

AMENDED IN SENATE OCTOBER 5, 2010

AMENDED IN SENATE AUGUST 30, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1706

Introduced by Assembly Member Ammiano
(Coauthors: Assembly Members Ma and Hill)
(Coauthor: Senator Leno)

February 1, 2010

An act to repeal and add Section 53395.8 of the Government Code, and to amend Section 96.1 of the Revenue and Taxation Code, relating to infrastructure financing districts, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1706, as amended, Ammiano. Infrastructure financing districts: City and County of San Francisco.

Existing law specifically authorizes the City and County of San Francisco to create infrastructure financing districts, adopt infrastructure financing plans for those districts, and issue bonds financed by projected increases in ad valorem property taxes to fund certain public facilities, pursuant to a specified procedure. Existing property tax law establishes various procedures and requirements with respect to the annual apportionment and allocation of ad valorem property tax revenues, including increased revenues from infrastructure financing districts.

This bill would recast these provisions authorizing the City and County of San Francisco to create infrastructure financing districts that include specified waterfront property. This bill would also modify the procedures for San Francisco to adopt an infrastructure financing plan,

and allocate projected increases in ad valorem property taxes to specified annual apportionments.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco.

This bill would provide that certain provisions of Chapter 664 of the Statutes of 2010 not become operative if specified conditions occur.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares all of the
 2 following:
 3 (a) Areas of San Francisco, including portions of the San
 4 Francisco waterfront, are characterized by deteriorating conditions
 5 that cannot be remedied by private investment alone, and require
 6 the use of public financing mechanisms to finance the rectification
 7 of deteriorating conditions.
 8 (b) (1) The San Francisco waterfront, generally extending 7.5
 9 miles from Fisherman’s Wharf to Candlestick Point, is a valuable
 10 public trust asset of the state and provides special maritime,
 11 navigational, recreational, cultural, and historical benefits to the
 12 people of the region and the state. The San Francisco waterfront
 13 includes a 65-acre site known as Pier 70, which is the oldest
 14 continuously operating shipyard on the West Coast. For over 150
 15 years, some portion of this site has been in use for shipbuilding
 16 and repair, steel production, and supporting heavy industrial uses.
 17 Until 1967, the United States Department of Defense occupied
 18 and controlled significant portions of Pier 70. In 2001, the Office
 19 of Historic Preservation determined that Pier 70’s approximately
 20 40 historic buildings, structures, and features are eligible
 21 collectively for listing on the National Register of Historic Places
 22 as contributors to a Pier 70 historic district. Under the Burton Act
 23 (Ch. 1333, Stats. 1968, as amended) and the Burton Act transfer
 24 agreement, in 1969, the state conveyed the San Francisco
 25 waterfront to the City and County of San Francisco, through its
 26 port, in trust for the public and Burton Act trust purposes, subject
 27 to the obligation on the part of the City and County of San

1 Francisco to assume fifty-five million dollars (\$55,000,000) in
2 state debt obligations then existing relating to the waterfront
3 properties. Under the San Francisco Charter, the people of San
4 Francisco charged the Port of San Francisco with administration
5 of the San Francisco waterfront and the responsibility for
6 discharging the preexisting debt obligations. Since 1969, these
7 preexisting debt obligations have limited the port's ability to
8 finance substantial investment in public trust facilities within its
9 jurisdiction, resulting in deteriorating conditions along the San
10 Francisco waterfront, including, but not limited to, all of the
11 following:

12 (A) Since 2002, the port's chief harbor engineer, who is
13 responsible for assessing threats to life safety due to the condition
14 of facilities within port jurisdiction, has conducted structural
15 assessments of the port's historic structures at Pier 70, that have
16 resulted in the condemnation of 11 buildings and load and use
17 restrictions in 14 other buildings at the site.

18 (B) The port's Pier 70 structures were built before the adoption
19 of seismic construction standards in the 1955 edition of the
20 Uniform Building Code, and are constructed on bay fill or bay
21 mud in locations designated by the United States Geological Survey
22 as seismic hazard areas. Many older port facilities may be unsafe
23 during a large seismic event due to the lack of seismic standards
24 governing their construction and the liquefaction risk associated
25 with port property.

26 (C) Pier 70 has been used for heavy industrial uses for more
27 than 150 years and is adjacent to the Potrero powerplant. Pier 70
28 and surrounding property are industrial brownfields known to be
29 contaminated by heavy metals, hydrocarbons, and other pollutants.
30 The historic buildings at Pier 70 will require significant investment
31 to abate hazardous materials prior to demolition or rehabilitation.

32 (D) The port's Pier 70 waterfront contains numerous
33 deteriorating piles that are the remnants of former pile-supported
34 structures and no longer serve a useful purpose.

35 (2) Beginning in the early 1990s, in response to economic and
36 land use needs of the port and as directed by the San Francisco
37 electorate, the port undertook a public planning process related to
38 the improvement and development of the San Francisco waterfront.
39 This process resulted in the port's adoption of a waterfront land
40 use plan in 1997, which identified Pier 70 as the most significant

1 mixed-use development opportunity in the port's southern
2 waterfront.

3 (3) In 2006, pursuant to the San Francisco Administrative Code,
4 the port developed a capital plan identifying public facilities
5 necessary and convenient to the improvement, operation, and
6 conduct of the San Francisco waterfront. Among these public
7 facilities are: (A) seismic and life-safety improvements to existing
8 buildings, (B) rehabilitation, restoration, and preservation of certain
9 historic piers and other historic structures, (C) shoreline restoration
10 and structural repairs and improvements to piers, seawalls,
11 wharves, and other maritime facilities, (D) remediation of
12 hazardous materials, (E) removal of bay fill, (F) stormwater
13 management facilities and other utility infrastructure
14 improvements, and (G) public open space improvements, including
15 those required by the San Francisco Bay Conservation and
16 Development Commission's San Francisco Waterfront Special
17 Area Plan. In 2008, the estimated cost to implement the port's
18 capital plan was approximately one billion nine hundred million
19 dollars (\$1,900,000,000), an amount far in excess of the revenues
20 projected to be available to the port for these purposes.

