

AMENDED IN SENATE JULY 7, 2005

AMENDED IN ASSEMBLY MAY 26, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 350

Introduced by Assembly Member Matthews

February 10, 2005

An act to add Chapter 2.6 (commencing with Section 53369) to Part 1 of Division 2 of Title 5 of the Government Code, relating to jobs-housing opportunity zones.

LEGISLATIVE COUNSEL'S DIGEST

AB 350, as amended, Matthews. Jobs-housing opportunity zones.

Under existing law, redevelopment agencies are authorized to pay the principal of, and interest on, indebtedness incurred to finance or refinance redevelopment, from a portion of property tax revenues diverted from other taxing agencies. The portion of taxes diverted is the amount attributable to increases in assessed valuation of property in the redevelopment project area subsequent to establishment thereof. This method of financing is commonly known as "tax increment" financing and is specifically authorized by Section 16 of Article XVI of the California Constitution.

Existing law also authorizes counties and cities to create infrastructure financing districts in the border development zone, as defined, to finance public works utilizing a similar method of tax increment financing in the Mexican border region.

This bill would similarly authorize counties and cities to create infrastructure financing districts in jobs-housing opportunity zones, as defined, for the purpose of adopting an infrastructure financing plan to finance public capital facilities in the 5-county interregional

partnership area of northern California for the purpose of mitigating current and future imbalances of jobs and housing in the Counties of Alameda, Contra Costa, Santa Clara, San Joaquin, and Stanislaus.

Because county officers would be responsible for the division of taxes under the bill, the bill would impose a state-mandated local program in the case of districts formed by cities, but the bill would require all infrastructure financing districts to reimburse those county costs.

The bill would also require approval of the proposed infrastructure financing district by the district’s landowners or voters, as specified, and of the bonds to be issued by the district to finance public capital facilities.

~~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 these statutory provisions.~~

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 no reimbursement is required by this act for a specified reason.

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. Chapter 2.6 (commencing with Section 53369)
2 is added to Part 1 of Division 2 of Title 5 of the Government
3 Code, to read:

4
5 CHAPTER 2.6. JOBS-HOUSING OPPORTUNITY ZONES

6
7 Article 1. General Provisions

8
9 53369. The Legislature finds and declares that:

1 (a) Under the current land use and policy framework in
2 northern California, central valley and east bay communities
3 expect to double or triple their populations, but most of them will
4 not attract equivalent numbers of new jobs. Instead, thousands of
5 central valley and east bay area residents are expected to
6 commute far into the bay area, often driving two hours or more
7 each way. At the same time, central valley communities
8 experience a chronic unemployment rate of 10 percent or more,
9 even during the prosperity of the 1990s. The challenges to
10 transportation, air quality, and social quality of life are enormous.
11 Projections estimate the current number of daily Altamont Pass
12 commuters will more than double to 250,000 by the year 2020.

13 (b) Communities outside of Silicon Valley often lack the
14 infrastructure, or the ability to finance infrastructure, such as
15 interchanges and wastewater treatment facilities, that are vital to
16 attracting employers and creating a diversified economy,
17 reducing the need for long-distance commutes into the bay area
18 by their residents.

19 (c) Employers who wish to locate outside of Silicon Valley
20 often have to fund their own infrastructure, making those east
21 bay and central valley communities a less attractive and
22 cost-competitive place for employers to locate.

23 (d) Consequently, the state has to make investments in
24 highways and transit to link commuter populations to their jobs
25 in more job-rich parts of the bay area.

26 (e) The creation of infrastructure financing districts in
27 jobs-housing opportunity zones will generate employment in
28 areas where there are large commuter populations, reduce
29 long-distance commutes, improve air quality and quality of life,
30 and reduce the need for costly transportation infrastructure
31 investments in the future by the state.

32 53369.1. Unless the context otherwise requires, the
33 definitions contained in this article shall govern the construction
34 of this chapter.

35 (a) "Affected taxing entity" means any governmental taxing
36 agency that levied or had levied on its behalf a property tax on all
37 or a portion of the property located in the proposed district in the
38 fiscal year prior to the designation of the district but does not
39 include a county office of education, school district, or
40 community college district.

1 (b) “Jobs-housing opportunity zone” means a zone selected by
2 the Interregional Partnership Pilot Project for the purpose of
3 mitigating current and future imbalances of jobs and housing in
4 the Counties of Alameda, Contra Costa, Santa Clara, San
5 Joaquin, and Stanislaus.

6 (c) “City” means a city, a county, or a city and county.

7 (d) “Debt” means any binding obligation to repay a sum of
8 money, including obligations in the form of bonds, certificates of
9 participation, long-term leases, loans from government agencies,
10 or loans from banks, other financial institutions, private
11 businesses, or individuals.

