreement, memorandum of
10 understanding, or contact entered into by the agency.

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

12 (3) For each loan, advance, or indebtedness incurred or entered
13 into, all of the following information:

14 (A) The date the loan, advance, or indebtedness was incurred
15 or entered into.

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

18 (C) The principal amount and interest due in the fiscal year in
19 which the statement of indebtedness is filed for each loan, advance,
20 or indebtedness.

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

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

25 (1) The date the record was originally created.

26 (2) The date that the agreement, memorandum of understanding,
27 or contract expired or concluded.

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

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

38 100639. (a) An agency shall adopt an annual budget containing
39 all of the following specific information:

40 (1) The proposed expenditures of the agency.

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

2 (3) The anticipated revenues of the agency.

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

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

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

11
12 CHAPTER 2. REPORTING REQUIREMENT
13

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

19 (b) The annual report required by subdivision (a) shall contain
20 all of the following:

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

38 (B) However, the governing board may elect to omit from
39 inclusion in the audit report prepared pursuant to subparagraph
40 (A) any distinct activity of the agency that is funded exclusively

1 by the federal government and that is subject to audit by the federal
2 government.

3 (2) A fiscal statement for the previous fiscal year that contains
4 the information required pursuant to Section 100644.

5 (3) A description of the agency's activities in the previous fiscal
6 year affecting housing and displacement that contains the
7 information required by Section 100643.

8 (4) A description of the agency's progress, including specific
9 actions and expenditures, in accomplishing the agency's purpose
10 in the previous fiscal year.

11 (5) A list of, and status report on, all loans made by the agency
12 that are fifty thousand dollars (\$50,000) or more, that in the
13 previous fiscal year were in default, or not in compliance with the
14 terms of the loan approved by the agency.

15 (6) A description of the total number and nature of the properties
16 that the agency owns and those properties the agency has acquired
17 in the previous fiscal year.

18 (7) A list of the fiscal years that the agency expects each of the
19 following time limits to expire:

20 (A) The time limit for the commencement for eminent domain
21 proceedings to acquire property within the project area.

22 (B) The time limit for the establishment of loans, advances, and
23 indebtedness to finance the redevelopment project.

24 (C) The time limit for the effectiveness of the redevelopment
25 plan.

26 (D) The time limit to repay indebtedness with the proceeds of
27 property taxes.

28 (8) Any other information that the agency believes useful to
29 explain its programs, including, but not limited to, the number of
30 jobs created and lost in the previous fiscal year as a result of its
31 activities.

32 (c) (1) The agency shall file with the Controller within six
33 months of the end of the agency's fiscal year a copy of the annual
34 report required by subdivision (a). In addition, the agency shall
35 file with the Department of Housing and Community Development
36 a copy of an audit report as required by subdivision (a). The reports
37 shall be made in the time, format, and manner prescribed by the
38 Controller after consultation with the Department of Housing and
39 Community Development.

(2) The agency shall provide a copy of the annual report required by subdivision (a), upon the written request of any person or any affected taxing entity. If the report does not include detailed information regarding administrative costs, professional services, or other expenditures, the person or affected taxing entity may request, and the agency shall provide, that information. ~~The person or affected taxing entity shall reimburse the agency for all actual and reasonable costs incurred in connection with the provision of the requested information.~~ *information consistent with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).*

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

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

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

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

(1) The total number of nonelderly and elderly households, 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 were displaced or moved from
3 their dwelling units as part of a redevelopment project of the
4 agency during the previous fiscal year.

5 (2) The total number of nonelderly and elderly households,
6 including separate subtotals of the numbers of very low income
7 households, other lower income households, and persons and
8 families of moderate income, that the agency estimates will be
9 displaced or will move from their dwellings as part of a
10 redevelopment project of the agency during the present fiscal year
11 and the date of adoption of a replacement housing portion of the
12 redevelopment project plan required by Section 100635.

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

20 (4) The total numbers of agency-assisted dwelling units which
21 were constructed, rehabilitated, acquired, or subsidized during the
22 previous fiscal year for occupancy at an affordable housing cost
23 by elderly persons and families, but only if the units are restricted
24 by agreement or ordinance for occupancy by the elderly, and by
25 very low income households, other lower income households, and
26 persons and families of moderate income, respectively, specifying
27 those units that are not currently so occupied, those units which
28 have replaced units destroyed or removed pursuant to Section
29 100635, and the length of time any agency-assisted units are
30 required to remain available at affordable costs.

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

39 (6) The status and use of the separate fund established pursuant
40 to subdivision (a) of Section 100670, including information on the

1 use of this fund for very low income households, other lower
2 income households, and persons and families of moderate income,
3 respectively. If the separate fund is used to subsidize the cost of
4 onsite or offsite improvements, then the description of the agency's
5 activities shall include the number of housing units affordable to
6 persons and families of low or moderate income which have been
7 directly benefited by the onsite or offsite improvements.

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

15 (8) The total amount of funds expended for planning and general
16 administrative costs.

17 (9) Any other information which the agency believes useful to
18 explain its housing programs, including, but not limited to, housing
19 for persons and families of other than low and moderate income.

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

27 (11) The date and amount of all deposits and withdrawals of
28 moneys deposited to and withdrawn from the separate fund
29 established pursuant to subdivision (a) of Section 100670.

30 (b) As used in this section:

31 (1) "Elderly," has the same meaning as specified in Section
32 50067 of the Health and Safety Code.

33 (2) "Persons and families of moderate income," has the same
34 meaning as specified in subdivision (b) of Section 50093 of the
35 Health and Safety Code.

36 (3) "Other lower income households," has the same meaning
37 as "lower income households" as specified in Section 50079.5 of
38 the Health and Safety Code, exclusive of very low income
39 households.

1 (4) “Persons and families of low or moderate income,” has the
2 same meaning as specified in Section 50093 of the Health and
3 Safety Code.

4 (5) “Very low income households,” has the same meaning as
5 specified in Section 50105 of the Health and Safety Code.

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

10 100644. For the purposes of compliance with paragraph (2) of
11 subdivision (b) of Section 100640, the fiscal statement shall contain
12 the following information:

13 (a) The amount of outstanding indebtedness of the agency and
14 each project area.

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

17 (c) The financial transactions report required pursuant to Section
18 53891.

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

21 (e) The amount owed under any passthrough provision that was
22 approved at the time of the creation of the agency, and calculated
23 pursuant to subdivision ~~(d) or (e)~~ *(e) or (f)* of Section 100661.

24 (f) Any other fiscal information which the agency believes useful
25 to describe its programs.

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

38 (b) The department shall send a copy of the executive summary
39 of its report to each agency for which information was reported
40 pursuant to Section 100640 for the fiscal year covered by the report.

1 The department shall send a copy of its report to each agency that
2 requests a copy.

3 100646. (a) On or before April 1 of each year, the Controller
4 shall compile a list of agencies that appear to have major audit
5 violations as defined in this section, based on the independent
6 financial audit reports filed with the Controller pursuant to Section
7 100640.

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

22 (c) For each agency that the Controller refers to the Attorney
23 General pursuant to subdivision (b), the Controller shall notify the
24 agency and the governing board that the agency was on the list
25 sent to the Attorney General. The Controller's notice shall inform
26 the agency and the governing board of the duties imposed by
27 Section 100641.

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

1 filed by the Attorney General pursuant to this section within 15
2 days of service.

3 (e) (1) On the earliest day that the business of the court will
4 permit, but not later than 45 days after the filing of an action
5 pursuant to this section, the court shall conduct a hearing to
6 determine if good cause exists for believing that the agency has a
7 major audit violation and has not corrected that violation.

8 (2) If the court determines that no good cause exists or that the
9 agency had a major audit violation but corrected the major audit
10 violation, the court shall dismiss the action.