21 (4) From 2006 to 2008, inclusive, the port conducted a
22 community master planning process for the Pier 70 district. The
23 master plan calls for continued ship repair on approximately 15
24 acres of the site, the nomination of the Pier 70 National Register
25 Historic District to the National Register of Historic Places, up to
26 3 million square feet of compatible infill development, up to 20
27 acres of waterfront open space, including a major new section of
28 the San Francisco Bay Trail, and a development phasing schedule
29 and financing plan that will allow the area to reunite with the
30 surrounding central waterfront. The port projects that the costs to
31 rehabilitate Pier 70, excluding costs associated with new
32 development at the site, will exceed \$1 billion in 2008 dollars and
33 will require significant federal, state, and local funding.

34 (c) In November 2008, San Francisco voters approved an
35 amendment to the San Francisco Charter to provide revenues equal
36 to up to 75 percent of projected new hotel and payroll tax revenues
37 from development in the Pier 70 area to fund historic preservation
38 and infrastructure costs of rehabilitating the Pier 70 area. The port
39 estimates that rehabilitation costs for the Pier 70 area will far
40 exceed the additional revenues provided by the charter measure.

1 (d) In February 2010, the BMW ORACLE Racing (BOR) Team,
2 sailing under the burgee of the Golden Gate Yacht Club, won the
3 33rd America’s Cup, off the coast of Valencia, Spain. The
4 America’s Cup, which was first raced for in 1851, is one of the
5 oldest sporting trophies in sailing history. As the victor and official
6 “Defender” of the Cup, the Golden Gate Yacht Club of San
7 Francisco and the BOR Team will determine when and where the
8 34th America’s Cup will be held. The City and County of San
9 Francisco is the sole city in the United States under consideration
10 to host the 34th America’s Cup sailing regatta. The BOR Team
11 has designated as the potential venue for the 34th America’s Cup
12 the San Francisco waterfront area generally from Pier 30 to the
13 north and Pier 50 to the south, excluding the China Basin ballpark
14 site, Seawall Lot ~~351~~ 337, and the Rincon Point-South Beach
15 Redevelopment Project Area. The timing of the 34th America’s
16 Cup has not been finalized, but it will be held in either 2013 or
17 2014. The venue selection deadline is December 31, 2010, and the
18 City and County of San Francisco must deliver its proposal for
19 hosting the 34th America’s Cup to the BOR Team by September
20 30, 2010.

21 (e) An economic impact study by the Bay Area Council’s
22 Economic Institute and Beacon Economics released in July 2010
23 concludes that hosting the America’s Cup on the San Francisco
24 Bay would generate nearly 9,000 jobs and \$1.4 billion in direct
25 spending in the San Francisco Bay Area and California, and nearly
26 \$1.9 billion nationwide. The study reports that the America’s Cup
27 is the world’s third largest sporting competition after the Olympics
28 and the World Cup.

29 (f) The San Francisco waterfront is a valuable public trust asset
30 of the state that provides special maritime, navigational,
31 recreational, cultural, and historical benefits to the people of the
32 region and the state. Realizing the goals of the port waterfront land
33 use plan, the San Francisco Bay Conservation and Development
34 Commission special area plan, and the port capital plan is a matter
35 of statewide significance, and rectifying the deteriorating conditions
36 along the San Francisco waterfront caused by deferred maintenance
37 since 1969 by providing a financing mechanism, through the use
38 of incremental property tax revenues, is a matter of statewide
39 importance that will further the purposes of both the public trust
40 and the Burton Act trust. Public facilities along the San Francisco

1 waterfront to be financed pursuant to the infrastructure financing
2 district law will increase public access to, or use or enjoyment of,
3 public trust lands and are, therefore, facilities of statewide and
4 communitywide significance.

5 (g) The City and County of San Francisco wants to establish
6 one or more infrastructure financing districts to finance public
7 facilities along the San Francisco waterfront through its port,
8 including a district in the Pier 70 area and a district covering the
9 potential America’s Cup. Due to the extraordinary capital needs
10 of the port, it is the intent of the Legislature to provide the City
11 and County of San Francisco and its port the widest latitude, within
12 the framework of the infrastructure financing district law, to create
13 and operate infrastructure financing districts in the manner that
14 provides the optimal financing options to construct needed public
15 facilities on public trust waterfront lands in order to meet the stated
16 goals of statewide significance. In order to adapt the provisions of
17 Chapter 2.8 (commencing with Section 53395) of Part 1 of Division
18 2 of Title 5 of the Government Code, relating to infrastructure
19 financing districts, to these unique circumstances, this special act
20 is necessary.

21 SEC. 2. Section 53395.8 of the Government Code is repealed.

22 SEC. 3. Section 53395.8 is added to the Government Code, to
23 read:

24 53395.8. (a) This section applies only to the City and County
25 of San Francisco, and to any waterfront district.

26 (b) In addition to the findings and declarations in Section 53395,
27 the Legislature further finds and declares that consolidating in a
28 single public agency the responsibility to administer waterfront
29 lands in San Francisco that are subject to the public trust and the
30 ability to capture property tax increment revenues to finance needed
31 public facilities in those areas will further the objectives of the
32 public trust and enjoyment of those trust lands by the people of
33 the state.

34 (c) For purposes of this section, the following terms have the
35 following meanings except as otherwise provided:

36 (1) “Affected taxing entity” means any governmental taxing
37 agency, except San Francisco and its local educational agencies,
38 that levied or had levied on its behalf a property tax on all or a
39 portion of the land located in the proposed district in the fiscal
40 year prior to the designation of the district, all or a portion of which

1 the district proposes to collect in the future under its infrastructure
2 financing plan.

3 (2) “America’s Cup district” means a waterfront district that
4 includes the waterfront area in the City and County of San
5 Francisco designated as the potential venue for the 34th America’s
6 Cup, generally from Pier 30 to Pier 50, excluding the China Basin
7 ballpark site, Seawall Lot ~~351~~ 337, and the Rincon Point-South
8 Beach Redevelopment Project Area.

9 (3) “Base year” means the fiscal year during which any
10 infrastructure financing plan adopted under this chapter becomes
11 effective.

12 (4) “Board” means the Board of Supervisors of the City and
13 County of San Francisco, which shall be the legislative body for
14 any district formed under this section.

15 (5) “Debt” means loans, advances, or other forms of
16 indebtedness and financial obligations, including, but not limited
17 to, commercial paper, variable rate demand notes, all moneys
18 payable in relation to the debt, and all debt service coverage
19 requirements in any debt instrument, in addition to the obligations
20 specified in the definition of “debt” in Section 53395.1.

21 (6) “District” means any district created under this chapter,
22 including any project area within a district.