12 (e) “Designated official” means the city engineer or other
13 appropriate official designated pursuant to Section 53398.13.

14 (f) “District” means an infrastructure financing district located
15 in the jobs-housing opportunity zone.

16 (g) “Infrastructure financing district” means a legally
17 constituted governmental entity established pursuant to this
18 chapter for the sole purpose of financing public facilities.

19 (h) “Landowner” or “owner of land” means any person shown
20 as the owner of land on the last equalized assessment roll or
21 otherwise known to be the owner of the land by the legislative
22 body. The legislative body has no obligation to obtain other
23 information as to the ownership of land, and its determination of
24 ownership shall be final and conclusive for the purposes of this
25 chapter.

26 (i) “Legislative body” means the city council or board of
27 supervisors.

28 53369.2. (a) The revenues available pursuant to Article 3
29 (commencing with Section 53369.30) may be used directly for
30 work allowed pursuant to Section 53369.3, including use as
31 matching funds to accomplish this work, may be accumulated for
32 a period not to exceed five years to provide a fund for that work,
33 may be pledged to pay the principal of, and interest on, bonds
34 issued pursuant to Article 4 (commencing with Section
35 53369.40), or may be pledged to pay the principal of, and interest
36 on, bonds issued pursuant to the Improvement Bond Act of 1915
37 (Division 10 (commencing with Section 8500) of the Streets and
38 Highways Code) or the Mello-Roos Community Facilities Act of
39 1982 (Chapter 2.5 (commencing with Section 53311)), the
40 proceeds of which have been or will be used entirely for

1 allowable purposes of the district. The revenue of the district may
2 also be advanced for allowable purposes of the district to an
3 Integrated Financing District established pursuant to Chapter 1.5
4 (commencing with Section 53175), in which case the district may
5 be party to a reimbursement agreement established pursuant to
6 that chapter. The revenues of the district may also be committed
7 to paying for any completed public facility acquired pursuant to
8 Section 53369.3 over a period of time, including the payment of
9 a rate of interest not to exceed the bond buyer index rate on the
10 day that the agreement to repay is entered into by the city.

11 (b) The legislative body may enter into an agreement with any
12 affected taxing entity to provide for the construction of, or
13 assistance in, financing public facilities.

14 53369.3. (a) A district may finance (1) the purchase,
15 construction, expansion, improvement, seismic retrofit, or
16 rehabilitation of any real or other tangible property with an
17 estimated useful life of 15 years or longer that satisfies the
18 requirements of subdivision (b), (2) the planning and design
19 work that is directly related to the purchase, construction,
20 expansion, or rehabilitation of that property, and (3) the costs
21 described in Sections 53369.5 and 53369.31. A district may only
22 finance the purchase of facilities for which construction has been
23 completed, as determined by the legislative body. The facilities
24 need not be physically located within the boundaries of the
25 district. A district may not finance routine maintenance, repair
26 work, or the costs of ongoing operation or providing services of
27 any kind.

28 (b) The district shall finance only public capital facilities that
29 provide significant benefits to the jobs-housing opportunity zone,
30 including, but not limited to, all of the following:

31 (1) Highways, interchanges, ramps and bridges, major and
32 minor arterial streets, major and minor collector streets, parking
33 facilities, and transit facilities. Phased road widening projects
34 shall also be permitted.

35 (2) Sewage collection, pumping, treatment, and water
36 reclamation plants and interceptor pipes.

37 (3) Facilities for the collection and treatment of water for
38 urban uses.

39 (4) Flood control levees and dams, retention basins, and
40 drainage facilities.

1 (5) Child care facilities.

2 (6) Libraries.

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

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

6 (c) Any district that constructs dwelling units shall set aside
7 not less than 20 percent of those units to increase and improve
8 the community's supply of low- and moderate-income housing
9 available at an affordable housing cost, as defined by Section
10 50052.5 of the Health and Safety Code, to persons and families
11 of low and moderate income, as defined in Section 50093 of the
12 Health and Safety Code.

13 53369.4. (a) A district may not include any portion of a
14 project area that was created pursuant to Part 1 (commencing
15 with Section 33000) of Division 24 of the Health and Safety
16 Code. A project area may not include any portion of a district
17 created pursuant to this chapter.

18 (b) A district may finance only the facilities or services
19 authorized in this chapter to the extent that the facilities or
20 services are in addition to those provided in the territory of the
21 district before the district was created. The additional facilities or
22 services may not supplant facilities or services already available
23 within that territory when the district was created but may
24 supplement those facilities and services as needed to serve new
25 developments.

26 (c) A district may include areas that are not contiguous.

