

AMENDED IN ASSEMBLY JUNE 3, 2011

AMENDED IN ASSEMBLY MAY 27, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1250

**Introduced by Assembly Members Alejo, Lara, Perea, and V.
Manuel Pérez**

(Principal coauthor: Senator Wright)

**(Coauthors: Assembly Members Allen, Campos, Carter, Davis,
Galgiani, Hall, Bonnie Lowenthal, Mendoza, and Solorio)**

(Coauthor: Senator De León)

February 18, 2011

An act to amend Sections 33080.3, 33080.6, 33320.1, 33334.2, 33353.2, 33367, 33426.5, 33488, 33601, 33610, and 33670 of, to add Sections 33080.14, 33444.7, 33444.8, 33491, 33607.9, and 33675.1 to, and to add Article 6.5 (commencing with Section 33679.1) to Chapter 6 of Part 1 of Division 24 of, the Health and Safety Code, relating to redevelopment, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1250, as amended, Alejo. Redevelopment.

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in blighted areas in those communities known as project areas. Existing law requires that each redevelopment agency submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body and to additionally

present an annual report to the legislative body containing specified information.

This bill would impose new requirements on the agency with respect to implementation plans and evidentiary standards and expand existing prohibitions on agency direct assistance to certain projects.

The bill would require the Controller, on or before January 1, 2013, to issue regulations revising and consolidating reporting for redevelopment agencies and to develop a simple, uniform, and consistent methodology for the calculation, payment, and reporting of passthrough payments. The bill would also require the Controller to review and revise the guidelines adopted for the content of the final report at least every 5 years, as specified. The bill would also transfer certain reporting requirements from the Department of Housing and Community Development to the Controller, as specified, and require that agencies send certain notifications to the Controller in addition to sending the notifications to the department. The bill would require that the department develop guidelines establishing standards to evaluate agency performance.

(2) The California Constitution authorizes a redevelopment agency to receive funding through tax increment revenues attributable to increases in assessed property tax valuation of property in a project area due to redevelopment. Existing law prescribes the procedure by which the tax increment revenue is allocated.

The bill would establish an alternate procedure by which tax increment revenue is allocated for purposes of redevelopment plans adopted on or after January 1, 2012, and for any new territory added to a redevelopment plan that was adopted prior to January 1, 2012, but amended after January 1, 2012, to add new territory. Specifically, the procedure would require that tax increment revenue transferred to an agency exclude any funds considered educational entity property tax revenues, as prescribed.

(3) The bill would authorize an agency to loan or grant funds for projects relating to energy efficiency. The bill would also authorize an agency to provide direct assistance, as described, to businesses within project areas for industrial or manufacturing uses or similar uses of statewide benefit.

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

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 33080.3 of the Health and Safety Code
2 is amended to read:

3 33080.3. The Controller shall develop and periodically revise
4 the guidelines for the content of the report required by Section
5 33080.1. The Controller shall appoint an advisory committee to
6 advise in the development of the guidelines. The advisory
7 committee shall include representatives from among those persons
8 nominated by the department, the Legislative Analyst, the
9 California Society of Certified Public Accountants, the California
10 Redevelopment Association, and any other authorities in the field
11 that the Controller deems necessary and appropriate. The Controller
12 shall review and revise the guidelines at least every five years,
13 following consultation with the advisory committee.

14 SEC. 2. Section 33080.6 of the Health and Safety Code is
15 amended to read:

16 33080.6. (a) On or before May 1 of each year, the Controller
17 shall compile and publish annual reports of the activities of
18 redevelopment agencies for the previous fiscal year, based on the
19 information reported pursuant to subdivision (c) of Section 33080.1
20 and reporting the types of findings made by agencies pursuant to
21 paragraph (1), (2), or (3) of subdivision (a) of Section 33334.2,
22 including the date of the findings. The Controller's compilation
23 shall also report on the project area mergers reported pursuant to
24 Section 33488. The Controller shall publish this information for
25 each project area of each redevelopment agency. The first report
26 published pursuant to this section shall be for the 2013–14 fiscal
27 year.

28 (b) Changes to this section made by the act amending this
29 section shall take effect on January 1, 2013.

30 SEC. 3. Section 33080.14 is added to the Health and Safety
31 Code, to read:

32 33080.14. (a) On or before January 1, 2013, the department
33 shall develop guidelines establishing specific measures and
34 standards to evaluate redevelopment agency performance in
35 specific areas, including the following:

36 (1) A uniform method of calculating and reporting job creation
37 and retention.

1 (2) Standards for measuring the efficiency and effectiveness of
2 expenditures for affordable housing.

3 (3) Standards for measuring and reducing poverty levels in
4 project areas.

5 (4) Standards for measuring and reducing crime in project areas.

6 (5) Methods for measuring reductions in vehicle miles traveled
7 accomplished through redevelopment projects, including, but not
8 limited to, assistance provided to infill and transit oriented
9 development.

10 (6) Standards for reporting on brownfield cleanup and hazardous
11 waste mitigation.

12 (b) The department shall appoint an advisory committee to assist
13 and advise in the development of the guidelines required by this
14 section. The advisory committee shall include representatives with
15 demonstrated expertise in redevelopment, local government metrics
16 that measure any one or more of the standards described above,
17 or any other fields of study that the department deems necessary
18 and appropriate.