23 (7) “Enhanced financing plan” means an infrastructure district
24 financing plan for a Pier 70 district or an America’s Cup district
25 that contains a provision authorized under subparagraph (D) or
26 subparagraph (E), respectively, of paragraph (3) of subdivision
27 (g).

28 (8) “ERAF” means the Educational Revenue Augmentation
29 Fund.

30 (9) “ERAF-secured debt” means debt that is secured by and
31 will be repaid from the ERAF share and is incurred to finance, as
32 applicable: (A) a Pier 70 district subject to an enhanced financing
33 plan; or (B) an America’s Cup district subject to an enhanced
34 financing plan.

35 (10) “ERAF share” means the county ERAF portion of
36 incremental tax revenue committed, as applicable, to: (A) a Pier
37 70 district under an enhanced financing plan; or (B) an America’s
38 Cup district under an enhanced financing plan.

39 (11) “Local educational agencies” means, collectively, the San
40 Francisco Unified School District, the San Francisco Community

1 College District, and the San Francisco County Office of
2 Education.

3 (12) “Mirant site” means the San Francisco waterfront land
4 owned by Mirant Corporation, on which it or its affiliate formerly
5 operated a coal gasification powerplant.

6 (13) “Pier 70 district” means a waterfront district that includes
7 65 acres of waterfront land in the area near Pier 70.

8 (14) “Port” means the Port of San Francisco.

9 (15) “Project area” means a defined area designated for
10 development within a waterfront district formed under this chapter
11 in accordance with subdivision (g).

12 (16) “Public facilities” means facilities and, where the context
13 requires, related services, authorized to be financed in any part by
14 a district formed under this chapter in accordance with subdivision
15 (g).

16 (17) “San Francisco” means the City and County of San
17 Francisco. For purposes of applying this chapter, San Francisco
18 is a city.

19 (18) “Waterfront district” means a district formed under this
20 chapter on land under port jurisdiction along the San Francisco
21 waterfront.

22 (19) “Waterfront set aside” means the restricted funds required
23 to be set aside under clause (ii) of subparagraph (C) of paragraph
24 (3) of subdivision (g).

25 (d) In addition to the facilities and services authorized by Section
26 53395.3, a waterfront district may finance any of the following:

27 (1) Remediation of hazardous materials in, on, under, or around
28 any real or tangible property.

29 (2) Seismic and life-safety improvements to existing buildings.

30 (3) Rehabilitation, restoration, and preservation of structures,
31 buildings, or other facilities having special historical, architectural,
32 or aesthetic interest or value and that are listed on the National
33 Register of Historic Places, are eligible for listing on the National
34 Register of Historic Places individually or because of their location
35 within an eligible registered historic district, or are listed on a state
36 or local register of historic landmarks.

37 (4) Structural repairs and improvements to piers, seawalls,
38 breakwaters, and wharves, including installation of flood protection
39 measures necessary to maintain the useful life of maritime facilities.

40 (5) Removal of bay fill.

1 (6) Stormwater management facilities, other utility
2 infrastructure, or public open-space improvements.

3 (7) Shoreline restoration.

4 (8) Other repairs and improvements to maritime facilities,
5 including improvements required for relocation activities arising
6 from repairs and improvements to maritime facilities.

7 (9) Planning and design work that is directly related to any
8 public facilities authorized to be financed by a waterfront district.

9 (e) A waterfront district may include, and finance public
10 facilities on, tidelands and submerged lands, including filled or
11 unfilled lands, subject to the public trust for commerce, navigation,
12 and fisheries, and the applicable statutory trust grant or grants.
13 Public facilities located on tidelands and submerged lands shall
14 serve and promote uses and purposes consistent with the public
15 trust and applicable statutory trust grants. Public facilities that
16 increase access to, or the use or enjoyment of, public trust lands
17 will be deemed to be facilities of communitywide significance that
18 provide significant benefits to an area larger than the area of the
19 district.

20 (f) Public facilities financed by a waterfront district shall be
21 public trust assets subject to the administration and control of the
22 port, except for the following:

23 (1) Utility infrastructure and public transportation facilities,
24 except maritime transportation facilities that are administered and
25 controlled by another entity under an agreement with the port.

26 (2) Public facilities on land located in a previously formed
27 waterfront district that the port subsequently leases, sells, or
28 otherwise transfers to any person free of the public trust, the Burton
29 Act trust, and any additional restrictions on use or alienability
30 created by the Burton Act transfer agreement, provided that the
31 State Lands Commission has concurred in the lifting of trust
32 restrictions on the transferred land and that the transferred land
33 will remain in and subject to the district.

34 (g) For a waterfront district, the requirements of this subdivision
35 supplant and replace the provisions of Sections 53395.10 to
36 53395.25, inclusive. The board may adopt or amend one or more
37 infrastructure financing plans for districts along the San Francisco
38 waterfront according to the procedures in this section. A district
39 may be divided into project areas, each of which may be subject
40 to distinct time limitations established under this subdivision.

1 (1) The board shall initiate proceedings for the establishment
2 of a district by adopting a resolution of intention to establish the
3 proposed district that does all of the following:

4 (A) States an infrastructure financing district is proposed to be
5 established and describes the boundaries of the proposed district.
6 The boundaries may be described by reference to a map on file in
7 the office of the clerk of the board.

8 (B) States the type of public facilities proposed to be financed
9 by the district.

10 (C) States that incremental property tax revenue from San
11 Francisco and some or all affected taxing entities within the district,
12 but none of the local educational agencies, may be used to finance
13 these public facilities.

14 (D) Directs the executive director of the port, or an appropriate
15 official designated by the executive director, to prepare a proposed
16 infrastructure financing plan.

17 (2) The board shall direct the city clerk to mail a copy of the
18 resolution of intention to any affected taxing entities.

19 (3) The proposed infrastructure financing plan shall be consistent
20 with the general plan of San Francisco, as amended from time to
21 time, and shall include all of the following:

22 (A) A map and legal description of the proposed district, which
23 may include all or a portion of the district designated by the board
24 in its resolution of intention.

25 (B) A description of the public improvements and facilities
26 required to serve the development proposed in the district,
27 including those to be provided by the private sector, those to be
28 provided by governmental entities without assistance under this
29 chapter, those public facilities to be financed with assistance from
30 the proposed district, and those to be provided jointly. The
31 description shall include the proposed location, timing, and
32 projected costs of the public improvements and facilities.