27 53369.5. It is the intent of the Legislature that the area of the
28 districts created contain significant portions of land that are
29 vacant, underutilized, and suitable for urban use, and the
30 establishment of a district should not ordinarily lead to the
31 removal of existing dwelling units. If, however, any dwelling
32 units are proposed to be removed or destroyed in the course of
33 private development or public works construction within the area
34 of the district, the legislative body shall do all of the following:

35 (a) Within four years of the removal or destruction, cause or
36 require the construction or rehabilitation, for rental or sale to
37 persons or families of low or moderate income, of an equal
38 number of replacement dwelling units at affordable housing cost,
39 as defined in Section 50052.5 of the Health and Safety Code,
40 within the territory of the district if the dwelling units removed

1 were inhabited by persons or families of low or moderate
2 income, as defined in Section 50093 of the Health and Safety
3 Code.

4 (b) Within four years of the removal or destruction, cause or
5 require the construction or rehabilitation, for rental or sale to
6 persons of low or moderate income, a number of dwelling units
7 that is at least one unit but not less than 20 percent of the total
8 dwelling units removed at affordable housing cost, as defined in
9 Section 50052.5 of the Health and Safety Code, within the
10 territory of the district if the dwelling units removed or destroyed
11 were not inhabited by persons of low or moderate income, as
12 defined in Section 50093 of the Health and Safety Code.

13 (c) Provide relocation assistance and make all the payments
14 required by Chapter 16 (commencing with Section 7260) of
15 Division 7 of Title 1, to persons displaced by any public or
16 private development occurring within the territory of the district.
17 This displacement shall be deemed to be the result of public
18 action.

19 (d) Ensure that removal or destruction of any dwelling units
20 occupied by persons or families of low or moderate income does
21 not take place unless and until there are suitable housing units, at
22 comparable cost to the units from which the persons or families
23 were displaced, available and ready for occupancy by the
24 residents of the units at the time of their displacement. The
25 housing units shall be suitable to the needs of these displaced
26 persons or families and shall be decent, safe, sanitary, and
27 otherwise standard dwellings.

28 53369.6. Any action or proceeding to attack, review, set
29 aside, void, or annul the creation of a district or the adoption of
30 an infrastructure financing plan, including a division of taxes
31 thereunder, shall be commenced within ~~30~~ 60 days after the
32 enactment of the ordinance creating the district pursuant to
33 Section 53369.23. Consistent with the time limitations of this
34 section, such an action or proceeding with respect to a division of
35 taxes under this chapter may be brought pursuant to Chapter 9
36 (commencing with Section 860) of Title 10 of Part 2 of the Code
37 of Civil Procedure, except that Section 869 of the Code of Civil
38 Procedure shall not apply.

39 53369.7. An action to determine the validity of the issuance
40 of bonds pursuant to this chapter may be brought pursuant to

1 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
 2 the Code of Civil Procedure. However, notwithstanding the time
 3 limits specified in Section 860 of the Code of Civil Procedure,
 4 the action shall be commenced within ~~30~~ 60 days after adoption
 5 of the resolution pursuant to Section 53369.54 providing for
 6 issuance of the bonds if the action is brought by an interested
 7 person pursuant to Section 863 of the Code of Civil Procedure.
 8 Any appeal from a judgment in that action or proceeding shall be
 9 commenced within ~~30~~ 60 days after entry of judgment.

10 53369.8. An infrastructure financing district in the
 11 jobs-housing opportunity zone is a “district” within the meaning
 12 of Section 1 of Article XIII A of the California Constitution.

13

14 Article 2. Preparation and Adoption of Infrastructure
 15 Financing Plans

16

17 53369.10. The legislative body of a city may designate one or
 18 more proposed infrastructure financing districts in the
 19 jobs-housing opportunity zone pursuant to this chapter.
 20 Proceedings for the establishment of a district shall be instituted
 21 by the adoption of a resolution of intention to establish the
 22 proposed district and shall do all of the following:

23 (a) State that an infrastructure financing district is proposed to
 24 be established under the terms of this chapter and describe the
 25 boundaries of the proposed district, which may be accomplished
 26 by reference to a map on file in the office of the clerk of the city.

27 (b) State the type of public facilities proposed to be financed
 28 by the district. The district may only finance public facilities
 29 authorized by Section 53398.3.

30 (c) State that incremental property tax revenue from the city
 31 and some or all affected taxing entities within the district may be
 32 used to finance these public facilities.

33 (d) Fix a time and place for a public hearing on the proposal.

34 53369.11. The legislative body shall direct the clerk to mail a
 35 copy of the resolution of intention to create the district to each
 36 owner of land within the district.