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

15 (A) Encumbering any funds or expending any money derived
16 from any source except to pay the obligations designated in
17 paragraph (1) of subdivision (e) of Section 100674.

18 (B) Adopting a redevelopment project plan.

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

21 (D) Issuing, selling, offering for sale, or delivering any bonds
22 or any other evidence of indebtedness.

23 (E) Incurring any indebtedness.

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

26 (g) If, on the basis of that subsequent hearing, the court
27 determines that the agency has a major audit violation and has not
28 corrected that violation, the court shall order the agency to comply
29 with this part within 30 days, and order the agency to forfeit to the
30 state no more than:

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

35 (2) Five thousand dollars (\$5,000) in the case of an agency with
36 a total revenue, in the prior year, of at least one hundred thousand
37 dollars (\$100,000) but less than two hundred fifty thousand dollars
38 (\$250,000) as reported in the Controller's annual financial reports.

39 (3) Ten thousand dollars (\$10,000) in the case of an agency
40 with a total revenue, in the prior year, of at least two hundred fifty

1 thousand dollars (\$250,000) as reported in the Controller's annual
2 financial reports.

3 (h) The order issued by the court pursuant to paragraph (3) of
4 subdivision (e) shall continue in effect until the court determines
5 that the agency has corrected the major audit violation. If the court
6 determines that the agency has corrected the major audit violation,
7 the court may dissolve its order issued pursuant to paragraph (3)
8 of subdivision (e) at any time.

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

12 (j) As used in this section, "major audit violation" means that,
13 for the fiscal year in question, an agency did not:

14 (1) File an independent financial audit report that substantially
15 conforms to the requirements of paragraph (1) of subdivision (b)
16 of Section 100640.

17 (2) File a fiscal statement that includes substantially all of the
18 information required by Section 100644.

19 (3) Deposit all required tax increment revenues directly into the
20 separate fund established pursuant to subdivision (a) of Section
21 100670 upon receipt, as required under Chapter 2 (commencing
22 with Section 100670) of Part 6.

23 (4) Establish a separate fund as required by subdivision (a) of
24 Section 100670.

25 (5) Accrue interest earned by the separate fund established
26 pursuant to subdivision (a) of Section 100670 to that fund, as
27 required by subdivision (b) of Section 100670.

28 (6) Determine that the planning and administrative costs charged
29 to the separate fund established pursuant to subdivision (a) Section
30 100670 are necessary for the production, improvement, or
31 preservation of low- and moderate-income housing, as required
32 by subdivision (d) of Section 100670.5.

33 (7) Initiate development of housing on real property acquired
34 using moneys from the separate fund established pursuant to
35 subdivision (a) of Section 100670 or sell the property, as required
36 by Section 100676.

1 PART 5. PREPARATION OF REDEVELOPMENT PROJECT
2 PLANS
3

4 100650. (a) After the agency is formed, the governing board
5 of the agency shall designate an appropriate official, such as an
6 engineer of a city or county that is an affected taxing entity, to
7 prepare a redevelopment project plan pursuant to Section 100651.

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

13 100651. The official designated pursuant to Section 100650
14 shall prepare a proposed redevelopment project plan. The
15 redevelopment project plan shall be consistent with the general
16 plan of each city or county within the agency's boundaries, or, if
17 the proposed project is located outside those boundaries, with the
18 general plan of the city or county that the project is located. The
19 plan shall include all of the following:

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

23 (b) A description of the public facilities and other forms of
24 development or financial assistance that is proposed in the area of
25 the agency, including those to be provided by the private sector,
26 those to be provided by governmental entities without assistance
27 under this chapter, those public improvements and facilities to be
28 financed with assistance from the proposed agency, and those to
29 be provided jointly. The description shall include the proposed
30 location, timing, and costs of the development and financial
31 assistance.

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

35 (d) A financing section that shall contain all of the following
36 information:

37 (1) A projection of the amount of tax increment revenues
38 expected to be received by the agency in each year during which
39 the agency will receive tax increment revenues, including an

1 estimate of the amount of tax revenues attributable to each affected
2 taxing entity for each year.

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

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

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

14 (5) An analysis of the costs to the city or county of providing
15 facilities and services to the area of the agency while the area is
16 being developed and after the area is developed. The plan shall
17 also include an analysis of the tax, fee, charge, and other revenues
18 expected to be received by the city or county as a result of expected
19 development in the area of the agency.

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

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

27 (8) A passthrough provision that is consistent with the
28 requirements of subparagraph (G) of paragraph (4) of subdivision
29 (a) of Section ~~100610~~; *100610, including any modifications*
30 *necessary as a result of an affected taxing entity electing to waive*
31 *receipt of its passthrough pursuant to subdivision (b) of Section*
32 *100610.*

33 (9) An override passthrough provision that is consistent with
34 the requirements of subparagraph (H) of paragraph (4) of
35 subdivision (a) of Section ~~100610~~; *100610, including any*
36 *modifications necessary as a result of an affected taxing entity*
37 *electing to waive receipt of its passthrough pursuant to subdivision*
38 *(b) of Section 100610.*

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

4 (1) The amount available in the separate fund established
5 pursuant to subdivision (a) of Section 100670 and the estimated
6 amounts that will be deposited in the fund during each of the next
7 five years.

8 (2) Estimates of the number of new, rehabilitated, or price
9 restricted residential units to be assisted during each of the five
10 years and estimates of the expenditures of moneys from the fund
11 during each of the five years.

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

15 (f) Those components required to be included pursuant to
16 Section 100671.5.

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

19 (h) When preparing the plan, the designated official shall consult
20 with each affected taxing entity, and, at the request of any affected
21 taxing entity, shall meet with representatives of an affected taxing
22 entity. Any affected taxing entity may suggest revisions to the
23 plan.

24 100652. The designated official shall mail the redevelopment
25 project plan to each owner of land within the agency's boundaries
26 and to each affected taxing entity together with any report required
27 by the California Environmental Quality Act (Division 13
28 (commencing with Section 21000) of the Public Resources Code)
29 that pertains to the proposed public facilities or the proposed
30 development project for which the public facilities are needed, and
31 shall be made available for public inspection. The report shall also
32 be sent to the governing board.

33 100653. (a) ~~The agency~~ *governing board* shall, no sooner than
34 60 days after the redevelopment project plan was submitted to
35 each affected taxing entity pursuant to Section 100652, hold a
36 public hearing on the proposal.

37 (b) ~~The agency body~~ *governing board* shall provide notice of
38 the public hearing by publication not less than once a week for
39 four successive weeks in a newspaper of general circulation
40 published in each city or county in which the agency is located.

1 The notice shall briefly describe the proposed affordable housing
2 or infrastructure projects, briefly describe the proposed financial
3 arrangements, including the proposed commitment of incremental
4 tax revenue, and state the day, hour, and place when and where
5 any persons having any objections to the proposed ~~agency plan~~ or
6 the regularity of any of the prior proceedings, may appear before
7 the governing board and object to the proposed redevelopment
8 project plan.

9 (c) At the public hearing, the governing board shall proceed to
10 hear and pass upon all written and oral objections to the proposed
11 redevelopment project plan. The hearing may be continued from
12 time to time. The governing board shall consider the
13 recommendations, if any, of affected taxing entities, and all
14 evidence and testimony for and against the proposed redevelopment
15 project plan. The governing board may modify the plan by
16 eliminating or reducing the size and cost of the proposed facilities
17 or development or by reducing the amount of proposed debt or by
18 making other necessary changes.

19 100654. (a) At the conclusion of the hearing pursuant to
20 Section 100653, the governing board may adopt a resolution
21 proposing the adoption of the redevelopment project plan, as
22 modified, or it may adopt a resolution abandoning the proceedings.
23 If the proceedings are abandoned, then the agency shall cease to
24 exist by operation of this section with no further action required
25 of the legislative body that initially proposed to form the agency
26 and the ~~governing board~~ *legislative body* may not enact a resolution
27 of intention to ~~adopt a plan~~ *form an agency* that includes the same
28 geographic area within one year of the date of the resolution
29 abandoning the proceedings.

