

Assembly Bill No. 936

CHAPTER 226

An act to add Article 4.4 (commencing with Section 33354.7) to Chapter 4 of Part 1 of Division 24 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor September 6, 2011. Filed with
Secretary of State September 6, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 936, Hueso. Redevelopment: debt forgiveness.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law requires the agencies, among other things, to comply with public hearing and notice requirements relating to, among other things, the adoption and amendment of redevelopment plans, the expenditure of funds, and the financing of projects.

This bill would require an agency or public body to adopt a resolution stating its intention to forgive the repayment of a loan, advance, or indebtedness owed by a public body to the agency or an agency to the public body prior to repayment forgiveness, as specified. The bill would also require the agency or public body, on or before February 1, 2012, to adopt a resolution declaring whether it has forgiven the repayment of a loan, advance, or indebtedness owed by a public body or an agency to the public body during a specified period.

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

SECTION 1. Article 4.4 (commencing with Section 33354.7) is added to Chapter 4 of Part 1 of Division 24 of the Health and Safety Code, to read:

Article 4.4. Forgiveness of Debts and Loan

33354.7. (a) Before an agency or a public body forgives the repayment, wholly or partially, of a loan, advance, or indebtedness that is owed by a public body to the agency or an agency to the public body, the agency or public body forgiving the repayment shall adopt a resolution that states its intention to forgive the repayment.

(b) The resolution shall specify all of the following:

- (1) The name of the public body or agency.
- (2) The amount of the proposed forgiveness.
- (3) The terms of the loan, advance, or indebtedness.

- (4) The fiscal effect of the proposed forgiveness on the public body.
- (5) The fiscal effect of the proposed forgiveness on the agency.
- (6) The date on which the agency or public body intends to act on the proposed forgiveness which shall be no less than 15 days after the adoption of the resolution.

(c) The adoption of the resolution and the action that forgives repayment shall not be placed on the agency's or public body's consent calendar, but shall be adopted by a recorded rollcall vote.

33354.8. (a) On or before February 1, 2012, an agency or public body shall adopt a resolution that declares whether or not it has forgiven, during the period of time commencing January 1, 2010, through December 31, 2011, the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed by a public body to the agency or an agency to the public body.

(b) The resolution shall specify all of the following:

- (1) The name of the public body or agency.
- (2) The amount of the forgiveness.
- (3) The terms of the loan, advance, or indebtedness.
- (4) The fiscal effect of the proposed forgiveness on the public body.
- (5) The fiscal effect of the proposed forgiveness on the agency.

(c) No less than 10 days after the adoption of the resolution, the agency or public body shall transmit a copy of the resolution to the legislative body and the Controller.