37 53369.12. The legislative body shall direct the clerk to mail a
 38 copy of the resolution to each affected taxing entity.

39 53369.13. After adopting the resolution pursuant to Section
 40 53369.10, the legislative body shall designate and direct the city

1 engineer or other appropriate official to prepare an infrastructure
2 plan pursuant to Section 53369.14.

3 53369.14. After receipt of a copy of the resolution of
4 intention to establish a district, the official designated pursuant to
5 Section 53369.13 shall prepare a proposed infrastructure
6 financing plan. The infrastructure financing plan shall be
7 consistent with the general plan of the city within which the
8 district is located and shall include all of the following:

9 (a) A map and legal description of the proposed district, which
10 may include all or a portion of the district designated by the
11 legislative body in its resolution of intention.

12 (b) A description of the public facilities required to serve the
13 development proposed in the area of the district, including those
14 to be provided by the private sector, those to be provided by
15 governmental entities without assistance under this chapter, those
16 public improvements and facilities to be financed with assistance
17 from the proposed district, and those to be provided jointly. The
18 description shall include the proposed location, timing, and costs
19 of the public improvements and facilities.

20 (c) A finding that the public facilities provide significant
21 benefits to the jobs-housing opportunity zone.

22 (d) A financing section, which shall contain all of the
23 following information:

24 (1) A specification of the maximum portion of the incremental
25 tax revenue of the city and of each affected taxing entity
26 proposed to be committed to the district for each year during
27 which the district will receive incremental tax revenue. The
28 portion need not be the same for all affected taxing entities. The
29 portion may change over time.

30 (2) A projection of the amount of tax revenues expected to be
31 received by the district in each year during which the district 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 (3) A plan for financing the public facilities to be assisted by
35 the district, including a detailed description of any intention to
36 incur debt.

37 (4) A limit on the total number of dollars of taxes that may be
38 allocated to the district pursuant to the plan.

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

1 be more than 25 years from the date on which the ordinance
 2 forming the district is adopted pursuant to Section 53369.23.

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

9 (7) An analysis of the projected fiscal impact of the district
 10 and the associated development upon each affected taxing entity.

11 (e) If any dwelling units occupied by persons or families of
 12 low or moderate income are proposed to be removed or
 13 destroyed in the course of private development or public works
 14 construction within the area of the district, a plan providing for
 15 replacement of those units and relocation of those persons or
 16 families consistent with the requirements of Section 53369.5.

17 53369.15. The infrastructure financing plan shall be sent to
 18 each owner of land within the proposed district and to each
 19 affected taxing entity together with any report required by the
 20 California Environmental Quality Act (Division 13 (commencing
 21 with Section 21000) of the Public Resources Code) that pertains
 22 to the proposed public facilities or the proposed development
 23 project for which the public facilities are needed. The plan shall
 24 be made available for public inspection. The report shall also be
 25 sent to the planning commission and the legislative body.

26 53369.16. The designated official shall consult with each
 27 affected taxing entity, and, at the request of any affected taxing
 28 entity, shall meet with representatives of an affected taxing
 29 entity. Any affected taxing entity may suggest revisions to the
 30 plan.

31 53369.17. The legislative body shall conduct a public hearing
 32 prior to adopting the proposed infrastructure financing plan. The
 33 public hearing shall be called no sooner than 60 days after the
 34 plan has been sent to each affected taxing entity. In addition to
 35 the notice given to landowners and affected taxing entities
 36 pursuant to Sections 53369.11 and 53369.12, notice of the public
 37 hearing shall be given by publication not less than once a week
 38 for four successive weeks in a newspaper of general circulation
 39 published in the city in which the proposed district is located.
 40 The notice shall state that the district will be used to finance

1 public works, briefly describe the public works, briefly describe
2 the proposed financial arrangements, including the proposed
3 commitment of incremental tax revenue, describe the boundaries
4 of the proposed district, and state the day, hour, and place when
5 and where any persons having any objections to the proposed
6 infrastructure financing plan, or the regularity of any of the prior
7 proceedings, may appear before the legislative body and object to
8 the adoption of the proposed plan by the legislative body.

9 53369.18. At the hour set in the required notices, the
10 legislative body shall proceed to hear and pass upon all written
11 and oral objections. The hearing may be continued from time to
12 time. The legislative body shall consider the recommendations, if
13 any, of affected taxing entities, and all evidence and testimony
14 for and against the adoption of the plan. The legislative body
15 may modify the plan by eliminating or reducing the size and cost
16 of proposed public works, by reducing the amount of proposed
17 debt, or by reducing the portion, amount, or duration of
18 incremental tax revenues to be committed to the district.