30 (b) The redevelopment project plan shall take effect upon the
31 adoption of the resolution. The redevelopment project plan shall
32 specify if the agency shall be funded solely through the agency's
33 share of tax increment, governmental or private loans, grants,
34 bonds, assessments, fees, or some combination thereof. However,
35 the agency shall not issue bonds or levy assessments or fees that
36 may be included in the redevelopment project plan before one or
37 more of the following:

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

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

4 (c) In addition, the agency may expend up to 10 percent of any
5 accrued tax increment in the first two years of the effective date
6 of the formation of the agency on planning and dissemination of
7 information to the residents within the agency's boundaries about
8 the redevelopment project plan and planned activities to be funded
9 by the agency.

10
11 PART 6. DIVISION OF TAXES

12
13 CHAPTER 1. GENERAL PROVISIONS

14
15 100660. (a) Any redevelopment project plan may contain a
16 provision that taxes, if any, levied upon taxable property in the
17 area included within the agency each year by or for the benefit of
18 the State of California, or any affected taxing entity after the
19 effective date of the ~~ordinance~~ *resolution* approving the
20 redevelopment project plan, shall be divided as follows:

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

38 (2) That portion of the levied taxes each year in excess of the
39 amount specified in paragraph (1) shall be allocated to and when
40 collected shall be paid into a special fund of the agency to pay the

1 principal of and interest on loans, moneys advanced to, or
2 indebtedness (whether funded, refunded, assumed, or otherwise)
3 incurred by the agency to finance or refinance, in whole or in part,
4 the redevelopment project. Unless and until the total assessed
5 valuation of the taxable property in a redevelopment project
6 exceeds the total assessed value of the taxable property in that
7 project as shown by the last equalized assessment roll referred to
8 in paragraph (1), all of the taxes levied and collected upon the
9 taxable property in the redevelopment project shall be paid to the
10 affected taxing entities. When the loans, advances, and
11 indebtedness, if any, and interest thereon, have been paid, all
12 moneys thereafter received from taxes upon the taxable property
13 in the redevelopment project shall be paid to the affected taxing
14 entities as taxes on all other property are paid. When the agency
15 ceases to exist pursuant to the adopted redevelopment project plan,
16 all moneys thereafter received from taxes upon the taxable property
17 in the agency shall be paid to the respective affected taxing entities
18 as taxes on all other property are paid.

19 (3) That portion of the taxes in excess of the amount identified
20 in paragraph (1) which are attributable to a tax rate levied by an
21 affected taxing entity for the purpose of producing revenues in an
22 amount sufficient to make annual repayments of the principal of,
23 and the interest on, any bonded indebtedness for the acquisition
24 or improvement of real property shall be allocated to, and when
25 collected shall be paid into, the fund of that affected taxing entity.
26 This subdivision shall only apply to taxes levied to repay bonded
27 indebtedness approved by the voters of the affected taxing entity
28 on or after January 1, 1989.

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

1 to subdivision (b) of Section 34170.5 of the Health and Safety
2 Code.

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

7 (2) For the purposes of this subdivision, “net available revenue”
8 means periodic distributions to the city or county from the
9 Redevelopment Property Tax Trust Fund, created pursuant to
10 Section 34170.5 of the Health and Safety Code, that are available
11 to the city or county after all preexisting legal commitments and
12 statutory obligations funded from that revenue are made pursuant
13 to Part 1.85 (commencing with Section 34170) of Division 24 of
14 the Health and Safety Code. “Net available revenue” shall not
15 include any funds deposited by the county auditor-controller into
16 the Redevelopment Property Tax Trust Fund or funds remaining
17 in the Redevelopment Property Tax Trust Fund before distribution.

18 (d) (1) That portion of any ad valorem property tax revenue
19 annually allocated to a city or county pursuant to Section 97.70 of
20 the Revenue and Taxation Code that is specified in the
21 redevelopment project plan adopted pursuant to Part 5
22 (Commencing with Section 100650), and that corresponds to the
23 increase in the assessed valuation of taxable property shall be
24 allocated to, and, when collected, shall be apportioned to, a special
25 fund of the agency for redevelopment purposes.

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

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

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

37 (2) The Municipal Improvement Act of 1913 (Division 12
38 (commencing with Section 10000) of the Streets and Highways
39 Code).

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

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

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

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

12 (7) The Park and Playground Act of 1909 (Chapter 7
13 (commencing with Section 38000) of Part 2 of Division 3 of Title
14 4 of this code).

15 (8) The Mello-Roos Community Facilities Act of 1982 (Chapter
16 2.5 (commencing with Section 53311) of Part 1 of Division 2 of
17 this title).

18 (9) The Benefit Assessment Act of 1982 (Chapter 6.4
19 (commencing with Section 54703) of Part 1 of Division 2 of this
20 title).

21 (10) The so-called facilities benefit assessment levied by the
22 charter city of San Diego or any substantially similar assessment
23 levied for the same purpose by any other charter city pursuant to
24 any ordinance or charter provision.

25 100661. (a) The portion of taxes required to be allocated
26 pursuant to paragraph (2) of subdivision (a) of Section 100660
27 shall be allocated and paid ~~to~~ *into a special fund held in trust for*
28 the agency by the county auditor or officer responsible for the
29 payment of taxes into the funds of the affected taxing entities
30 pursuant to the procedure contained in this section.

31 (b) Not later than October 1 of each year, for each
32 redevelopment project for which the redevelopment project plan
33 provides for the division of taxes pursuant to Section 100660, the
34 agency shall file, with the county auditor or officer described in
35 subdivision (a), a statement of indebtedness consistent with
36 subdivision (c), a reconciliation statement consistent with
37 subdivision (d), ~~and~~ a passthrough statement consistent with
38 subdivision ~~(e)~~: *(e), and an override passthrough statement*
39 *consistent with subdivision (f)*. All statements required to be filed

1 by this subdivision shall be certified by the chief financial officer
2 of the agency.

3 (c) (1) For each redevelopment project for which a statement
4 of indebtedness is required to be filed, the statement of
5 indebtedness shall contain all of the following:

6 (A) For each loan, advance, or indebtedness incurred or entered
7 into, all of the following information:

8 (i) The date the loan, advance, or indebtedness was incurred or
9 entered into.

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

12 (iii) The principal amount and interest due in the fiscal year in
13 which the statement of indebtedness is filed for each loan, advance,
14 or indebtedness.

15 (iv) The total amount of principal and interest remaining to be
16 paid for each loan, advance, or indebtedness.

17 (B) The sum of the amounts determined under clause (iii) of
18 subparagraph (A).

19 (C) The sum of the amounts determined under clause (iv) of
20 subparagraph (A).

21 (D) The available revenues as of the end of the previous year,
22 as determined pursuant to paragraph (10) of subdivision (d).

23 (2) The agency may estimate the amount of principal or interest,
24 the interest rate, or term of any loan, advance, or indebtedness if
25 the nature of the loan, advance, or indebtedness is such that the
26 amount of principal or interest, the interest rate or term cannot be
27 precisely determined. The agency may list on a statement of
28 indebtedness any loan, advance, or indebtedness incurred or entered
29 into on or before the date the statement is filed.

30 (d) For each redevelopment project for which a reconciliation
31 statement is required to be filed, the reconciliation statement shall
32 contain all of the following:

33 (1) A list of all loans, advances, and indebtedness listed on the
34 previous year's statement of indebtedness.