33 (C) A financing section that shall contain all of the following:

34 (i) A provision that specifies the maximum portion of the
35 incremental tax revenue of San Francisco and of any affected
36 taxing entity proposed to be committed to the district, and affirms
37 that the plan will not allocate any portion of the incremental tax
38 revenue of the local educational agencies to the district.

39 (ii) Limitations on the use of levied taxes allocated to and
40 collected by the district that provide that incremental tax revenues

1 allocated to a district must be used within the district for purposes
2 authorized under this section, and that not less than 20 percent of
3 the amount allocated to a district shall be set aside to be expended
4 solely on shoreline restoration, removal of bay fill, or waterfront
5 public access to or environmental remediation of the San Francisco
6 waterfront.

7 (iii) A projection of the amount of incremental tax revenues
8 expected to be received by the district, assuming a period of 45
9 years from the base year of the infrastructure financing plan.

10 (iv) Projected sources of financing for the public facilities to be
11 assisted by the district, including debt to be repaid with incremental
12 tax revenues, projected revenues from future leases, sales, or other
13 transfers of any interest in land within the district, and any other
14 legally available sources of funds.

15 (v) A limitation on the number of dollars of levied taxes that
16 may be divided and allocated to the district. Taxes shall not be
17 divided or be allocated to the district beyond this limitation, except
18 by amendment of the infrastructure financing plan pursuant to the
19 procedures in this subdivision.

20 (vi) A date on which the effectiveness of the infrastructure
21 financing plan and all tax allocations to the district will end and a
22 time limit on the district's authority to repay indebtedness with
23 incremental tax revenues received under this chapter, not to exceed
24 45 years from the date of the board's resolution of intent to issue
25 bonds to be repaid with incremental tax revenues under this
26 chapter. After the time limits established under this subparagraph,
27 a district shall not receive incremental tax revenues under this
28 chapter.

29 (vii) An analysis of the costs to San Francisco for providing
30 facilities and services to the district while the district is being
31 developed and after the district is developed, and of the taxes, fees,
32 charges, and other revenues expected to be received by San
33 Francisco as a result of expected development in the district.

34 (viii) An analysis of the projected fiscal impact of the district
35 and the associated development upon any affected taxing entity.
36 If no affected taxing entities exist within the district because the
37 plan does not provide for collection by the district of any portion
38 of property tax revenues allocated to any taxing entity other than
39 San Francisco, the district has no obligation to any other taxing
40 entity under this subdivision.

1 (ix) A statement that the district will maintain accounting
2 procedures in accordance, and otherwise comply, with Section
3 6306 of the Public Resources Code for the term of the plan.

4 (D) For a Pier 70 district only, an enhanced financing plan may
5 contain a provision meeting the requirements of Section 53396
6 that allocates a portion of the incremental tax revenue of San
7 Francisco and of other designated affected taxing entities to the
8 Pier 70 district. The portion of incremental tax revenue of San
9 Francisco to be allocated to the Pier 70 district must be equal to
10 the portion of the incremental tax revenue of the county ERAF
11 proposed to be committed to the Pier 70 district. In addition to all
12 other requirements under this section, a Pier 70 district shall also
13 be subject to the following additional limitations:

14 (i) A Pier 70 district subject to an enhanced financing plan shall
15 not be formed and become effective for at least three full fiscal
16 years following the effective date of this section.

17 (ii) Any enhanced financing plan shall contain all of the
18 following:

19 (I) A time limit on new ERAF-secured debt to finance the
20 district, which may not exceed 20 fiscal years from the fiscal year
21 in which any Pier 70 district subject to an enhanced financing plan
22 first issues debt. The ERAF-secured debt may be repaid over the
23 period of time ending on the time limit established under clause
24 (vi) of subparagraph (C). This time limit on new ERAF-secured
25 debt shall not prevent a Pier 70 district from subsequently
26 refinancing, refunding, or restructuring ERAF-secured debt if the
27 debt is not increased and the time during which the debt is to be
28 repaid is not extended beyond the time limit established under
29 clause (vi) of subparagraph (C).

30 (II) A statement that the Pier 70 district shall be subject to a
31 limitation on the number of dollars of the ERAF share that may
32 be divided and allocated to the Pier 70 district pursuant to an
33 enhanced financing plan, including any amendments to the plan,
34 which shall be established in consultation with the county auditor.
35 This limitation and a schedule specifying the amount of the ERAF
36 share that must be divided and allocated to the district in each
37 succeeding fiscal year until all ERAF-secured debt has been paid
38 shall be included in the statement of indebtedness that the Pier 70
39 district files for the 19th fiscal year after the fiscal year in which
40 any ERAF-secured debt is first issued. The ERAF share shall not

1 be divided and shall not be allocated to the Pier 70 district beyond
2 that limitation.

3 (III) The limitations established by subclauses (I) and (II) may
4 be amended only by amendment of this section. When the
5 ERAF-secured debt, if any, has been paid, all moneys thereafter
6 allocated to the ERAF share shall be paid into ERAF as taxes on
7 all other property are paid. In addition, beginning in the 21st fiscal
8 year after the fiscal year in which ERAF-secured debt is first
9 issued, any portion of the ERAF share in excess of the amount
10 required to meet the Pier 70 district's ERAF-secured debt service
11 obligations shall be paid into ERAF.

12 (E) Only for an America's Cup district and upon the condition
13 that San Francisco is the host city for the 34th America's Cup, an
14 enhanced financing plan may contain a provision meeting the
15 requirements of Section 53396 that allocates a portion of the
16 incremental tax revenue of San Francisco and of other designated
17 affected taxing entities to the America's Cup district. The
18 maximum portion of incremental tax revenue of San Francisco to
19 be allocated to the America's Cup district must be equal to the
20 portion of the incremental tax revenue of the county ERAF
21 proposed to be committed to the America's Cup district. In addition
22 to all other requirements under this section, an America's Cup
23 district shall also be subject to the following additional limitations:

24 (i) Any enhanced financing plan shall contain the following:

25 (I) A time limit on new ERAF-secured debt to finance the
26 district, which may not exceed 20 fiscal years from the fiscal year
27 in which any America's Cup district subject to an enhanced
28 financing plan first issues debt. The ERAF-secured debt may be
29 repaid over the period of time ending on the time limit established
30 under clause (vi) of subparagraph (C). This time limit on new
31 ERAF-secured debt shall not prevent an America's Cup district
32 from subsequently refinancing, refunding, or restructuring
33 ERAF-secured debt if the debt is not increased and the time during
34 which the debt is to be repaid is not extended beyond the time limit
35 established under clause (vi) of subparagraph (C).