19 53369.19. At the conclusion of the hearing, the legislative
20 body may adopt a resolution proposing adoption of the
21 infrastructure financing plan, as modified, and formation of the
22 infrastructure financing district with the full force and effect of
23 law, or it may abandon the proceedings.

24 53369.20. (a) If the legislative body adopts a resolution
25 proposing formation of the district, it shall then submit the
26 proposal to create the district to the qualified electors of the
27 proposed district in the next general election or in a special
28 election to be held, notwithstanding any other requirement,
29 including any requirement that elections be held on specified
30 dates, contained in the Elections Code, at least 90 days, but not
31 more than 180 days, following the adoption of the resolution of
32 formation. The legislative body shall provide the resolution of
33 formation, a certified map of sufficient scale and clarity to show
34 the boundaries of the district, and a sufficient description to allow
35 the election official to determine the boundaries of the district to
36 the official conducting the election within three business days
37 after the adoption of the resolution of formation. The assessor's
38 parcel numbers for the land within the district shall be included if
39 it is a landowner election or the district does not conform to an
40 existing district's boundaries and if requested by the official

1 conducting the election. If the election is to be held less than 125
2 days following the adoption of the resolution of formation, the
3 concurrence of the election official conducting the election shall
4 be required. However, any time limit specified by this section or
5 requirement pertaining to the conduct of the election may be
6 waived with the unanimous consent of the qualified electors of
7 the proposed district and the concurrence of the election official
8 conducting the election.

9 (b) If at least 12 persons have been registered to vote within
10 the territory of the proposed district for each of the 90 days
11 preceding the close of the hearing, the vote shall be by the
12 registered voters of the proposed district, who need not
13 necessarily be the same persons, with each voter having one vote.
14 Otherwise, the vote shall be by the landowners of the proposed
15 district and each landowner who is the owner of record at the
16 close of the protest hearing, or the authorized representative
17 thereof, shall have one vote for each acre or portion of an acre of
18 land that he or she owns within the proposed district. The number
19 of votes to be voted by a particular landowner shall be specified
20 on the ballot provided to that landowner.

21 (c) Ballots for the special election authorized by subdivision
22 (a) may be distributed to qualified electors by mail with return
23 postage prepaid or by personal service by the election official.
24 The official conducting the election may certify the proper
25 mailing of ballots by an affidavit, which shall be exclusive proof
26 of mailing in the absence of fraud. The voted ballots shall be
27 returned to the election official conducting the election not later
28 than the hour specified in the resolution calling the election.
29 However, if all the qualified voters have voted, the election shall
30 be closed.

31 53369.21. (a) Except as otherwise provided in this chapter,
32 the provisions of law regulating elections of the district that call
33 an election pursuant to this chapter, insofar as they may be
34 applicable, shall govern all elections conducted pursuant to this
35 chapter. Except as provided in subdivision (b), there shall be
36 prepared and included in the ballot material provided to each
37 voter, an impartial analysis pursuant to Section 9160 or 9280 of
38 the Elections Code, arguments and rebuttals, if any, pursuant to
39 Sections 9162 to 9167, inclusive, and 9190 of the Elections Code

1 or pursuant to Sections 9281 to 9287, inclusive, and 9295 of the
2 Elections Code.

3 (b) If the vote is to be by the landowners of the proposed
4 district, analysis and arguments may be waived with the
5 unanimous consent of all the landowners and shall be so stated in
6 the order for the election.

7 53369.22. (a) If the election is to be conducted by mail
8 ballot, the election official conducting the election shall provide
9 ballots and election materials pursuant to subdivision (d) of
10 Section 53326 and Section 53327, together with all supplies and
11 instructions necessary for the use and return of the ballot.

12 (b) The identification envelope for return of mail ballots used
13 in landowner elections shall contain the following:

14 (1) The name of the landowner.

15 (2) The address of the landowner.

16 (3) A declaration, under penalty of perjury, stating that the
17 voter is the owner of record or the authorized representative of
18 the landowner entitled to vote and is the person whose name
19 appears on the identification envelope.

20 (4) The printed name and signature of the voter.

21 (5) The address of the voter.

22 (6) The date of signing and place of execution of the
23 declaration pursuant to paragraph (3).

24 (7) A notice that the envelope contains an official ballot and is
25 to be opened only by the canvassing board.

26 53369.23. After the canvass of returns of any election
27 pursuant to Section 53369.20, the legislative body may, by
28 ordinance, adopt the infrastructure financing plan and create the
29 district with full force and effect of law, if two-thirds of the votes
30 upon the question of creating the district are in favor of creating
31 the district.