35 (2) A list of all loans, advances, and indebtedness, not listed on
36 the previous year's statement of indebtedness, but incurred or
37 entered into in the previous year and paid in whole or in part from
38 revenue received by the agency pursuant to Section ~~100650~~
39 ~~100660~~. This listing may aggregate loans, advances, and
40 indebtedness incurred or entered into in the previous year for a

1 particular purpose, including relocation expenses, administrative
2 expenses, consultant expenses, or property management expenses,
3 into a single item in the listing.

4 (3) For each loan, advance, or indebtedness described in
5 paragraph (1) or (2), all of the following information:

6 (A) The total amount of principal and interest remaining to be
7 paid as of the later of the beginning of the previous year or the
8 date the loan, advance, or indebtedness was incurred or entered
9 into.

10 (B) Any increases or additions to the loan, advance, or
11 indebtedness occurring during the previous year.

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

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

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

20 (4) The available revenues of the agency as of the beginning of
21 the previous fiscal year.

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

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

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

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

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

34 (10) The amount determined by subtracting the amount
35 determined under paragraph (9) from the amount determined under
36 paragraph (8). The amount determined pursuant to this paragraph
37 shall be the available revenues as of the end of the previous fiscal
38 year.

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

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

4 (2) For each affected taxing entity that is entitled to a
5 passthrough, the agency shall subtract from the amount described
6 in paragraph (1) *the amount calculated by the county auditor as*
7 *provided in this paragraph. The county auditor shall calculate the*
8 *proportional amount that the affected taxing entity would have*
9 *received from property located in the redevelopment project area.*
10 *area during the relevant fiscal year, inclusive of amounts the*
11 *affected taxing entity would receive, if any, pursuant to Section*
12 *97.70 of, clause (i) of subparagraph (B) of paragraph (4) of*
13 *subdivision (d) of Section 97.2 of, clause (i) of subparagraph (B)*
14 *of paragraph (4) of subdivision (d) of Section 97.3 of, or Article*
15 *4 (commencing with Section 98) of Chapter 6 of Part 0.5 of*
16 *Division 1 of, the Revenue and Taxation Code. However, in no*
17 *instance shall the amount calculated under this paragraph result*
18 *in the affected taxing entity receiving an amount of ad valorem*
19 *property tax revenue that is greater or lesser than the amount of*
20 *ad valorem tax revenue received by the agency that is attributable*
21 *to that affected taxing entity, inclusive of the amounts the*
22 *affected taxing entity would receive from any of the sources*
23 *described in the preceding sentence.*

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

27 (f) For each agency that has an override passthrough provision
28 in the financing section of its resolution of intention, in accordance
29 with subparagraph (H) of paragraph (4) of subdivision (a) of
30 Section 160010, at the time of creation of that agency, the agency
31 shall prepare an override passthrough statement that includes all
32 of the following information:

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

36 (2) For each affected taxing entity that imposed an override
37 property tax with respect to property located with the
38 redevelopment project area, the agency shall subtract from the
39 amount described in paragraph (1) *the amount calculated by the*
40 *county auditor that is equivalent to the amount the affected taxing*

1 entity would have received from the override property tax imposed
2 on that property in the absence of the affordable housing and
3 infrastructure ~~agency~~; *agency during the relevant fiscal year*. The
4 agency shall include in the override passthrough statement ~~a the~~
5 *following information, to be provided to the county auditor*:

6 (A) A description of the applicable override property tax that
7 ~~was imposed, the imposed~~.

8 (B) *The purpose for which it was imposed for, and the imposed*.

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

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

14 (g) For the purposes of this section, available revenues shall
15 include all cash or cash equivalents held by the agency that were
16 received by the agency pursuant to Section 100660 and all cash
17 or cash equivalents held by the agency that are irrevocably pledged
18 or restricted to payment of a loan, advance, or indebtedness that
19 the agency has listed on a statement of indebtedness. However,
20 available revenue, for purposes of this section, shall not include
21 the amount of any payment that the agency is required to make
22 under a passthrough provision as described in the passthrough
23 statements prepared pursuant to subdivisions (e) and (f).

24 (h) The county auditor or officer shall, at the same time or times
25 as the payment of taxes into the funds of the affected taxing entities
26 of the county, allocate and pay the portion of taxes provided by
27 paragraph (2) of subdivision (a) of Section 100660 to *a special*
28 *trust fund established for* each agency. The amount allocated and
29 paid shall not exceed the amount determined pursuant to
30 subparagraph (C) of paragraph (1) of subdivision (c) plus the
31 amount owed under any passthrough provision under subdivision
32 ~~(d) or (e)~~; *(e) or (f)*, minus the amount determined pursuant to
33 subparagraph (D) of paragraph (1) of subdivision (c).

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

36 (2) (A) If the county auditor or other officer disputes the amount
37 of loans, advances, or indebtedness as shown on the statement of
38 indebtedness, the county auditor or other officer shall, within 30
39 days after receipt of the statement, give written notice to the agency
40 thereof.

1 (B) The agency shall, within 30 days after receipt of notice
2 pursuant to subparagraph (A), submit any further information it
3 deems appropriate to substantiate the amount of any loans,
4 advances, or indebtedness which has been disputed. If the county
5 auditor or other officer still disputes the amount of loans, advances,
6 or indebtedness, final written notice of that dispute shall be given
7 to the agency, and the amount disputed may be withheld from
8 allocation and payment to the agency as otherwise required by
9 subdivision (h). In that event, the auditor or other officer shall
10 bring an action in the superior court in declaratory relief to
11 determine the matter not later than 90 days after the date of the
12 final notice.

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

26 (j) This section does not permit a challenge to or attack on
27 matters precluded from challenge or attack by reason of Section
28 100636 or 100637. However, this section does not deny a remedy
29 against the agency otherwise provided by law.

30 (k) The Controller shall prescribe a uniform form for a statement
31 of indebtedness, reconciliation, passthrough, and override
32 passthrough. These forms shall be consistent with this section. In
33 preparing these forms, the Controller shall obtain the input of
34 county auditors, ~~redevelopment~~ agencies, and organizations of
35 county auditors and ~~redevelopment~~ agencies.

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

38 100662. (a) Section 100660 fulfills the intent of Section 16 of
39 Article XVI of the California Constitution. To further carry out
40 the intent of Section 16 of Article XVI of the Constitution,

1 whenever that provision requires the allocation of money between
2 agencies such allocation shall be consistent with the intent of the
3 people when they approved Section 16 of Article XVI of the
4 California Constitution. Whenever money is allocated between
5 agencies by means of a comparison of assessed values for different
6 years, that comparison shall be based on the same assessment ratio.
7 When there are different assessment ratios for the years compared,
8 the assessed value shall be changed so that it is based on the same
9 assessment ratio for the years so compared.

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

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

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

- 38 (1) Is redevelopment as prescribed in Section 100630.
- 39 (2) Primarily benefits the project area.

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

5 (c) Should any law hereafter enacted, without a vote of the
6 electorate, confer taxing power upon an agency, the exercise of
7 that power by the agency in any fiscal year shall be deemed a
8 transfer of financial responsibility from the ~~community~~ *sponsoring*
9 *city or county* to the agency for that fiscal year within the meaning
10 of subdivision (a) of Section 3 of Article XIII B of the California
11 Constitution.