19 (c) Commencing with the 2013–14 fiscal year, the annual report
20 required by Section 33080.1 shall include a discussion of the
21 redevelopment agency’s performance based on the guidelines
22 prepared by the department pursuant to this section.

23 SEC. 4. Section 33320.1 of the Health and Safety Code is
24 amended to read:

25 33320.1. (a) “Project area” means, except as provided in
26 Section 33320.2, 33320.3, 33320.4, or 33492.3, a predominantly
27 urbanized area of a community that is a blighted area, the
28 redevelopment of which is necessary to effectuate the public
29 purposes declared in this part, and that is selected by the planning
30 commission pursuant to Section 33322.

31 (b) As used in this section, “predominantly urbanized” means
32 that not less than 80 percent of the land in the project area is either
33 of the following:

34 (1) Has been or is developed for urban uses.

35 (2) Is an integral part of one or more areas developed for urban
36 uses that are surrounded or substantially surrounded by parcels
37 that have been or are developed for urban uses. Parcels separated
38 by only an improved right-of-way shall be deemed adjacent for
39 the purpose of this subdivision. Parcels that are not blighted shall
40 not be included in the project area for the purpose of obtaining the

1 allocation of taxes from the area pursuant to Section 33670 without
2 other substantial justification for their inclusion.

3 (c) For the purposes of this section, a parcel of property as
4 shown on the official maps of the county assessor is developed if
5 that parcel is developed in a manner that is consistent with zoning
6 standards or is otherwise permitted under law.

7 (d) Except for a redevelopment plan or plan amendment to add
8 territory to a project area pursuant to Chapter 4.5 (commencing
9 with Section 33492), a redevelopment plan or plan amendment to
10 add territory to a project area shall not be adopted by a community
11 if the proposed project area or area to be added by plan amendment,
12 when aggregated with all other existing project areas within the
13 community, would result in having (1) 25 percent of a city's or
14 city and county's total land area included within the combined
15 redevelopment project areas or (2) 10 percent of a county's total
16 unincorporated land area included within redevelopment project
17 areas. The limitations contained in this subdivision shall apply
18 only to a project area for which a final redevelopment plan is
19 adopted on or after January 1, 2012, or to an area that is added to
20 a project area by an amendment to a redevelopment plan, which
21 amendment is adopted on or after January 1, 2012.

22 (e) The requirement that a project be predominantly urbanized
23 shall apply only to a project area for which a final redevelopment
24 plan is adopted on or after January 1, 1984, or to an area that is
25 added to a project area by an amendment to a redevelopment plan,
26 which amendment is adopted on or after January 1, 1984.

27 SEC. 5. Section 33334.2 of the Health and Safety Code is
28 amended to read:

29 33334.2. (a) Except as provided in subdivision (k), not less
30 than 20 percent of all taxes that are allocated to the agency pursuant
31 to Section 33670 shall be used by the agency for the purposes of
32 increasing, improving, and preserving the community's supply of
33 low- and moderate-income housing available at affordable housing
34 cost, as defined by Section 50052.5, to persons and families of
35 low or moderate income, as defined in Section 50093, lower
36 income households, as defined by Section 50079.5, very low
37 income households, as defined in Section 50105, and extremely
38 low income households, as defined by Section 50106, that is
39 occupied by these persons and families, unless one of the following
40 findings is made annually by resolution:

1 (1) (A) That no need exists in the community to improve,
2 increase, or preserve the supply of low- and moderate-income
3 housing, including housing for very low income households in a
4 manner that would benefit the project area and that this finding is
5 consistent with the housing element of the community's general
6 plan required by Article 10.6 (commencing with Section 65580)
7 of Chapter 3 of Division 1 of Title 7 of the Government Code,
8 including its share of the regional housing needs of very low
9 income households and persons and families of low or moderate
10 income.

11 (B) This finding shall only be made if the housing element of
12 the community's general plan demonstrates that the community
13 does not have a need to improve, increase, or preserve the supply
14 of low- and moderate-income housing available at affordable
15 housing cost to persons and families of low or moderate income
16 and to very low income households. This finding shall only be
17 made if it is consistent with the planning agency's annual report
18 to the legislative body on implementation of the housing element
19 required by subdivision (b) of Section 65400 of the Government
20 Code. No agency of a charter city shall make this finding unless
21 the planning agency submits the report pursuant to subdivision (b)
22 of Section 65400 of the Government Code. This finding shall not
23 take effect until the agency has complied with subdivision (b) of
24 this section.

25 (2) (A) That some stated percentage less than 20 percent of the
26 taxes that are allocated to the agency pursuant to Section 33670
27 is sufficient to meet the housing needs of the community, including
28 its share of the regional housing needs of persons and families of
29 low- or moderate-income and very low income households, and
30 that this finding is consistent with the housing element of the
31 community's general plan required by Article 10.6 (commencing
32 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
33 Government Code.

34 (B) This finding shall only be made if the housing element of
35 the community's general plan demonstrates that a percentage of
36 less than 20 percent will be sufficient to meet the community's
37 need to improve, increase, or preserve the supply of low- and
38 moderate-income housing available at affordable housing cost to
39 persons and families of low or moderate income and to very low
40 income households. This finding shall only be made if it is

1 consistent with the planning agency’s annual report to the
2 legislative body on implementation of the housing element required
3 by subdivision (b) of Section 65400 of the Government Code. No
4 agency of a charter city shall make this finding unless the planning
5 agency submits the report pursuant to subdivision (b) of Section
6 65400 of the Government Code. This finding shall not take effect
7 until the agency has complied with subdivision (b) of this section.