32 53369.24. After the canvass of returns of any election
33 conducted pursuant to Section 53369.20, the legislative body
34 shall take no further action with respect to the proposed
35 infrastructure financing district for one year from the date of the
36 election if the question of creating the district fails to receive
37 approval by two-thirds of the votes cast upon the question.

38 53369.25. The legislative body may submit a proposition to
39 establish or change the appropriations limit, as defined by
40 subdivision (h) of Section 8 of Article XIII B of the California

1 Constitution, of a district to the qualified electors of a district.
 2 The proposition establishing or changing the appropriations limit
 3 shall become effective if approved by the qualified electors
 4 voting on the proposition and shall be adjusted for changes in the
 5 cost of living and changes in populations, as defined by
 6 subdivisions (b) and (c) of Section 7901, except that the change
 7 in population may be estimated by the legislative body in the
 8 absence of an estimate by the Department of Finance, and in
 9 accordance with Section 1 of Article XIII B of the California
 10 Constitution. For purposes of adjusting for changes in
 11 population, the population of the district shall be deemed to be at
 12 least one person during each calendar year.

13
 14 Article 3. Division of Taxes

15
 16 53369.30. Any infrastructure financing plan may contain a
 17 provision that taxes, if any, levied upon taxable property in the
 18 area included within the infrastructure financing district each
 19 year by or for the benefit of the State of California, or any
 20 affected taxing entity after the effective date of the ordinance
 21 adopted pursuant to Section 53369.23 to create the district, shall
 22 be divided as follows:

23 (a) That portion of the taxes that would be produced by the
 24 rate upon which the tax is levied each year by or for each of the
 25 affected taxing entities upon the total sum of the assessed value
 26 of the taxable property in the district as shown upon the
 27 assessment roll used in connection with the taxation of the
 28 property by the affected taxing entity, last equalized prior to the
 29 effective date of the ordinance adopted pursuant to Section
 30 53369.23 to create the district, shall be allocated to, and when
 31 collected shall be paid to, the respective affected taxing entities
 32 as taxes by or for the affected taxing entities on all other property
 33 are paid.

34 (b) That portion of the levied taxes each year specified in the
 35 adopted infrastructure financing plan for the city and each
 36 affected taxing entity in excess of the amount specified in
 37 subdivision (a) shall be allocated to, and when collected shall be
 38 paid into a special fund of, the district for all lawful purposes of
 39 the district. Unless and until the total assessed valuation of the
 40 taxable property in a district exceeds the total assessed value of

1 the taxable property in the district as shown by the last equalized
2 assessment roll referred to in subdivision (a), all of the taxes
3 levied and collected upon the taxable property in the district shall
4 be paid to the respective affected taxing entities. When the
5 district ceases to exist pursuant to the adopted infrastructure
6 financing plan, all moneys thereafter received from taxes upon
7 the taxable property in the district shall be paid to the respective
8 affected taxing entities as taxes on all other property are paid.

9 53369.31. (a) For infrastructure financing plans that include
10 a residential housing component, not less than 20 percent of all
11 taxes that are allocated to the district pursuant to this article shall
12 be used by the district within the jobs-housing opportunity zone
13 for the purposes of increasing, improving, and preserving the
14 supply of low- and moderate-income housing available at an
15 affordable housing cost, as defined by Section 50052.5 of the
16 Health and Safety Code, to persons and families of low or
17 moderate income, as defined by Section 53003 of the Health and
18 Safety Code, and very low income households, as defined by
19 Section 50105 of the Health and Safety Code.

20 (b) Notwithstanding subdivision (a), a district may allocate
21 less than 20 percent of the taxes that are allocated to the district if
22 that lesser percentage is specified in the infrastructure financing
23 ~~plan~~ *plan and the legislative body finds, based on substantial*
24 *evidence in the record, both of the following:*

25 (1) *The lesser percentage is sufficient to meet the housing*
26 *needs of the community, including its share of regional housing*
27 *needs of persons and families of low or moderate income and*
28 *very low income households.*

29 (2) *The finding in paragraph (1) is consistent with the housing*
30 *element of the community's general plan required by Article 10.6*
31 *(commencing with Section 65580) of Chapter 3 of Division 1 of*
32 *Title 7.*

33 (c) In carrying out the purposes of this section, the district
34 shall conform to the provisions of Sections 33334.2 to 33334.16,
35 inclusive, of the Health and Safety Code. To the extent that this
36 section conflicts with Sections 33334.2 to 33334.16, inclusive, of
37 the Health and Safety Code, this section shall prevail.

38 53369.32. All costs incurred by a county in connection with
39 the division of taxes pursuant to this chapter for a district shall be
40 paid by that district.