12 100664. ~~An agency that is allocated a portion of taxes pursuant~~
13 ~~to paragraph (2) of subdivision (a) of Section 100660 and The~~
14 ~~county auditor shall, after deducting its administrative costs for~~
15 ~~activities performed pursuant to this chapter and Section 95.3 of~~
16 ~~the Revenue and Taxation Code, allocate the funds deposited in a~~
17 ~~special trust fund established for a district pursuant to subdivision~~
18 ~~(h) of Section 100661 in a fiscal year and shall distribute those~~
19 ~~taxes according to the following schedule: in the same manner~~
20 ~~and at the same time or times as the payment of taxes into the funds~~
21 ~~of the affected taxing entities of the county, as follows:~~

22 (a) First, to satisfy any passthrough provisions described in
23 subparagraph (G) or (H) of paragraph (4) of subdivision (a) Section
24 100610 that was approved at the time of the formation of the
25 agency, and calculated pursuant to subdivision ~~(d) or (e)~~ *(e) or (f)*
26 of Section 100661. *The amount transferred to each affected taxing*
27 *agency pursuant to this subdivision shall be based on the amount*
28 *calculated pursuant to subdivision (e) or (f) of Section 10661.*

29 (b) Second, 30 percent of the amount remaining after making
30 the allocations pursuant to subdivision (a) shall be ~~deposited~~
31 *transferred from the special trust fund to the agency. The agency*
32 *shall deposit the amount transferred pursuant to this subdivision*
33 *into the separate fund established pursuant to Section 100670.*

34 (c) Third, any amount remaining *in the special trust fund after*
35 *making the allocations pursuant to subdivisions (a) and (b) shall*
36 *be transferred to the agency and available to the agency for any*
37 *valid redevelopment purpose.*

1 CHAPTER 2. HOUSING FOR PERSONS OF LOW AND MODERATE
2 INCOME
3

4 100670. (a) Not less than 30 percent of all taxes that are
5 allocated to the agency from any affected taxing entity pursuant
6 to Section ~~100660~~ 100664 shall be deposited into a separate fund,
7 which the agency shall establish pursuant to Section 100670.5,
8 and the agency shall use all moneys in that fund for the purposes
9 of increasing, improving, and preserving the community's supply
10 of low- and moderate-income housing available at affordable
11 housing cost, as defined by the following sections of the Health
12 and Safety Code: Section 50052.5, to persons and families of low
13 or moderate income, as defined in Section 50093, lower income
14 households, as defined by Section 50079.5, very low income
15 households, as defined in Section 50105, and extremely low income
16 households, as defined by Section 50106, that is occupied by these
17 persons and families unless the agency makes a finding that
18 combining funding received under this program with other funding
19 for the same purpose shall reduce administrative costs or expedite
20 the construction of affordable housing. If the agency makes the
21 finding described in the previous sentence, then (1) an agency may
22 transfer funding from the program adopted pursuant to subdivision
23 (e) of Section 100651 to the housing authority within the territorial
24 jurisdiction of the local jurisdiction that created the agency or to
25 the entity that received the housing assets of the former
26 redevelopment agency pursuant to Section 34176 of the Health
27 and Safety Code or to a private nonprofit housing developer, and
28 (2) Section 34176.1 of the Health and Safety Code shall not apply
29 to funds transferred. The agency shall spend all funds described
30 in this subdivision within the plan area in which the funds were
31 generated. Any person who receives funds transferred pursuant to
32 this subdivision shall comply with all applicable provisions of this
33 part.

34 (b) In carrying out the purposes of this section, the agency may
35 exercise any or all of its powers for the construction, rehabilitation,
36 or preservation of affordable housing for extremely low, very low,
37 low- and moderate-income persons or families, including the
38 following:

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

1 (i) The improvements are part of the new construction or
2 rehabilitation of affordable housing units for low- or
3 moderate-income persons that are directly benefited by the
4 improvements, and are a reasonable and fundamental component
5 of the housing units.

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

11 (B) If the newly constructed or rehabilitated housing units are
12 part of a larger project and the agency improves or pays for onsite
13 or offsite improvements pursuant to the authority in this
14 subdivision, the agency shall pay only a portion of the total cost
15 of the onsite or offsite improvement. The maximum percentage
16 of the total cost of the improvement paid for by the agency shall
17 be determined by dividing the number of housing units that are
18 affordable to low- or moderate-income persons by the total number
19 of housing units, if the project is a housing project, or by dividing
20 the cost of the affordable housing units by the total cost of the
21 project, if the project is not a housing project.

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

23 (3) Finance insurance premiums necessary for the provision of
24 insurance during the construction or rehabilitation of properties
25 that are administered by governmental entities or nonprofit
26 organizations to provide housing for lower income households, as
27 defined in Section 50079.5 of the Health and Safety Code,
28 including rental properties, emergency shelters, transitional
29 housing, or special residential care facilities.

30 (4) Construct buildings or structures.

31 (5) Acquire buildings or structures.

32 (6) Rehabilitate buildings or structures.

33 (7) Provide subsidies to, or for the benefit of, extremely low
34 income households, as defined by Section 50106 of the Health and
35 Safety Code, very low income households, as defined by Section
36 50105 of the Health and Safety Code, lower income households,
37 as defined by Section 50079.5 of the Health and Safety Code, or
38 persons and families of low or moderate income, as defined by
39 Section 50093 of the Health and Safety Code, to the extent those
40 households cannot obtain housing at affordable costs on the open

1 market. Housing units available on the open market are those units
2 developed without direct government subsidies.

3 (8) Develop plans, pay principal and interest on bonds, loans,
4 advances, or other indebtedness, or pay financing or carrying
5 charges.

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

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

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

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

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

19 (f) (1) (A) An action to compel compliance with the
20 requirement of this section to deposit not less than ~~25~~ 30 percent
21 of all taxes that are allocated to the agency pursuant to Section
22 ~~100660~~ 100664 in the separate fund established pursuant to
23 subdivision (a) shall be commenced within 10 years of the alleged
24 violation. A cause of action for a violation accrues on the last day
25 of the fiscal year in which the funds were required to be deposited
26 in that separate fund.

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

35 (C) An agency found to have deposited less into the separate
36 fund established pursuant to subdivision (a) than mandated by
37 Section 100670.5 or to have spent money from that fund for
38 purposes other than increasing, improving, and preserving the
39 community's supply of low- and moderate-income housing, as
40 mandated by this section, shall repay the funds with interest in one

1 lump sum pursuant to Section 970.4 or 970.5 or may do either of
2 the following:

3 (i) Petition the court under Section 970.6 for repayment in
4 installments.

5 (ii) Repay the portion of the judgment due to the separate fund
6 in equal installments over a period of five years following the
7 judgment.

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

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

15 (4) Except as otherwise provided in this subdivision, Chapter
16 2 (commencing with Section 970) of Part 5 of Division 3.6 of Title
17 1 for the enforcement of a judgment against a local public entity
18 applies to a judgment against a local public entity that violates this
19 section.

20 (5) This subdivision applies to actions filed on and after January
21 1, 2019.

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

26 100670.5. (a) The funds that are required by Section 100670
27 or 100671.5 to be used for the purposes of increasing, improving,
28 and preserving the community's supply of low- and
29 moderate-income housing shall be held in a separate fund,
30 established pursuant to subdivision (a) of Section 100670, until
31 used.

32 (b) Any interest earned by the separate fund and any repayments
33 or other income to the agency for loans, advances, or grants, of
34 any kind from that fund, shall accrue to and be deposited in, the
35 fund and may only be used in the manner prescribed for the
36 separate fund.

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

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

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

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

(B) Costs incurred by a nonprofit corporation which are not directly attributable to a specific project.

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

(f) (1) The requirements of this subdivision apply to all new or substantially rehabilitated housing units developed or otherwise assisted with moneys from the separate fund established pursuant to subdivision (a) of Section 100670. Except to the extent that a longer period of time may be required by other provisions of law, the agency shall require that housing units subject to this subdivision shall remain available at affordable housing cost to, and occupied by, persons and families of low or moderate income and very low income and extremely low income households for

1 the longest feasible time, but for not less than the following periods
2 of time:

3 (A) Fifty-five years for rental units. However, the agency may
4 replace rental units with equally affordable and comparable rental
5 units in another location within the community if both of the
6 following are met:

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

10 (ii) The comparable replacement units are not developed with
11 moneys from the separate fund.