36 (II) A statement that the America's Cup district will be subject
37 to a limitation on the number of dollars of the ERAF share that
38 may be divided and allocated to the America's Cup district pursuant
39 to the enhanced financing plan, including any amendments to the
40 plan, which shall be established in consultation with the county

1 auditor. This limitation and a schedule specifying the amount of
2 the ERAF share that must be divided and allocated to the district
3 in each succeeding fiscal year until all ERAF-secured debt has
4 been paid shall be included in the statement of indebtedness that
5 the America's Cup district files for the 19th fiscal year after the
6 fiscal year in which any ERAF-secured debt is first issued. The
7 ERAF share shall not be divided and shall not be allocated to the
8 America's Cup district beyond that limitation.

9 (III) The limitations established by clauses (I) and (II) may be
10 amended only by amendment of this section. When the
11 ERAF-secured debt, if any, has been paid, all moneys thereafter
12 allocated to the ERAF share shall be paid into ERAF as taxes on
13 all other property are paid. In addition, beginning in the 21st fiscal
14 year after the fiscal year in which ERAF-secured debt is first
15 issued, any portion of the ERAF share in excess of the amount
16 required to meet the America's Cup district's ERAF-secured debt
17 service obligations shall be paid into ERAF.

18 *(ii) (I) The board shall not adopt the resolution authorizing the*
19 *issuance of debt by an America's Cup district as authorized by*
20 *this section until the California Infrastructure and Economic*
21 *Development Bank has approved a fiscal analysis pursuant to this*
22 *clause. The board shall submit the fiscal analysis to the bank for*
23 *review and approval. The bank may circulate the fiscal analysis*
24 *to other state agencies, including, but not limited to, the*
25 *Department of Finance, the Department of Housing and*
26 *Community Development, and the Office of Planning and Research,*
27 *and solicit their comments and recommendations. After considering*
28 *the comments and recommendations of other state agencies, if*
29 *any, the bank shall either approve the fiscal analysis, if the bank*
30 *makes the finding required pursuant to this clause, or return the*
31 *fiscal analysis to the board with specific recommendations for*
32 *changes that would permit the bank to approve the fiscal analysis.*

33 *(II) The bank shall act pursuant to this clause within 30 days*
34 *from the receipt of the fiscal analysis. If the bank does not act*
35 *within 30 days, the fiscal analysis shall be deemed approved.*

36 *(III) In order for the bank to approve the fiscal analysis, the*
37 *bank shall make a finding that the fiscal analysis demonstrates to*
38 *the bank's reasonable satisfaction that a reasonable probability*
39 *exists that the economic activity proposed to occur as a result of*
40 *hosting the America's Cup event in California would result in an*

1 amount of revenue to the General Fund with a net present value
2 that is greater than the net present value of the amount of property
3 tax increment revenues that would be diverted from the Educational
4 Revenue Augmentation Fund (ERAF) over the term of the
5 America's Cup district, taking into consideration all pertinent
6 data. In reviewing the board's fiscal analysis, the bank shall
7 consider only those General Fund revenues that would occur
8 because of economic activity proposed to occur as a result of
9 hosting the America's Cup event in California. The bank shall not
10 consider those General Fund revenues that would have occurred
11 if the America's Cup event were not held in California.

12 (4) The proposed infrastructure financing plan and
13 environmental document for that plan required pursuant to the
14 California Environmental Quality Act (Division 13 (commencing
15 with Section 21000) of the Public Resources Code) shall be mailed
16 to each affected taxing entity for review, and shall be made
17 available for public inspection.

18 ~~(4)~~

19 (5) Except as provided in subdivision (i), the board shall not
20 enact a resolution proposing formation of a district and providing
21 for the division of taxes of any affected taxing entities for use in
22 a Pier 70 district or an America's Cup district, as applicable, as
23 set forth in the proposed infrastructure financing plan unless a
24 resolution approving the plan has been adopted by the governing
25 body of each affected taxing entity that is proposed to be subject
26 to division of taxes as set forth in the proposed infrastructure
27 financing plan, and that resolution has been filed with the board
28 at or prior to the time of the hearing. A resolution approving the
29 plan adopted by the governing body of an affected taxing entity
30 shall be deemed the affected taxing entity's agreement to participate
31 in the plan for the purposes of Section 53395.19.

32 ~~(5)~~

33 (6) If the governing body of an affected taxing entity has not
34 approved the infrastructure financing plan before the board
35 considers the plan, the board may amend the infrastructure
36 financing plan to remove the allocation of the tax revenues of the
37 nonconsenting affected taxing entity. If a plan is so amended, the
38 plan also shall be amended to provide that San Francisco will
39 allocate to the Pier 70 district, or an America's Cup district, as
40 applicable, funds equal on a dollar-for-dollar basis to the tax

1 revenues that the Pier 70 district, or an America’s Cup district, as
2 applicable, would have received from the allocation of tax revenues
3 of the affected taxing entity that is removed from the plan.

4 ~~(6)~~

5 (7) The board shall hold a public hearing regarding the
6 infrastructure financing plan that shall be scheduled on a date no
7 earlier than 60 days after the plan has been sent to each affected
8 taxing entity, or in the absence of any affected taxing entities, no
9 earlier than 30 days after the plan has been lodged with the clerk
10 of the board. Notice of the public hearing must be published not
11 less than once a week for four successive weeks in a newspaper
12 designated by the board for the publication of official notices in
13 San Francisco, or if the board no longer designates a newspaper
14 for the publication of official notices, a newspaper of general
15 circulation serving primarily San Francisco residents. The notice
16 shall state that the district will be established to finance public
17 facilities, briefly describe the public facilities and the proposed
18 financial arrangements, including the proposed commitment of
19 incremental tax revenue, describe the boundaries of the proposed
20 district, and state the day, hour, and place when and where any
21 persons having any objections to the proposed infrastructure
22 financing plan, or the regularity of any of the previous proceedings,
23 may appear before the board and object to the adoption of the
24 proposed infrastructure financing plan by the board.

25 ~~(7)~~

26 (8) At the hour set in the required notices, the board shall
27 proceed to hear and pass upon all written and oral objections. The
28 hearing may be continued from time to time. The board shall
29 consider any recommendations of affected taxing entities, and all
30 evidence and testimony for and against the adoption of the
31 infrastructure financing plan.