8 (C) For purposes of making the findings specified in this
9 paragraph and paragraph (1), the housing element of the general
10 plan of a city, county, or city and county shall be current, and shall
11 have been determined by the department pursuant to Section 65585
12 to be in substantial compliance with Article 10.6 (commencing
13 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
14 Government Code.

15 (3) (A) That the community is making a substantial effort to
16 meet its existing and projected housing needs, including its share
17 of the regional housing needs, with respect to persons and families
18 of low and moderate income, particularly very low income
19 households, as identified in the housing element of the
20 community’s general plan required by Article 10.6 (commencing
21 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
22 Government Code, and that this effort, consisting of direct financial
23 contributions of local funds used to increase and improve the
24 supply of housing affordable to, and occupied by, persons and
25 families of low or moderate income and very low income
26 households is equivalent in impact to the funds otherwise required
27 to be set aside pursuant to this section. In addition to any other
28 local funds, these direct financial contributions may include federal
29 or state grants paid directly to a community and that the community
30 has the discretion of using for the purposes for which moneys in
31 the Low and Moderate Income Housing Fund may be used. The
32 legislative body shall consider the need that can be reasonably
33 foreseen because of displacement of persons and families of low
34 or moderate income or very low income households from within,
35 or adjacent to, the project area, because of increased employment
36 opportunities, or because of any other direct or indirect result of
37 implementation of the redevelopment plan. No finding under this
38 subdivision may be made until the community has provided or
39 ensured the availability of replacement dwelling units as defined

1 in Section 33411.2 and until it has complied with Article 9
2 (commencing with Section 33410).

3 (B) In making the determination that other financial
4 contributions are equivalent in impact pursuant to this subdivision,
5 the agency shall include only those financial contributions that are
6 directly related to programs or activities authorized under
7 subdivision (e).

8 (C) The authority for making the finding specified in this
9 paragraph shall expire on June 30, 1993, except that the expiration
10 shall not be deemed to impair contractual obligations to
11 bondholders or private entities incurred prior to May 1, 1991, and
12 made in reliance on the provisions of this paragraph. Agencies that
13 make this finding after June 30, 1993, shall show evidence that
14 the agency entered into the specific contractual obligation with
15 the specific intention of making a finding under this paragraph in
16 order to provide sufficient revenues to pay off the indebtedness.

17 (b) Within 10 days following the making of a finding under
18 either paragraph (1) or (2) of subdivision (a), the agency shall send
19 the department and the Controller a copy of the finding, including
20 the factual information supporting the finding and other factual
21 information in the housing element that demonstrates that either
22 (1) the community does not need to increase, improve, or preserve
23 the supply of housing for low- and moderate-income households,
24 including very low income households, or (2) a percentage less
25 than 20 percent will be sufficient to meet the community's need
26 to improve, increase, and preserve the supply of housing for low-
27 and moderate-income households, including very low income
28 households. Within 10 days following the making of a finding
29 under paragraph (3) of subdivision (a), the agency shall send the
30 department and the Controller a copy of the finding, including the
31 factual information supporting the finding that the community is
32 making a substantial effort to meet its existing and projected
33 housing needs. Agencies that make this finding after June 30, 1993,
34 shall also submit evidence to the department of its contractual
35 obligations with bondholders or private entities incurred prior to
36 May 1, 1991, and made in reliance on this finding.

37 (c) In any litigation to challenge or attack a finding made under
38 paragraph (1), (2), or (3) of subdivision (a), the burden shall be
39 upon the agency to establish that the finding is supported by
40 substantial evidence in light of the entire record before the agency.

1 If an agency is determined by a court to have knowingly
2 misrepresented any material facts regarding the community's share
3 of its regional housing need for low- and moderate-income housing,
4 including very low income households, or the community's
5 production record in meeting its share of the regional housing need
6 pursuant to the report required by subdivision (b) of Section 65400
7 of the Government Code, the agency shall be liable for all court
8 costs and plaintiff's attorney's fees, and shall be required to allocate
9 not less than 25 percent of the agency's tax increment revenues to
10 its Low and Moderate Income Housing Fund in each year
11 thereafter.

12 (d) Nothing in this section shall be construed as relieving any
13 other public entity or entity with the power of eminent domain of
14 any legal obligations for replacement or relocation housing arising
15 out of its activities.

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

21 (1) Acquire real property or building sites subject to Section
22 33334.16.

23 (2) (A) Improve real property or building sites with onsite or
24 offsite improvements, but only if both (i) the improvements are
25 part of the new construction or rehabilitation of affordable housing
26 units for low- or moderate-income persons that are directly
27 benefited by the improvements, and are a reasonable and
28 fundamental component of the housing units, and (ii) the agency
29 requires that the units remain available at affordable housing cost
30 to, and occupied by, persons and families of extremely low, very
31 low, low, or moderate income for the same time period and in the
32 same manner as provided in subdivision (c) and paragraph (2) of
33 subdivision (f) of Section 33334.3.

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

1 affordable to low- or moderate-income persons by the total number
 2 of housing units, if the project is a housing project, or by dividing
 3 the cost of the affordable housing units by the total cost of the
 4 project, if the project is not a housing project.