1 Article 4. Payments to Affected Taxing Entities

2
3 53369.40. (a) (1) The payments made pursuant to this
4 section shall be in addition to any amounts the affected taxing
5 entities receive pursuant to subdivision (a) of Section 53369.30.
6 The payments made pursuant to this section to the affected taxing
7 entities, including the city, shall be allocated among the affected
8 taxing entities, including the city if the city elects to receive
9 payments, in proportion to the percentage share of property taxes
10 each affected taxing entity, including the city, receives during the
11 fiscal year the funds are allocated.

12 (2) The district shall reduce its payments pursuant to this
13 section to an affected taxing entity by any amount the district has
14 paid, directly or indirectly, for, or in connection with, a public
15 facility owned or leased by that affected taxing agency, except:

16 (A) Any amounts the district has paid directly or indirectly
17 pursuant to an agreement with a taxing entity adopted prior to
18 January 1, 1994.

19 (B) Any amounts that are unrelated to the specific district or
20 amendment governed by this section.

21 (b) Commencing with the first fiscal year in which a district
22 receives tax increments and continuing through the last fiscal
23 year in which the district receives tax increments, the district
24 shall pay to the affected taxing entities, including the city if the
25 city elects to receive a payment, an amount equal to 25 percent of
26 the tax increments received by the district. In any fiscal year in
27 which the district receives tax increments, the city that has
28 adopted the district may elect to receive the amount authorized
29 by this subdivision.

30 (c) Commencing with the 11th fiscal year in which the district
31 receives tax increments and continuing through the last fiscal
32 year in which the district receives tax increments, the district
33 shall pay to the affected taxing entities, other than the city that
34 has adopted the project, in addition to the amounts paid pursuant
35 to subdivision (b), an amount equal to 21 percent of the portion
36 of tax increments received by the district, which shall be
37 calculated by applying the tax rate against the amount of assessed
38 value by which the current year assessed value exceeds the first
39 adjusted base year assessed value. The first adjusted base year

1 assessed value is the assessed value of the district in the 10th
2 fiscal year in which the district receives tax increment revenues.

3 (d) Commencing with the 20th fiscal year in which the district
4 receives tax increments and continuing through the last fiscal
5 year in which the district receives tax increments, a district shall
6 pay to the affected taxing entities, other than the city that has
7 adopted the project, in addition to the amounts paid pursuant to
8 subdivision (b), an amount equal to 14 percent of the portion of
9 tax increments received by the district, which shall be calculated
10 by applying the tax rate against the amount of assessed value by
11 which the current year assessed value exceeds the second
12 adjusted base year assessed value. The second adjusted base year
13 assessed value is the assessed value of the district in the 19th
14 fiscal year in which the district receives tax increments.

15 (e) (1) Prior to incurring any loans, bonds, or other
16 indebtedness, except loans or advances from the city, the district
17 may subordinate to the loans, bonds, or other indebtedness the
18 amount required to be paid to an affected taxing entity by this
19 section, if the affected taxing entity has approved these
20 subordinations pursuant to this subdivision.

21 (2) At the time the district requests an affected taxing entity to
22 subordinate the amount to be paid to it, the district shall provide
23 the affected taxing entity with substantial evidence that sufficient
24 funds will be available to pay both the debt service and the
25 payments required by this section, when due.

26 (3) An affected taxing entity may disapprove a request for
27 subordination only if it finds, based upon substantial evidence,
28 that the district will not be able to pay the debt payments and the
29 amount required to be paid to the affected taxing entity. If the
30 affected taxing entity does not act within 45 days after receipt of
31 the district's request, the request to subordinate shall be deemed
32 approved and shall be final and conclusive.

33 (f) (1) The Legislature finds and declares both of the
34 following:

35 (A) The payments made pursuant to this section are necessary
36 in order to alleviate the financial burden and detriment that
37 affected taxing entities may incur as a result of the adoption of an
38 infrastructure financing plan, and payments made pursuant to this
39 section will benefit jobs-housing opportunity zones.

1 (B) The payments made pursuant to this section are the
2 exclusive payments that are required to be made by an
3 infrastructure financing district to affected taxing entities during
4 the term of an infrastructure financing plan.

5 (2) Notwithstanding any other provision of law, a legislative
6 body shall not be required, either directly or indirectly, as a
7 measure to mitigate a significant environmental effect or as part
8 of any settlement agreement or judgment brought in any action to
9 contest the validity of an infrastructure financing plan pursuant to
10 Section 33501, to make any other payments to affected taxing
11 entities, or to pay for public facilities that will be owned or leased
12 to an affected taxing entity.

13
14

Article 5. Tax Increment Bonds

15

16 53369.50. The legislative body may, by majority vote, initiate
17 proceedings to issue bonds pursuant to this chapter by adopting a
18 resolution stating its intent to issue the bonds.