12 (B) Forty-five years for owner-occupied units. However, the
13 agency may permit sales of owner-occupied units before the
14 expiration of the 45-year period for a price in excess of that
15 otherwise permitted under this subdivision pursuant to an adopted
16 program which protects the agency's investment of moneys from
17 the separate fund, including, but not limited to, an equity sharing
18 program which establishes a schedule of equity sharing that permits
19 retention by the seller of a portion of those excess proceeds based
20 on the length of occupancy. The remainder of the excess proceeds
21 of the sale shall be allocated to the agency and deposited in the
22 separate fund. Only the units originally assisted by the agency
23 shall be counted towards the agency's obligations under Section
24 100671.

25 (C) Fifteen years for mutual self-help housing units that are
26 occupied by and affordable to very low and low-income
27 households. However, the agency may permit sales of mutual
28 self-help housing units before expiration of the 15-year period for
29 a price in excess of that otherwise permitted under this subdivision
30 pursuant to an adopted program that (i) protects the agency's
31 investment of moneys from the separate fund, including, but not
32 limited to, an equity sharing program that establishes a schedule
33 of equity sharing that permits retention by the seller of a portion
34 of those excess proceeds based on the length of occupancy, and
35 (ii) ensures through a recorded regulatory agreement, deed of trust,
36 or similar recorded instrument that if a mutual self-help housing
37 unit is sold at any time after expiration of the 15-year period and
38 before 45 years after the date of recording of the covenants or
39 restrictions required pursuant to paragraph (2), the agency recovers,
40 at a minimum, its original principal from the separate fund from

1 the proceeds of the sale and deposits those funds into that fund.
2 The remainder of the excess proceeds of the sale not retained by
3 the seller shall be allocated to the agency and deposited in the
4 separate fund. For the purposes of this subparagraph, “mutual
5 self-help housing unit” means an owner-occupied housing unit for
6 which persons and families of very low and low income contribute
7 no fewer than 500 hours of their own labor in individual or group
8 efforts to provide a decent, safe, and sanitary ownership housing
9 unit for themselves, their families, and others authorized to occupy
10 that unit. This subparagraph does not preclude the agency and the
11 developer of the mutual self-help housing units from agreeing to
12 45-year deed restrictions.

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

16 (3) The agency shall require the recording in the office of the
17 county recorder of the following documents:

18 (A) The covenants or restrictions implementing this subdivision
19 for each parcel or unit of real property subject to this subdivision.
20 The agency shall obtain and maintain a copy of the recorded
21 covenants or restrictions for not less than the life of the covenant
22 or restriction.

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

29 (i) A recitation of the affordability covenants or restrictions.
30 The document recorded under this subparagraph shall be recorded
31 concurrently with the covenants or restrictions recorded under
32 subparagraph (A), the recitation of the affordability covenants or
33 restrictions shall also reference the concurrently recorded
34 document.

35 (ii) The date the covenants or restrictions expire.

36 (iii) The street address of the property, including, if applicable,
37 the unit number, unless the property is used to confidentially house
38 victims of domestic violence.

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

40 (v) The legal description of the property.

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

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

7 (6) Notwithstanding Section 27383, a county recorder may
8 charge all authorized recording fees to any party, including a public
9 agency, for recording the document specified in subparagraph (B)
10 of paragraph (3).

11 (7) Notwithstanding any other law, the covenants or restrictions
12 implementing this subdivision shall run with the land and shall be
13 enforceable against any owner who violates a covenant or
14 restriction and each successor in interest who continues the
15 violation, by any of the following:

16 (A) The agency.

17 (B) Any affected taxing entity.

18 (C) A resident of a unit subject to this subdivision.

19 (D) A residents' association with members who reside in units
20 subject to this subdivision.

21 (E) A former resident of a unit subject to this subdivision who
22 last resided in that unit.

23 (F) An applicant seeking to enforce the covenants or restrictions
24 for a particular unit that is subject to this subdivision, if the
25 applicant conforms to all of the following:

26 (i) Is of low or moderate income, as defined in Section 50093
27 of the Health and Safety Code.

28 (ii) Is able and willing to occupy that particular unit.

29 (iii) Was denied occupancy of that particular unit due to an
30 alleged breach of a covenant or restriction implementing this
31 subdivision.

32 (G) A person on an affordable housing waiting list who is of
33 low or moderate income, as defined in Section 50093 of the Health
34 and Safety Code, and who is able and willing to occupy a unit
35 subject to this subdivision.

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

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

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

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

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

100671. (a) Except as specified in subdivision (d), each agency shall expend over each 10-year period of the redevelopment project

1 plan the moneys in the separate fund established pursuant to
2 subdivision (a) of Section 100670 to assist housing for persons of
3 low income and housing for persons of very low income in at least
4 the same proportion as the total number of housing units needed
5 that each of those income groups bears to the total number of units
6 needed for persons of moderate, low, and very low income within
7 the community, as those needs have been determined for the
8 community pursuant to Section 65584. In determining compliance
9 with this obligation, the agency may adjust the proportion by
10 subtracting from the need identified for each income category, the
11 number of units for persons of that income category that are newly
12 constructed over the duration of the implementation plan with
13 other locally controlled government assistance and without agency
14 assistance and that are required to be affordable to, and occupied
15 by, persons of the income category for at least 55 years for rental
16 housing and 45 years for ownership housing, except that in making
17 an adjustment the agency may not subtract units developed
18 pursuant to a replacement housing obligation under state or federal
19 law.

20 (b) Each agency shall expend over the duration of each plan,
21 the moneys in the separate fund established pursuant to subdivision
22 (a) of Section 100670 to assist housing that is available to all
23 persons regardless of age in at least the same proportion as the
24 number of low-income households with a member under 65 years
25 of age bears to the total number of low-income households of the
26 community as reported in the most recent census of the United
27 States Census Bureau.

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

33 (d) For the purposes of this section, “locally controlled” means
34 government assistance if the city or county that proposed formation
35 of the agency pursuant to Section 100610, one or more of the cities
36 that jointly proposed formation of the agency pursuant to Section
37 100610.5, or other local government entity has the discretion and
38 the authority to determine the recipient and the amount of the
39 assistance, whether or not the source of the funds or other
40 assistance is from the state or federal government. Examples of

1 locally controlled government assistance include, but are not
2 limited to, the Community Development Block Grant Program
3 (42 U.S.C. Sec. 5301 et seq.) funds allocated to a city or county,
4 the Home Investment Partnership Program (42 U.S.C. Sec. 12721
5 et seq.) funds allocated to a city or county, fees or funds received
6 by a city or county pursuant to a city or county authorized program,
7 and the waiver or deferral of city or other charges.

8 100671.5. Every redevelopment project plan shall contain both
9 of the following:

10 (a) A provision that requires, whenever dwelling units housing
11 persons and families of low or moderate income are destroyed or
12 removed from the low- and moderate-income housing market as
13 part of a revitalization project, the agency to, within two years of
14 such destruction or removal, rehabilitate, develop, or construct, or
15 cause to be rehabilitated, developed, or constructed, for rental or
16 sale to persons and families of low or moderate income an equal
17 number of replacement dwelling units at affordable housing costs,
18 as defined by Section 50052.5 of the Health and Safety Code,
19 within the territorial jurisdiction of the agency, in accordance with
20 all of the provisions of Section 100635.

21 (b) A provision that prohibits the number of housing units
22 occupied by extremely low, very low-, and low-income households,
23 including the number of bedrooms in those units, at the time the
24 plan is adopted, from being reduced in the plan area during the
25 effective period of the plan.

26 100672. Programs to assist or develop low- and
27 moderate-income housing pursuant to this title shall be entitled to
28 priority consideration after a program implemented by a housing
29 successor pursuant to Section 34176.1 of the Health and Safety
30 Code for assistance in housing programs administered by the
31 California Housing Finance Agency, the Department of Housing
32 and Community Development, and other state agencies and
33 departments, if those agencies or departments determine that the
34 housing is otherwise eligible for assistance under a particular
35 program.