5 (3) Donate real property to private or public persons or entities.
 6 (4) Finance insurance premiums pursuant to Section 33136.
 7 (5) Construct buildings or structures.
 8 (6) Acquire buildings or structures.
 9 (7) Rehabilitate buildings or structures.

10 (8) Provide subsidies to, or for the benefit of, extremely low
 11 income households, as defined by Section 50106, very low income
 12 households, as defined by Section 50105, lower income
 13 households, as defined by Section 50079.5, or persons and families
 14 of low or moderate income, as defined by Section 50093, to the
 15 extent those households cannot obtain housing at affordable costs
 16 on the open market. Housing units available on the open market
 17 are those units developed without direct government subsidies.

18 (9) Develop plans, pay principal and interest on bonds, loans,
 19 advances, or other indebtedness, or pay financing or carrying
 20 charges.

21 (10) Maintain the community’s supply of mobilehomes.
 22 (11) Preserve the availability to lower income households of
 23 affordable housing units in housing developments that are assisted
 24 or subsidized by public entities and that are threatened with
 25 imminent conversion to market rates.

26 (f) The agency may use these funds to meet, in whole or in part,
 27 the replacement housing provisions in Section 33413. However,
 28 nothing in this section shall be construed as limiting in any way
 29 the requirements of that section.

30 (g) (1) The agency may use these funds inside or outside the
 31 project area. The agency may only use these funds outside the
 32 project area upon a resolution of the agency and the legislative
 33 body that the use will be of benefit to the project. The
 34 determination by the agency and the legislative body shall be final
 35 and conclusive as to the issue of benefit to the project area. The
 36 Legislature finds and declares that the provision of replacement
 37 housing pursuant to Section 33413 is always of benefit to a project.
 38 Unless the legislative body finds, before the redevelopment plan
 39 is adopted, that the provision of low- and moderate-income housing
 40 outside the project area will be of benefit to the project, the project

1 area shall include property suitable for low- and moderate-income
2 housing.

3 (2) (A) The Contra Costa County Redevelopment Agency may
4 use these funds anywhere within the unincorporated territory, or
5 within the incorporated limits of the City of Walnut Creek on sites
6 contiguous to the Pleasant Hill BART Station Area Redevelopment
7 Project area. The agency may only use these funds outside the
8 project area upon a resolution of the agency and board of
9 supervisors determining that the use will be of benefit to the project
10 area. In addition, the agency may use these funds within the
11 incorporated limits of the City of Walnut Creek only if the agency
12 and the board of supervisors find all of the following:

13 (i) Both the County of Contra Costa and the City of Walnut
14 Creek have adopted and are implementing complete and current
15 housing elements of their general plans that the Department of
16 Housing and Community Development has determined to be in
17 compliance with the requirements of Article 10.6 (commencing
18 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
19 Government Code.

20 (ii) The development to be funded shall not result in any
21 residential displacement from the site where the development is
22 to be built.

23 (iii) The development to be funded shall not be constructed in
24 an area that currently has more than 50 percent of its population
25 comprised of racial minorities or low-income families.

26 (iv) The development to be funded shall allow construction of
27 affordable housing closer to a rapid transit station than could be
28 constructed in the unincorporated territory outside the Pleasant
29 Hill BART Station Area Redevelopment Project.

30 (B) If the agency uses these funds within the incorporated limits
31 of the City of Walnut Creek, all of the following requirements
32 shall apply:

33 (i) The funds shall be used only for the acquisition of land for,
34 and the design and construction of, the development of housing
35 containing units affordable to, and occupied by, low- and
36 moderate-income persons.

37 (ii) If less than all the units in the development are affordable
38 to, and occupied by, low- or moderate-income persons, any agency
39 assistance shall not exceed the amount needed to make the housing
40 affordable to, and occupied by, low- or moderate-income persons.

1 (iii) The units in the development that are affordable to, and
2 occupied by, low- or moderate-income persons shall remain
3 affordable for a period of at least 55 years.

4 (iv) The agency and the City of Walnut Creek shall determine,
5 if applicable, whether Article XXXIV of the California Constitution
6 permits the development.

7 (h) The Legislature finds and declares that expenditures or
8 obligations incurred by the agency pursuant to this section shall
9 constitute an indebtedness of the project.

10 (i) This section shall only apply to taxes allocated to a
11 redevelopment agency for which a final redevelopment plan is
12 adopted on or after January 1, 1977, or for any area that is added
13 to a project by an amendment to a redevelopment plan, which
14 amendment is adopted on or after the effective date of this section.
15 An agency may, by resolution, elect to make all or part of the
16 requirements of this section applicable to any redevelopment
17 project for which a redevelopment plan was adopted prior to
18 January 1, 1977, subject to any indebtedness incurred prior to the
19 election.

20 (j) (1) (A) An action to compel compliance with the
21 requirement of Section 33334.3 to deposit not less than 20 percent
22 of all taxes that are allocated to the agency pursuant to Section
23 33670 in the Low and Moderate Income Housing Fund shall be
24 commenced within 10 years of the alleged violation. A cause of
25 action for a violation accrues on the last day of the fiscal year in
26 which the funds were required to be deposited in the Low and
27 Moderate Income Housing Fund.

28 (B) An action to compel compliance with the requirement of
29 this section or Section 33334.6 that money deposited in the Low
30 and Moderate Income Housing Fund be used by the agency for
31 purposes of increasing, improving, and preserving the community's
32 supply of low- and moderate-income housing available at
33 affordable housing cost shall be commenced within 10 years of
34 the alleged violation. A cause of action for a violation accrues on
35 the date of the actual expenditure of the funds.