19 53369.51. The resolution adopted pursuant to Section
20 53369.50 shall contain all of the following information:

21 (a) A description of the facilities to be financed with the
22 proceeds of the proposed bond issue.

23 (b) The estimated cost of the facilities, the estimated cost of
24 preparing and issuing the bonds, and the principal amount of the
25 proposed bond issuance.

26 (c) The maximum interest rate and discount on the proposed
27 bond issuance.

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

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

34 (f) The date, hour, and place at which any person may appear
35 before the legislative body and object to the proposal to issue
36 bonds.

37 53369.52. The clerk of the legislative body shall publish the
38 resolution adopted pursuant to Section 53369.50 once a day for at
39 least seven successive days in a newspaper published in the city
40 or county at least six days a week, or at least once a week for two

1 successive weeks in a newspaper published in the city or county
2 less than six days a week. If there are no newspapers meeting
3 these criteria, the resolution shall be posted in three public places
4 within the territory of the district for two succeeding weeks.

5 53369.53. The legislative body shall submit the proposal to
6 issue the bonds to the voters who reside within the district. The
7 election shall be conducted in the same manner as the election to
8 create the district pursuant to Section 53369.20 and the two
9 elections may be consolidated.

10 53369.54. (a) The bonds may be issued if two-thirds of the
11 voters voting on the proposition vote in favor of issuing the
12 bonds.

13 (b) If the voters approve the issuance of the bonds as provided
14 by subdivision (a), the legislative body shall proceed with the
15 issuance of the bonds by adopting a resolution which shall
16 provide for all of the following:

17 (1) The issuance of the bonds in one or more series.

18 (2) The principal amount of the bonds, which shall be
19 consistent with the amount specified in subdivision (b) of Section
20 53369.51.

21 (3) The date the bonds will bear.

22 (4) The date of maturity of the bonds.

23 (5) The denomination of the bonds.

24 (6) The form of the bonds.

25 (7) The manner of execution of the bonds.

26 (8) The medium of payment in which the bonds are payable.

27 (9) The place or manner of payment and any requirements for
28 registration of the bonds.

29 (10) The terms of call or redemption, with or without
30 premium.

31 53369.55. If any proposition submitted to the voters pursuant
32 to this chapter is defeated by the voters, the legislative body shall
33 not submit, or cause to be submitted, a similar proposition to the
34 voters for at least one year after the first election.

35 53369.56. The legislative body may, by majority vote,
36 provide for refunding of bonds issued pursuant to this chapter.
37 However, refunding bonds shall not be issued if the total net
38 interest cost to maturity on the refunding bonds plus the principal
39 amount of the refunding bonds exceeds the total net interest cost

1 to maturity on the bonds to be refunded. The legislative body
2 may not extend the time to maturity of the bonds.

3 53369.57. The legislative body or any person executing the
4 bonds shall not be personally liable on the bonds by reason of
5 their issuance. The bonds and other obligations of a district
6 issued pursuant to this chapter are not a debt of the city, county,
7 or state or of any of its political subdivisions, other than the
8 district, and none of those entities, other than the district, shall be
9 liable on the bonds and the bonds or obligations shall be payable
10 exclusively from funds or properties of the district. The bonds
11 shall contain a statement to this effect on their face. The bonds do
12 not constitute an indebtedness within the meaning of any
13 constitutional or statutory debt limitation.

14 53369.58. The bonds may be sold at discount not to exceed 5
15 percent of par at public sale. At least five days prior to the sale,
16 notice shall be published, pursuant to Section 6061, in a
17 newspaper of general circulation and in a financial newspaper
18 published in the City and County of San Francisco and in the
19 City of Los Angeles. The bonds may be sold at not less than par
20 to the federal government at private sale without any public
21 advertisement.

22 53369.59. If any member of the legislative body whose
23 signature appears on bonds ceases to be a member of the
24 legislative body before delivery of the bonds, his or her signature
25 is as effective as if he or she had remained in office. Bonds
26 issued pursuant to this chapter are fully negotiable.

27 ~~SEC. 2. If the Commission on State Mandates determines that~~
28 ~~this act contains costs mandated by the state, reimbursement to~~
29 ~~local agencies and school districts for those costs shall be made~~
30 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
31 ~~4 of Title 2 of the Government Code.~~

32 *SEC. 2. No reimbursement is required by this act pursuant to*
33 *Section 6 of Article XIII B of the California Constitution because*
34 *a local agency or school district has the authority to levy service*
35 *charges, fees, or assessments sufficient to pay for the program or*
36 *level of service mandated by this act, within the meaning of*
37 *Section 17556 of the Government Code.*

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