36 100672.5. The same notice requirements as specified in Section
37 65863.10 shall apply to multifamily rental housing that receives
38 financial assistance pursuant to Sections 100670 and 100670.5.

39 100673. Notwithstanding Sections 100670 and 100670.5,
40 assistance provided by an agency to preserve the availability to

1 lower income households of affordable housing units within the
2 plan area which are assisted or subsidized by public entities and
3 which are threatened with imminent conversion to market rates
4 may be credited and offset against an agency's obligations under
5 Section 100670.

6 100673.5. (a) Except as otherwise provided in this subdivision,
7 not later than six months following the close of any fiscal year of
8 an agency in which excess surplus accumulates in the agency's
9 separate fund established pursuant to subdivision (a) of Section
10 100670, the agency may adopt a plan pursuant to this section for
11 expenditure of all moneys in the separate fund within five years
12 from the end of that fiscal year. The plan may be general and need
13 not be site-specific, but shall include objectives respecting the
14 number and type of housing to be assisted, identification of the
15 entities that will administer the plan, alternative means of ensuring
16 the affordability of housing units for the longest feasible time, as
17 specified in subdivision (f) of Section 100670.5, the income groups
18 to be assisted, and a schedule by fiscal year for expenditure of the
19 excess surplus.

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

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

28 100674. (a) (1) Upon failure of the agency to expend or
29 encumber excess surplus in the separate fund established pursuant
30 to subdivision (a) of Section 100670, within one year from the
31 date the moneys become excess surplus, as defined in paragraph
32 (1) of subdivision (g), the agency shall do either of the following:

33 (A) Disburse voluntarily its excess surplus to the county housing
34 authority, a private nonprofit housing developer, or to another
35 public agency exercising housing development powers within the
36 territorial jurisdiction of the agency in accordance with subdivision
37 (b).

38 (B) Expend or encumber its excess surplus within two additional
39 years.

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

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

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

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

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

(A) Bonds, notes, interim certificates, debentures, or other obligations issued by an agency, whether funded, refunded,

1 assumed, or otherwise, pursuant to Part 7 (commencing with
2 Section 100680).

3 (B) Loans or moneys advanced to the agency, including, but
4 not limited to, loans from federal, state, or local agencies, or a
5 private entity.

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

8 (D) Indebtedness incurred pursuant to Section 100670 or
9 100672.

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

13 (2) This subdivision shall not be construed to prohibit the
14 expenditure of excess surplus funds or other funds to meet the
15 requirement in paragraph (2) of subdivision (a) that the agency
16 spend or encumber excess surplus funds, plus an amount equal to
17 50 percent of excess surplus, before spending or encumbering
18 funds for any other purpose.

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

25 (g) For purposes of this section:

26 (1) "Excess surplus" means any unexpended and unencumbered
27 amount in an agency's separate fund established pursuant to
28 subdivision (a) of Section 100670 that exceeds the greater of one
29 million dollars (\$1,000,000) or the aggregate amount deposited
30 into the separate fund pursuant to Sections 100670 and 100672
31 during the agency's preceding four fiscal years. The first fiscal
32 year to be included in this computation is the 2019–20 fiscal year,
33 and the first date on which an excess surplus may exist is July 1,
34 2024.

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

38 (3) (A) For purposes of determining whether an excess surplus
39 exists, it is the intent of the Legislature to give credit to agencies
40 which convey land for less than fair market value, on which low-

1 and moderate-income housing is built or is to be built if at least
2 49 percent of the units developed on the land are available at an
3 affordable housing cost to lower income households for at least
4 the time specified in subdivision (f) of Section 100670.5, and
5 otherwise comply with all of the provisions of this division
6 applicable to expenditures of moneys from a low- and
7 moderate-income housing fund established pursuant to Section
8 100670.5. Therefore, for the sole purpose of determining the
9 amount, if any, of an excess surplus, an agency may make the
10 following calculation: if an agency sells, leases, or grants land
11 acquired with moneys from the separate fund established pursuant
12 to subdivision (a) of Section 100670 for an amount which is below
13 fair market value, and if at least 49 percent of the units constructed
14 or rehabilitated on the land are affordable to lower income
15 households, as defined in Section 50079.5 of the Health and Safety
16 Code, the difference between the fair market value of the land and
17 the amount the agency receives may be subtracted from the amount
18 of moneys in an agency's separate fund.

19 (B) If taxes that are deposited in the separate fund are used as
20 security for bonds or other indebtedness, the proceeds of the bonds
21 or other indebtedness, and income and expenditures related to
22 those proceeds, shall not be counted in determining whether an
23 excess surplus exists. The unspent portion of the proceeds of bonds
24 or other indebtedness, and income related thereto, shall be excluded
25 from the calculation of the unexpended and unencumbered amount
26 in the separate fund when determining whether an excess surplus
27 exists.

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

32 (D) The Department of Housing and Community Development
33 shall develop and periodically revise the methodology to be used
34 in the calculation of excess surplus as required by this section. The
35 Director of Housing and Community Development shall appoint
36 an advisory committee to advise in the development of this
37 methodology. The advisory committee shall include department
38 staff, affordable housing advocates, and representatives of the
39 housing successors of former redevelopment agencies, the League
40 of California Cities, the California Society of Certified Public

1 Accountants, the Controller, and any other authorities or persons
2 interested in the field that the director deems necessary and
3 appropriate.

4 (h) Communities in which an agency has disbursed excess
5 surplus funds pursuant to this section shall not disapprove a low-
6 or moderate-income housing project funded in whole or in part by
7 the excess surplus funds if the project is consistent with applicable
8 building codes and the land use designation specified in any
9 element of the general plan as it existed on the date the application
10 was deemed complete. A local agency may require compliance
11 with local development standards and policies appropriate to and
12 consistent with meeting the quantified objectives relative to the
13 development of housing, as required in housing elements of the
14 community pursuant to subdivision (b) of Section 65583.

15 100674.5. (a) Notwithstanding Sections 50079.5, 50093, and
16 50105 of the Health and Safety Code, for purposes of an agency
17 providing assistance to mortgagors participating in a
18 homeownership residential mortgage revenue bond program
19 pursuant to Section 33750 of the Health and Safety Code, or a
20 home financing program pursuant to Section 52020 of the Health
21 and Safety Code, or a California Housing Finance Agency home
22 financing program, “area median income” means the highest of
23 the following:

- 24 (1) Statewide median household income.
25 (2) Countywide median household income.
26 (3) Median family income for the area, as determined by the
27 United States Department of Housing and Urban Development
28 with respect to either a standard metropolitan statistical area or an
29 area outside of a standard metropolitan statistical area.

30 (b) To the extent that any portion of the separate fund established
31 pursuant to subdivision (a) of Section 100670 is expended by an
32 agency to provide assistance to mortgagors participating in
33 programs whose income exceeds that of persons and families of
34 low or moderate income, as defined in Section 50093 of the Health
35 and Safety Code, the agency shall, within two years, expend or
36 enter into a legally enforceable agreement to expend twice that
37 sum exclusively to increase and improve the community’s supply
38 of housing available at an affordable housing cost, as defined in
39 Section 50052.5 of the Health and Safety Code, to lower income
40 households, as defined in Section 50079.5 of the Health and Safety

1 Code, of which at least 50 percent shall be very low income
2 households, as defined in Section 50105 of the Health and Safety
3 Code.

4 (c) In addition to the requirements of subdivision (c) of Section
5 33413 of the Health and Safety Code, the agency shall require that
6 the lower and very low income dwelling units developed pursuant
7 to this subdivision remain available at an affordable housing cost
8 to lower and very low income households for at least 45 years,
9 except as to dwelling units developed with the assistance of federal
10 or state subsidy programs which terminate in a shorter period and
11 cannot be extended or renewed.