36 (C) An agency found to have deposited less into the Low and
37 Moderate Income Housing Fund than mandated by Section 33334.3
38 or to have spent money from the Low and Moderate Income
39 Housing Fund for purposes other than increasing, improving, and
40 preserving the community's supply of low- and moderate-income

1 housing, as mandated, by this section or Section 33334.6 shall
2 repay the funds with interest in one lump sum pursuant to Section
3 970.4 or 970.5 of the Government Code or may do either of the
4 following:

5 (i) Petition the court under Section 970.6 for repayment in
6 installments.

7 (ii) Repay the portion of the judgment due to the Low and
8 Moderate Income Housing Fund in equal installments over a period
9 of five years following the judgment.

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

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

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

22 (5) This subdivision applies to actions filed on and after January
23 1, 2006.

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

28 (k) (1) From July 1, 2009, to June 30, 2010, inclusive, an agency
29 may suspend all or part of its required allocation to the Low and
30 Moderate Income Housing Fund from taxes that are allocated to
31 that agency pursuant to Section 33670.

32 (2) An agency that suspends revenue pursuant to paragraph (1)
33 shall pay back to its low- and moderate-income housing fund the
34 amount of revenue that was suspended in the 2009–10 fiscal year
35 pursuant to this subdivision from July 1, 2010, to June 30, 2015,
36 inclusive.

37 (3) An agency that suspends revenue pursuant to paragraph (1)
38 and fails to repay or have repaid on its behalf the amount of revenue
39 suspended pursuant to paragraph (2) shall, commencing July 1,
40 2015, be required to allocate an additional 5 percent of all taxes

1 that are allocated to that agency pursuant to Section 33670 for low-
2 and moderate-income housing for the remainder of the time that
3 the agency receives allocations of tax revenue pursuant to Section
4 33670.

5 (4) An agency that fails to pay or have paid on its behalf the
6 full amount calculated pursuant to subparagraph (J) of paragraph
7 (2) of subdivision (a) of Section 33690, or subparagraph (J) of
8 paragraph (2) of subdivision (a) of Section 33690.5, as the case
9 may be, shall, commencing July 1, 2010, or July 1, 2011, as
10 applicable, be required to allocate an additional 5 percent of all
11 taxes that are allocated to that agency pursuant to Section 33670
12 for low- and moderate-income housing for the remainder of the
13 time that the agency receives allocations of tax revenue pursuant
14 to Section 33670.

15 SEC. 6. Section 33353.2 of the Health and Safety Code is
16 amended to read:

17 33353.2. Except as provided in Section 33679.2, “affected
18 taxing entity” means any governmental taxing agency that levies
19 a property tax on all or any portion of the property located in the
20 adopted project area in the fiscal year prior to the fiscal year in
21 which the report prepared pursuant to Section 33328 is issued or
22 in any fiscal year after the date the redevelopment plan is adopted.
23 To the extent that a new governmental taxing agency wholly or
24 partially replaces the geographic jurisdiction of a preexisting
25 governmental taxing agency, the new taxing agency shall be an
26 “affected taxing entity” and the preexisting taxing agency shall no
27 longer be an “affected taxing entity.”

28 SEC. 7. Section 33367 of the Health and Safety Code is
29 amended to read:

30 33367. The ordinance shall contain all of the following:

31 (a) The purposes and intent of the legislative body with respect
32 to the project area.

33 (b) The plan incorporated by reference.

34 (c) A designation of the approved plan as the official
35 redevelopment plan of the project area.

36 (d) The findings and determinations of the legislative body that:

37 (1) The project area is a blighted area, the redevelopment of
38 which is necessary to effectuate the public purposes declared in
39 this part. This finding shall be supported by empirical and, to the
40 greatest extent feasible, quantifiable evidence demonstrating the

1 prevalence of specific conditions set forth in Section 33031 on
2 specific properties that are so substantial that they cause a reduction
3 of, or lack of, proper utilization of the entire project area. Evidence
4 shall be reasonable in nature, credible, and of solid value.
5 Conclusions not based on documented evidence of specific
6 conditions shall be deemed insufficient.

7 (2) The redevelopment plan would redevelop the area in
8 conformity with this part and in the interests of the public peace,
9 health, safety, and welfare.

10 (3) The adoption and carrying out of the redevelopment plan is
11 economically sound and feasible.

12 (4) The redevelopment plan is consistent with the general plan
13 of the community, including, but not limited to, the community's
14 housing element, which substantially complies with the
15 requirements of Article 10.6 (commencing with Section 65580)
16 of Chapter 3 of Division 1 of Title 7 of the Government Code.

17 (5) The carrying out of the redevelopment plan would promote
18 the public peace, health, safety, and welfare of the community and
19 would effectuate the purposes and policy of this part.

20 (6) The condemnation of real property, if provided for in the
21 redevelopment plan, is necessary to the execution of the
22 redevelopment plan and adequate provisions have been made for
23 payment for property to be acquired as provided by law.

24 (7) The agency has a feasible method or plan for the relocation
25 of families and persons displaced from the project area, if the
26 redevelopment plan may result in the temporary or permanent
27 displacement of any occupants of housing facilities in the project
28 area.