32 ~~(8)~~

33 (9) No election will be required to form the district, and at the
34 conclusion of the hearing, the board may adopt an ordinance
35 adopting the infrastructure financing plan, as drafted or as modified
36 by the board, or it may abandon the proceedings.

37 ~~(9)~~

38 (10) Any public or private owner of land that is not within an
39 existing district, but that has any boundary line contiguous to a
40 boundary of the waterfront district, may petition the board for

1 inclusion of the land in the waterfront district without an election.
2 As a condition to inclusion of its land in the waterfront district,
3 the petitioning landowner shall acknowledge and agree that any
4 portion of the land within 100 feet of the San Francisco Bay
5 Conservation and Development Commission shoreline (shoreline
6 band) will include contiguous public access along the length of
7 the shoreline band, improved and maintained to standards equal
8 to adjacent waterfront public access ways on public land, as
9 certified by the San Francisco Bay Conservation and Development
10 Commission. Nothing in this section is intended to affect or limit
11 the authority of the San Francisco Bay Conservation and
12 Development Commission pursuant to Chapter 1 (commencing
13 with Section 66600) of Title 7.2, or any other law. This procedure
14 will apply to any petition to include the Mirant site in the Pier 70
15 district, but the board may amend the Pier 70 financing plan to
16 include the Mirant site in the Pier 70 district only after the Director
17 of Finance’s approval.

18 ~~(10)~~

19 (11) The ordinance creating a district and adopting or amending
20 an infrastructure financing plan shall establish the base year for
21 the district. The board may amend an infrastructure financing plan
22 by ordinance to divide an established district into one or more
23 project areas, to reduce the district area, or, to expand a waterfront
24 district to include the petitioning landowner’s land in the district
25 in accordance with the board’s established procedures. Any
26 ordinance adopting or amending an infrastructure financing plan
27 will be deemed an ordinance adopted for the purposes of Section
28 53395.23.

29 (h) (1) All the amounts calculated under this subdivision shall
30 be calculated after deducting the waterfront set-aside from the total
31 amount of tax increment funds allocated to a district in the
32 applicable fiscal year. The payments made under this subdivision
33 to the affected taxing entities shall be allocated among the affected
34 taxing entities in proportion to the percentage share of property
35 taxes each affected taxing entity receives during the fiscal year the
36 funds are allocated. The percentage share shall be determined
37 without regard to any amounts allocated to a city, county, or city
38 and county under Sections 97.68 and 97.70 of the Revenue and
39 Taxation Code.

1 (2) (A) Prior to incurring any debt, except loans or advances
 2 from San Francisco, a district may subordinate to the debt the
 3 amount required to be paid to an affected taxing entity under this
 4 subdivision, if any, provided the affected taxing entity has approved
 5 these subordinations as provided in this paragraph.

6 (B) At the time the district requests an affected taxing entity to
 7 subordinate the amount to be paid to it, the district shall provide
 8 the affected taxing entity with substantial evidence that sufficient
 9 funds will be available to pay when due both the debt service on
 10 the debt and the payments to the affected taxing entity required
 11 under this subdivision.

12 (C) Within 45 days after receipt of the district’s request, the
 13 affected taxing entity shall approve or disapprove the request for
 14 subordination. An affected taxing entity may disapprove a request
 15 for subordination only if it finds, based upon substantial evidence,
 16 that the district will not be able to pay when due the debt payments
 17 and the amount required to be paid to the affected taxing entity.
 18 If the affected taxing entity does not act within 45 days after receipt
 19 of the district’s request, the request to subordinate shall be deemed
 20 approved and its deemed approval shall be final and conclusive.

21 (3) The Legislature finds and declares all of the following:

22 (A) The payments to be made under this subdivision are
 23 necessary in order to alleviate the financial burden and detriment
 24 that affected taxing entities may incur as a result of the adoption
 25 of an infrastructure financing plan, and payments made under this
 26 subdivision will benefit the district.

27 (B) The payments to be made under this subdivision are the
 28 exclusive payments that are required to be made by a district to
 29 affected taxing entities during the term of an infrastructure
 30 financing plan.

31 (i) The portion of taxes required to be allocated to a Pier 70
 32 district, or an America’s Cup district, as applicable, under a duly
 33 adopted infrastructure financing plan shall be allocated and paid
 34 to the district by the county auditor or officer responsible for the
 35 payment of taxes into the funds of the respective taxing entities
 36 under the procedure contained in this subdivision. If the approved
 37 plan allocates to a Pier 70 district, or an America’s Cup district,
 38 as applicable, 100 percent of the incremental tax revenue of San
 39 Francisco, then the district shall not make a payment to ERAF,
 40 but if the plan allocates less than 100 percent of the incremental

1 tax revenue of San Francisco to a Pier 70 district, or an America's
2 Cup district, as applicable, then the district shall pay a proportionate
3 share of incremental tax revenue into ERAF.

4 (1) No later than October 1 of each year, for each district for
5 which the infrastructure financing plan provides for the division
6 of taxes, the district shall file with the county auditor or officer a
7 statement of indebtedness and a reconciliation statement for the
8 previous fiscal year certified by the chief financial officer of the
9 district.

10 (2) Each statement of indebtedness shall contain all of the
11 following:

12 (A) For each debt the district has incurred or entered into, all
13 of the following:

14 (i) The date the district incurred or entered into the debt.

15 (ii) The principal amount, term, purpose, interest rate, and total
16 interest payable over the term of the debt.

17 (iii) The principal amount and interest due in the fiscal year in
18 which the statement is filed.

19 (iv) The total amount of principal and interest remaining to be
20 paid over the term of the debt.

21 (B) The sum of the principal and interest due on all debts in the
22 fiscal year in which the statement is filed.

23 (C) The sum of principal and interest remaining to be paid on
24 all debts.

25 (D) The available revenues as of the end of the previous fiscal
26 year.

27 (3) The district may estimate the amount of principal or interest,
28 the interest rate, or term of any debt if the nature of the debt is
29 such that the amount of principal or interest, the interest rate or
30 term cannot be precisely determined. The district may list on a
31 statement of indebtedness any debt incurred or entered into on or
32 before the date the statement is filed.

33 (4) Each reconciliation statement shall include all of the
34 following:

35 (A) A list of all debts listed on the previous year's statement of
36 indebtedness, if any.