12 (d) The agency shall include within the report required by
13 Section 100640 information with respect to compliance by the
14 agency with the requirements of this section.

15 100675. The covenants or restrictions imposed by the agency
16 pursuant to subdivision (f) of Section 100670.5 may be
17 subordinated under any of the following alternatives:

18 (a) To a lien, encumbrance, or regulatory agreement under a
19 federal or state program when a federal or state agency is providing
20 financing, refinancing, or other assistance to the housing units or
21 parcels, if the federal or state agency refuses to consent to the
22 seniority of the agency's covenant or restriction on the basis that
23 it is required to maintain its lien, encumbrance, or regulatory
24 agreement or restrictions due to statutory or regulatory
25 requirements, adopted or approved policies, or other guidelines
26 pertaining to the financing, refinancing, or other assistance of the
27 housing units or parcels.

28 (b) To a lien, encumbrance, or regulatory agreement of a lender
29 other than the agency or from a bond issuance providing financing,
30 refinancing, or other assistance of owner-occupied units or parcels,
31 provided that the agency makes a finding that an economically
32 feasible alternative method of financing, refinancing, or assisting
33 the units or parcels on substantially comparable terms and
34 conditions, but without subordination, is not reasonably available.

35 (c) To an existing lien, encumbrance, or regulatory agreement
36 of a lender other than the agency or from a bond issuance providing
37 financing, refinancing, or other assistance of rental units, where
38 the agency's funds are utilized for rehabilitation of the rental units.

39 (d) To a lien, encumbrance, or regulatory agreement of a lender
40 other than the agency or from a bond issuance providing financing,

1 refinancing, or other assistance of rental units or parcels, provided
2 that the agency makes a finding that an economically feasible
3 alternative method of financing, refinancing, or assisting the units
4 or parcels on substantially comparable terms and conditions, but
5 without subordination, is not reasonably available, and the agency
6 obtains written commitments reasonably designed to protect the
7 agency's investment in the event of default, including, but not
8 limited to, any of the following:

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

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

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

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

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

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

1 this purpose has not begun by the end of the extended period, or
2 if the agency does not comply with this requirement, the property
3 shall be sold and the moneys from the sale, less reimbursement to
4 the agency for the cost of the sale, shall be deposited in the
5 agency's separate fund established pursuant to subdivision (a) of
6 Section 100670.

7
8 PART 7. TAX INCREMENT BONDS
9

10 100680. The agency may, by majority~~—vote;~~ *vote of its*
11 *governing board*, initiate proceedings to issue bonds pursuant to
12 this chapter by adopting a resolution stating its intent to issue the
13 bonds.

14 100681. The resolution adopted pursuant to Section 100680
15 shall contain all of the following information:

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

18 (b) The estimated cost of the facilities or developments, the
19 estimated cost of preparing and issuing the bonds, and the principal
20 amount of the proposed bond issuance.

21 (c) The maximum interest rate and discount on the proposed
22 bond issuance.

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

26 (e) A finding that the amount necessary to pay the principal of,
27 and interest on, the proposed bond issuance will be less than, or
28 equal to, the amount determined pursuant to subdivision~~-(e);~~ (d).

29 100682. (a) (1) Except as otherwise provided in subdivision
30 (b), the clerk of the agency shall publish the resolution adopted
31 pursuant to Section 100681 once a day for at least seven successive
32 days in a newspaper published in the city or county at least six
33 days a week, or at least once a week for two successive weeks in
34 a newspaper published in the city or county less than six days a
35 week.

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

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

4 100683. (a) If the agency adopts a resolution proposing
5 initiation of proceedings to issue bonds pursuant to Section 100680
6 for port or harbor infrastructure, it shall submit the proposal,
7 together with the information specified in Section 100681, to the
8 affected harbor agency pursuant to Section 1713 of the Harbors
9 and Navigation Code for its preliminary approval.

10 (b) If the harbor agency grants preliminary approval, the
11 proposal shall be considered by the State Lands Commission for
12 final approval pursuant to Section 1714 of the Harbors and
13 Navigation Code.

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

18 100684. The agency shall issue bonds by adopting a resolution
19 providing for all of the following:

- 20 (a) The issuance of the bonds in one or more series.
- 21 (b) The principal amount of the bonds that shall be consistent
22 with the amount specified in subdivision (b) of Section 100681.
- 23 (c) The date the bonds will bear.
- 24 (d) The date of maturity of the bonds.
- 25 (e) The denomination of the bonds.
- 26 (f) The form of the bonds.
- 27 (g) The manner of execution of the bonds.
- 28 (h) The medium of payment in which the bonds are payable.
- 29 (i) The place or manner of payment and any requirements for
30 registration of the bonds.

- 31 (j) The terms of call or redemption, with or without premium.

32 100685. The agency may provide for refunding of bonds issued
33 pursuant to this chapter. However, refunding bonds shall not be
34 issued if the total net interest cost to maturity on the refunding
35 bonds plus the principal amount of the refunding bonds exceeds
36 the total net interest cost to maturity on the bonds to be refunded.
37 The agency shall not extend the time to maturity of the bonds.

38 100686. The agency or any person executing the bonds shall
39 not be personally liable on the bonds by reason of their issuance.
40 The bonds and other obligations of an agency issued pursuant to

1 this part are not a debt of the city, county, or state or of any of its
2 political subdivisions, other than the agency, and none of those
3 entities, other than the agency, shall be liable on the bonds and the
4 bonds or obligations shall be payable exclusively from funds or
5 properties of the agency. The bonds shall contain a statement to
6 this effect on their face. The bonds do not constitute an
7 indebtedness within the meaning of any constitutional or statutory
8 debt limitation.

9 100687. The bonds may be sold at discount not to exceed 5
10 percent of par at public sale. At least five days before the sale,
11 notice shall be published, pursuant to Section 6061, in a newspaper
12 of general circulation and in a financial newspaper published in
13 the City and County of San Francisco and in the City of Los
14 Angeles. The bonds may be sold at not less than par to the federal
15 government at private sale without any public advertisement.

16 100688. If any member of the agency whose signature appears
17 on bonds ceases to be a member of the agency before delivery of
18 the bonds, ~~his or her~~ *that member's* signature is as effective as if
19 ~~he or she~~ *the member* had remained in office. Bonds issued
20 pursuant to this part are fully negotiable.

21 100689. Upon the approval of its legislative body, a city,
22 county, or special district that contains territory within the
23 boundaries of an agency may loan moneys to the agency to fund
24 those activities described in the redevelopment project plan
25 approved and adopted pursuant to Part 5 (commencing with Section
26 100650). Moneys loaned pursuant to this provision may be repaid
27 at an interest rate that does not exceed the Local Agency Investment
28 Fund rate that is in effect on the date that the loan is approved by
29 the governing board. Notwithstanding any other provision of law,
30 it is the intent of the Legislature that any loan issued to an agency
31 by a governmental entity shall be repaid fully unless agreed to
32 otherwise between the agency and the governmental entity.

33 100690. (a) Every two years after the issuance of debt pursuant
34 to Section 100684, the agency shall contract for an independent
35 financial and performance audit. The audit shall be conducted
36 according to guidelines established by the Controller. A copy of
37 the completed audit shall be provided to the Controller, the Director
38 of Finance, and to the Joint Legislative Budget Committee.

39 (b) Upon the request of the Governor or of the Legislature, the
40 Bureau of State Audits may conduct financial and performance

1 audits of districts. The results of the audits shall be provided to
2 the agency, the Controller, the Director of Finance, and the Joint
3 Legislative Budget Committee.

4 ~~SEC. 3.~~

5 *SEC. 4.* If the Commission on State Mandates determines that
6 this act contains costs mandated by the state, reimbursement to
7 local agencies and school districts for those costs shall be made
8 pursuant to Part 7 (commencing with Section 17500) of Division
9 4 of Title 2 of the Government Code.

O