29 (8) (A) There are, or shall be provided, in the project area or
30 in other areas not generally less desirable in regard to public
31 utilities and public and commercial facilities and at rents or prices
32 within the financial means of the families and persons displaced
33 from the project area, decent, safe, and sanitary dwellings equal
34 in number to the number of and available to the displaced families
35 and persons and reasonably accessible to their places of
36 employment.

37 (B) Families and persons shall not be displaced prior to the
38 adoption of a relocation plan pursuant to Sections 33411 and
39 33411.1. Dwelling units housing persons and families of low or
40 moderate income shall not be removed or destroyed prior to the

1 adoption of a replacement housing plan pursuant to Sections
2 33334.5, 33413, and 33413.5.

3 (9) All noncontiguous areas of a project area are either blighted
4 or necessary for effective redevelopment and are not included for
5 the purpose of obtaining the allocation of taxes from the area
6 pursuant to Section 33670 without other substantial justification
7 for their inclusion.

8 (10) Inclusion of any lands, buildings, or improvements which
9 are not detrimental to the public health, safety, or welfare is
10 necessary for the effective redevelopment of the area of which
11 they are a part; that any area included is necessary for effective
12 redevelopment and is not included for the purpose of obtaining
13 the allocation of tax increment revenues from the area pursuant to
14 Section 33670 without other substantial justification for its
15 inclusion.

16 (11) The elimination of blight and the redevelopment of the
17 project area could not be reasonably expected to be accomplished
18 by private enterprise acting alone without the aid and assistance
19 of the agency.

20 (12) The project area is predominantly urbanized, as defined
21 by subdivision (b) of Section 33320.1.

22 (13) The time limitation and, if applicable, the limitation on the
23 number of dollars to be allocated to the agency that are contained
24 in the plan are reasonably related to the proposed projects to be
25 implemented in the project area and to the ability of the agency to
26 eliminate blight within the project area.

27 (14) The implementation of the redevelopment plan will improve
28 or alleviate the physical and economic conditions of blight in the
29 project area, as described in the report prepared pursuant to Section
30 33352.

31 (e) A statement that the legislative body is satisfied that
32 permanent housing facilities will be available within three years
33 from the time occupants of the project area are displaced and that,
34 pending the development of the facilities, there will be available
35 to the displaced occupants adequate temporary housing facilities
36 at rents comparable to those in the community at the time of their
37 displacement.

38 SEC. 8. Section 33426.5 of the Health and Safety Code is
39 amended to read:

1 33426.5. Notwithstanding the provisions of Sections 33391,
2 33430, 33433, and 33445, or any other provision of this part, an
3 agency shall not provide any form of direct assistance to the
4 following:

5 (a) An automobile dealership which will be or is on a parcel
6 of land which has not previously been developed for urban use,
7 unless, prior to the effective date of the act that adds this section,
8 the agency either owns the land or has entered into an enforceable
9 agreement, for the purchase of the land or of an interest in the land,
10 including, but not limited to, a lease or an agreement containing
11 covenants affecting real property, that requires the land to be
12 developed and used as an automobile dealership.

13 (b) (1) A development that will be or is on a parcel of land of
14 five acres or more which has not previously been developed for
15 urban use and that will, when developed, generate sales or use tax
16 pursuant to Part 1.5 (commencing with Section 7200) of Division
17 2 of the Revenue and Taxation Code, unless the principal permitted
18 use of the development is office, hotel, manufacturing, or industrial,
19 or unless, prior to the effective date of the act that adds this section,
20 the agency either owns the land or has entered into an enforceable
21 agreement, for the purchase of the land or of an interest in the land,
22 including, but not limited to, a lease or an agreement containing
23 covenants affecting real property, that requires the land to be
24 developed.

25 (2) For the purposes of this subdivision, a parcel shall include
26 land on an adjacent or nearby parcel on which a use exists that is
27 necessary for the legal development of the parcel.

28 (c) A development that will be or is on a parcel of land of 20
29 acres or more that has not previously been developed for urban
30 use, except that this restriction shall not apply to land located within
31 both a project area adopted pursuant to Chapter 4.5 (commencing
32 with Section 33492) and the boundaries of a former military base
33 that has been closed or realigned by the actions of the federal
34 Defense Base Closure and Realignment Commission.

35 (d) A development or business, either directly or indirectly, for
36 the acquisition, construction, improvement, rehabilitation, or
37 replacement of property that is or would be used for a golf course
38 or for a racetrack, speedway, or other racing venue.

39 (e) A development or business, either directly or indirectly, for
40 the acquisition, construction, improvement, rehabilitation, or

1 replacement of property that is or would be used for gambling or
2 gaming of any kind whatsoever including, but not limited to,
3 casinos, gaming clubs, bingo operations, or any facility wherein
4 banked or percentage games, any form of gambling device, or
5 lotteries, other than the California State Lottery, are or will be
6 played.

7 (f) The prohibition in subdivision (e) is not intended to prohibit
8 a redevelopment agency from acquiring property on or in which
9 an existing gambling enterprise is located, for the purpose of selling
10 or leasing the property for uses other than gambling, provided that
11 the agency acquires the property for fair market value.

12 (g) This section shall not be construed to apply to agency
13 assistance in the construction of public improvements that serve
14 all or a portion of a project area and that are not required to be
15 constructed as a condition of approval of a development described
16 in subdivision (a), (b), (c), (d), or (e), or to prohibit assistance in
17 the construction of public improvements that are being constructed
18 for a development that is not described in subdivision (a), (b), (c),
19 (d), or (e).