37 (B) A list of all debts not listed on the previous year's statement
38 of indebtedness, but incurred or entered into in the previous year
39 and paid in whole or in part from incremental tax revenue received
40 by the district. This listing may aggregate into a single item debts

1 incurred or entered into in the previous year for a particular
2 purpose, such as relocation expenses, administrative expenses,
3 consultant expenses, or remediation of hazardous materials.
4 (C) For each debt described in subparagraph (A) or (B), all of
5 the following shall be included:
6 (i) 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 debt was incurred or entered into.
9 (ii) Any increases or additions to the debt occurring during the
10 previous year.
11 (iii) The amount paid on the debt in the previous year from
12 incremental tax revenue received by the district.
13 (iv) The amount paid on the debt in the previous year from
14 revenue other than incremental tax revenue received by the district.
15 (v) The total amount of principal and interest remaining to be
16 paid as of the end of the previous fiscal year.
17 (D) The available revenues of the district as of the beginning
18 of the previous fiscal year.
19 (E) The amount of incremental tax revenue received by the
20 district in the previous fiscal year.
21 (F) The amount of available revenue received by the district in
22 the previous fiscal year other than incremental tax revenue.
23 (G) The sum of the amounts paid on all debts from sources other
24 than incremental tax revenue, to the extent that the amounts are
25 not included as available revenues under subparagraph (F).
26 (H) The sum of the amounts specified in subparagraphs (D) to
27 (G), inclusive.
28 (I) The sum of the amounts specified in clauses (iii) and (iv) of
29 subparagraph (C) of paragraph (4).
30 (J) The amount determined by subtracting the amount
31 determined under subparagraph (I) from the amount determined
32 under subparagraph (H). The amount determined under this
33 paragraph shall be the available revenues as of the end of the
34 previous fiscal year to be reported in the statement of indebtedness.
35 (5) For the purposes of this paragraph, available revenues shall
36 include all cash or cash equivalents held by the district that were
37 received by the district under subparagraph (D) of paragraph (3)
38 of subdivision (g) and all cash or cash equivalents held by the
39 district that are irrevocably pledged or restricted to payment of a
40 debt that the district has listed on a statement of indebtedness. In

1 no event shall available revenues include funds allocated to the
2 waterfront set aside.

3 (6) For the purposes of this subdivision: (A) the amount a district
4 is required to deposit into the waterfront set aside shall constitute
5 an indebtedness of the district, (B) no debt that a district intends
6 to pay from the waterfront set aside shall be listed on a statement
7 of indebtedness or reconciliation statement as a debt of the district,
8 and (C) any statutorily authorized deficit in or borrowing from
9 funds in the waterfront set aside shall constitute an indebtedness
10 of the district.

11 (7) The county auditor or officer shall allocate and pay, at the
12 same time or times as the payment of taxes into the funds of the
13 respective taxing agencies of the county, the portion of incremental
14 tax revenues allocated to each district under the infrastructure
15 financing plan. The amount allocated and paid shall not exceed
16 the amount of the district's remaining debt obligations, as
17 determined under subparagraph (C) of paragraph (2), minus the
18 amount of available revenues as of the end of the previous fiscal
19 year, as determined under subparagraph (D) of paragraph (2).

20 (8) The statement of indebtedness constitutes prima facie
21 evidence of the debts of the district.

22 (A) If the county auditor or other officer disputes the amount
23 of the district's debts as shown on the statement of indebtedness,
24 the county auditor or other officer, within 30 days after receipt of
25 the statement, shall give written notice to the district thereof.

26 (B) The district, within 30 days after receipt of notice under
27 subparagraph (A), shall submit any further information it deems
28 appropriate to substantiate the amount of any debt that has been
29 disputed. If the county auditor or other officer still disputes the
30 amount of debt, final written notice of that dispute shall be given
31 to the district, and the amount disputed may be withheld from
32 allocation and payment to the district as otherwise required by
33 paragraph (7). In that event, the auditor or other officer shall bring
34 an action in the superior court for declaratory relief to determine
35 the matter no later than 90 days after the date of the final notice.

36 (C) In any court action brought under this paragraph, the issue
37 shall involve only the amount of debt, and not the validity of any
38 contract or debt instrument or any expenditures pursuant thereto.
39 Payments to a trustee under a bond resolution or indenture of any
40 kind or payments to a public agency in connection with payments

1 by that public agency under a lease or bond issue shall not be
2 disputed in any action under this paragraph. The matter shall be
3 set for trial at the earliest possible date and shall take precedence
4 over all other cases except older matters of the same character.
5 Unless an action is brought within the time provided for herein,
6 the auditor or other officer shall allocate and pay the amount shown
7 on the statement of indebtedness as provided in paragraph (7).

8 (D) Nothing in this subdivision shall be construed to permit a
9 challenge to or attack on matters precluded from challenge or
10 attack by reason of Sections 53395.6 and 53395.7. However,
11 nothing in this subdivision shall be construed to deny a remedy
12 against the district otherwise provided by law.

13 (E) The Controller shall prescribe uniform forms consistent
14 with this subdivision for a district's statement of indebtedness and
15 reconciliation statement. In preparing these forms, the Controller
16 shall obtain the input of the San Francisco City Controller, the San
17 Francisco Tax Collector, and the port.

18 (F) For the purposes of this subdivision, a fiscal year shall be a
19 year that begins on July 1 and ends the following June 30.

20 (j) (1) Prior to the adoption by the board of an infrastructure
21 financing plan providing for tax increment financing under
22 subparagraph (D) or (E) of paragraph (3) of subdivision (g), any
23 affected taxing entity may elect to be allocated, and every local
24 educational agency shall be allocated, all or any portion of the tax
25 revenues allocated to the district under subparagraph (D) or (E)
26 of paragraph (3) of subdivision (g) attributable to increases in the
27 rate of tax imposed for the benefit of the taxing entity which levy
28 occurs after the tax year in which the ordinance adopting the
29 infrastructure financing plan becomes effective.

30 (2) The governing body of any affected taxing entity electing
31 to receive allocation of taxes under this subdivision shall adopt a
32 resolution to that effect and transmit the same, prior to the adoption
33 of the infrastructure financing plan, to (A) the board, (B) the
34 district, and (C) the official or officials performing the functions
35 of levying and collecting taxes for the affected taxing entity. Upon
36 receipt by the official or officials of the resolution, allocation of
37 taxes under this section to the affected taxing entity shall be made
38 at the time or times allocations are made under subdivision (a) of
39 Section 33670 of the Health and Safety Code.