20 SEC. 9. Section 33444.7 is added to the Health and Safety
21 Code, to read:

22 33444.7. An agency may establish a program under which it
23 loans or grants funds to owners or tenants to improve, rehabilitate,
24 or retrofit buildings or structures located within the redevelopment
25 project area to increase energy efficiency for such buildings or
26 structures, or to facilitate infill development of areas targeted for
27 such development in an approved sustainable communities strategy
28 that applies to the agency's jurisdiction.

29 SEC. 10. Section 33444.8 is added to the Health and Safety
30 Code, to read:

31 33444.8. (a) An agency may provide direct assistance to
32 businesses within project areas in connection with new or existing
33 facilities for industrial or manufacturing uses or similar uses of
34 statewide benefit, where the assistance provided is reasonably
35 expected to result in the retention or expansion of not less than 25
36 full-time equivalent jobs within the project area.

37 (b) Direct assistance may include, but is not limited to, loans,
38 loan guarantees, or the provision or replacement of machinery and
39 equipment in new or existing facilities for industrial or
40 manufacturing uses in the project area.

1 (c) The Legislature finds and declares that the purpose of this
2 section is to clarify existing law and to provide agencies with
3 additional authority to assist businesses in order to encourage the
4 retention of existing employment opportunities and the attraction
5 of new employment opportunities. These activities and programs
6 shall constitute redevelopment as prescribed in Sections 33020
7 and 33021.

8 SEC. 11. Section 33488 of the Health and Safety Code is
9 amended to read:

10 33488. Prior to merging project areas pursuant to Section
11 33486, a redevelopment agency shall notify the department and
12 the Controller of its intention to merge its project areas, which
13 shall occur no later than 30 days prior to adoption of the ordinance
14 which provides for merger.

15 SEC. 12. Section 33491 is added to the Health and Safety Code,
16 to read:

17 33491. (a) Commencing with the implementation plan next
18 adopted following January 1, 2012, an implementation plan shall
19 contain the specific goals and objectives of the agency for the
20 project area and the specific programs and potential projects that
21 will cause not less than 50 percent of its net unencumbered revenue
22 during the next five years to be expended for one or more of the
23 following:

24 (1) Development, including rehabilitation, resulting in significant
25 job retention or creation.

26 (2) Remediation of contaminated properties.

27 (3) Infill and transit-oriented development.

28 (4) Military base conversion.

29 (5) Public infrastructure, excluding buildings.

30 (6) Housing affordable to persons of very low and extremely
31 low income.

32 (b) “Net unencumbered revenue” shall mean all revenue received
33 by the agency, less: debt service on bonds, notes and other
34 obligations entered into prior to January 1, 2012; payments to
35 taxing agencies pursuant to Section 33607.5 or 33607.7 or under
36 agreements entered into pursuant to former Section 33401; and
37 deposits in the agency’s low- and moderate-income housing fund.

38 (c) Prior to approving an implementation plan subject to this
39 subdivision, the agency shall obtain the recommendation of the
40 project area committee. If a project area committee does not exist,

1 the agency shall obtain the recommendation of a community
2 advisory body designated by the legislative body which is
3 representative of interests described in subdivision (c) of Section
4 33385. If the project area committee or community advisory body
5 does not make its recommendation within 60 days after receiving
6 a copy of the proposed implementation plan, the agency may
7 consider the implementation plan without their recommendation.

8 (d) The implementation plans adopted every five years after the
9 implementation plan that implements this subdivision shall evaluate
10 the agency's progress in achieving the goals and objectives
11 described in subdivision (a). The agency shall obtain the
12 recommendation of the project area committee or community
13 advisory body in the manner set forth in subdivision (c). If a project
14 area committee or community advisory body recommends against
15 adoption of the implementation plan adopted 10 years or 20 years
16 after the implementation plan that implements this subdivision,
17 the agency shall only adopt that implementation plan upon a
18 two-thirds vote of its members. Until an implementation plan has
19 been approved as set forth in this subdivision, an agency shall not
20 undertake any activity not provided for in the existing
21 implementation plan.

22 SEC. 13. Section 33601 of the Health and Safety Code is
23 amended to read:

24 33601. (a) An agency may borrow money or accept financial
25 or other assistance from the state or the federal government or any
26 other public agency for any redevelopment project within its area
27 of operation, and may comply with any conditions of such loan or
28 grant.

29 (b) An agency may borrow money (by the issuance of bonds or
30 otherwise) or accept financial or other assistance from any private
31 lending institution for any redevelopment project for any of the
32 purposes of this part, and may execute trust deeds or mortgages
33 on any real or personal property owned or acquired.

34 (c) An agency shall pay interest on any money borrowed from
35 the legislative body at a rate no greater than simple interest at rate
36 equal to the rate on 10-year United States Treasury bills on the
37 date the loan is made. The provisions of this subdivision shall
38 become effective January 1, 2012, and shall apply to money
39 borrowed from the legislative body at any time, regardless of the

1 provisions of any note, agreement, or other written instrument to
2 the contrary.