1 (3) An affected taxing entity, at any time after the adoption of
2 the resolution, may elect not to receive all or any portion of the
3 additional allocation of taxes under this section by rescinding the
4 resolution or by amending the same, as the case may be, and giving
5 notice thereof to the board, the district, and the official or officials
6 performing the functions of levying and collecting taxes for the
7 affected taxing entity. After receipt of a notice by the official or
8 officials that an affected taxing entity has elected not to receive
9 all or a portion of the additional allocation of taxes by rescission
10 or amendment of the resolution, any allocation of taxes to the
11 affected taxing entity required to be made under this section shall
12 not thereafter be made but shall be allocated to the district. After
13 receipt of a notice by the official or officials that an affected taxing
14 entity has elected to receive additional tax revenues attributable
15 to only a portion of the increases in the rate of tax, only that portion
16 of the tax revenues shall thereafter be allocated to the affected
17 taxing entity, and the remaining portion thereof shall be allocated
18 to the district.

19 (k) This section implements and fulfills the intent of Article 2
20 (commencing with Section 53395.10) and of Article XIII B and
21 Section 16 of Article XVI of the California Constitution. The
22 allocation and payment to a district of the portion of taxes specified
23 in subparagraph (D) or (E) of paragraph (3) of subdivision (g) for
24 the purpose of paying principal of, or interest on, loans, advances,
25 or indebtedness incurred for facilities under this section shall not
26 be deemed the receipt by a district of proceeds of taxes levied by
27 or on behalf of the district within the meaning or for the purposes
28 of Article XIII B of the California Constitution, nor shall such
29 portion of taxes be deemed receipt of proceeds of taxes by, or an
30 appropriation subject to limitation of, any other public body within
31 the meaning or for purposes of Article XIII B of the California
32 Constitution or any statutory provision enacted in implementation
33 of Article XIII B. The allocation and payment to a district of this
34 portion of taxes shall not be deemed the appropriation by a district
35 of proceeds of taxes levied by or on behalf of a district within the
36 meaning or for purposes of Article XIII B of the California
37 Constitution.

38 SEC. 4. Section 96.1 of the Revenue and Taxation Code is
39 amended to read:

1 96.1. (a) Except as otherwise provided in Article 3
2 (commencing with Section 97), and in Article 4 (commencing with
3 Section 98), for the 1980–81 fiscal year and each fiscal year
4 thereafter, property tax revenues shall be apportioned to each
5 jurisdiction pursuant to this section and Section 96.2 by the county
6 auditor, subject to allocation and payment of funds as provided
7 for in subdivision (b) of Section 33670 of the Health and Safety
8 Code and subparagraphs (D) and (E) of paragraph (3) of
9 subdivision (g) of Section 53395.8 of the Government Code, to
10 each jurisdiction in the following manner:

11 (1) For each tax rate area, each jurisdiction shall be allocated
12 an amount of property tax revenue equal to the amount of property
13 tax revenue allocated pursuant to this chapter to each jurisdiction
14 in the prior fiscal year, modified by any adjustments required by
15 Section 99 or 99.02.

16 (2) The difference between the total amount of property tax
17 revenue and the amounts allocated pursuant to paragraph (1) shall
18 be allocated pursuant to Section 96.5, and shall be known as the
19 “annual tax increment.”

20 (3) For purposes of this section, the amount of property tax
21 revenue referred to in paragraph (1) shall not include amounts
22 generated by the increased assessments under Chapter 3.5
23 (commencing with Section 75).

24 (b) Any allocation of property tax revenue that was subjected
25 to a prior completed audit by the Controller, pursuant to the
26 requirements of Section 12468 of the Government Code, where
27 all findings have been resolved, shall be deemed correct.

28 (c) (1) Guidelines for legislation implementation issued and
29 determined necessary by the State Association of County Auditors,
30 and when adopted as regulations by either the Controller or the
31 Department of Finance pursuant to Chapter 3.5 (commencing with
32 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
33 Code, shall be considered an authoritative source deemed correct
34 until some future clarification by legislation or court decision.

35 (2) If a county auditor knowingly does not follow the guidelines
36 referred to in paragraph (1), that county auditor shall inform the
37 Controller of the reason or reasons for not following the guidelines.
38 If the Controller disagrees with the stated reason or reasons for
39 not following the guidelines, the provisions of paragraph (3) do
40 not apply.

1 (3) If, by audit begun on or after July 1, 2001, or discovery by
2 an entity on or after July 1, 2001, it is determined that an allocation
3 method is required to be adjusted and a reallocation is required for
4 previous fiscal years, the cumulative reallocation or adjustment
5 may not exceed 1 percent of the total amount levied at a 1-percent
6 rate of the current year's original secured tax roll. The reallocation
7 shall be completed in equal increments within the following three
8 fiscal years, or as negotiated with the Controller in the case of
9 reallocation to the Educational Revenue Augmentation Fund or
10 school entities.

11 (4) If it is determined that an allocation method is required to
12 be adjusted as provided in paragraph (3), the county auditor shall,
13 in the fiscal year following the fiscal year in which this
14 determination is made, correct the allocation method in accordance
15 with statute.

16 SEC. 5. The Legislature finds and declares that a special law
17 is necessary and that a general law cannot be made applicable
18 within the meaning of Section 16 of Article IV of the California
19 Constitution because of the unique circumstances of the City and
20 County of San Francisco. The facts constituting the special
21 circumstances are: areas of San Francisco, including certain
22 portions of the San Francisco waterfront, are characterized by
23 deteriorating conditions that cannot be remedied by private
24 investment alone, and require the use of public financing
25 mechanisms to finance the rectification of deteriorating conditions.

26 SEC. 6. *Section 53395.8 of the Government Code, as added*
27 *by Chapter 664 of the Statutes of 2010, shall not become operative*
28 *if this bill and Assembly Bill 1199 of the 2009–10 Regular Session*
29 *are both enacted on or before January 1, 2011, and this bill is*
30 *enacted after Assembly Bill 1199.*

31 ~~SEC. 6.~~

32 SEC. 7. This act is an urgency statute necessary for the
33 immediate preservation of the public peace, health, or safety within
34 the meaning of Article IV of the Constitution and shall go into
35 immediate effect. The facts constituting the necessity are:

36 To assist the City and County of San Francisco in making a
37 timely bid to host the 34th America's Cup and otherwise assist in

- 1 promoting economic development, it is necessary for this bill to
- 2 go into immediate effect.

O