3 SEC. 14. Section 33607.9 is added to the Health and Safety
4 Code, to read:

5 33607.9. On or before January 1, 2013, the Controller shall
6 develop a simple, uniform, and consistent methodology for the
7 calculation, payment, and reporting of passthrough payments as
8 required by Sections 33607.5 and 33607.7 that is consistent with
9 existing published case law and Attorney General opinions
10 interpreting Sections 33607.5 and 33607.7. The Controller shall
11 appoint an advisory committee to advise in the development of
12 methodology. The advisory committee shall include representatives
13 from the Chancellor of the California Community Colleges, the
14 State Department of Education, the California Redevelopment
15 Association, county auditor-controllers, and any other authorities
16 in the field that the Controller deems necessary or appropriate.

17 SEC. 15. Section 33610 of the Health and Safety Code is
18 amended to read:

19 33610. (a) At any time after the agency created for any
20 community becomes authorized to transact business and exercise
21 its powers, the legislative body of the community may appropriate
22 to the agency such amounts as the legislative body deems necessary
23 for the administrative expenses and overhead of the agency. The
24 money appropriated may be paid to the agency as a grant to defray
25 the expenses and overhead, or as a loan to be repaid upon such
26 terms and conditions as the legislative body may provide.

27 (b) In addition to the common understanding and usual
28 interpretation of the term, “administrative expense” includes, but
29 is not limited to, expenses of redevelopment planning and
30 dissemination of redevelopment information.

31 (c) An agency may enter into an agreement with the legislative
32 body to reimburse the legislative body for administrative expenses
33 and overhead of the agency paid by the legislative body. An agency
34 shall not pay costs of providing services, materials, or facilities
35 which do not directly benefit the redevelopment project.

36 SEC. 16. Section 33670 of the Health and Safety Code is
37 amended to read:

38 33670. Any redevelopment plan adopted prior to January 1,
39 2012, may contain a provision that taxes, if any, levied upon
40 taxable property in a redevelopment project each year by or for

1 the benefit of any city, county, city and county, district, or other
2 public corporation (hereinafter sometimes called “taxing agencies”)
3 after the effective date of the ordinance approving the
4 redevelopment plan, shall be divided as follows:

5 (a) That portion of the taxes which would be produced by the
6 rate upon which the tax is levied each year by or for each of the
7 taxing agencies upon the total sum of the assessed value of the
8 taxable property in the redevelopment project as shown upon the
9 assessment roll used in connection with the taxation of that property
10 by the taxing agency, last equalized prior to the effective date of
11 the ordinance, shall be allocated to and when collected shall be
12 paid to the respective taxing agencies as taxes by or for the taxing
13 agencies on all other property are paid (for the purpose of allocating
14 taxes levied by or for any taxing agency or agencies which did not
15 include the territory in a redevelopment project on the effective
16 date of the ordinance but to which that territory has been annexed
17 or otherwise included after that effective date, the assessment roll
18 of the county last equalized on the effective date of the ordinance
19 shall be used in determining the assessed valuation of the taxable
20 property in the project on the effective date); and

21 (b) Except as provided in subdivision (e) or in Section 33492.15,
22 that portion of the levied taxes each year in excess of that amount
23 shall be allocated to and when collected shall be paid into a special
24 fund of the redevelopment agency to pay the principal of and
25 interest on loans, moneys advanced to, or indebtedness (whether
26 funded, refunded, assumed, or otherwise) incurred by the
27 redevelopment agency to finance or refinance, in whole or in part,
28 the redevelopment project. Unless and until the total assessed
29 valuation of the taxable property in a redevelopment project
30 exceeds the total assessed value of the taxable property in that
31 project as shown by the last equalized assessment roll referred to
32 in subdivision (a), all of the taxes levied and collected upon the
33 taxable property in the redevelopment project shall be paid to the
34 respective taxing agencies. When the loans, advances, and
35 indebtedness, if any, and interest thereon, have been paid, all
36 moneys thereafter received from taxes upon the taxable property
37 in the redevelopment project shall be paid to the respective taxing
38 agencies as taxes on all other property are paid.

39 (c) In any redevelopment project in which taxes have been
40 divided pursuant to this section prior to 1968, located within any

1 county with total assessed valuation subject to general property
2 taxes for the 1967–68 fiscal year between two billion dollars
3 (\$2,000,000,000) and two billion one hundred million dollars
4 (\$2,100,000,000), if the total assessed valuation of taxable property
5 within the redevelopment project for the 1967–68 fiscal year was
6 reduced, the total sum of the assessed value of taxable property
7 used as the basis for apportionment of taxes under subdivision (a)
8 shall be reduced by 10 percent for the 1968–69 fiscal year and
9 fiscal years thereafter.

10 (d) For the purposes of this section, taxes shall not include taxes
11 from the supplemental assessment roll levied pursuant to Chapter
12 3.5 (commencing with Section 75) of Part 0.5 of Division 1 of the
13 Revenue and Taxation Code for the 1983–84 fiscal year.

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

24 SEC. 17. Section 33675.1 is added to the Health and Safety
25 Code, to read:

26 33675.1. On or before January 1, 2013, and periodically
27 thereafter, the Controller shall review the uniform form for a
28 statement of indebtedness and a reconciliation statement prescribed
29 pursuant to Section 33675 and shall, after obtaining the input of
30 county auditor-controllers, the California Redevelopment
31 Association, the Society of Certified Public Accountants, and any
32 other authorities in the field that the Controller deems necessary
33 or appropriate, make revisions to the uniform form for a statement
34 of indebtedness and a reconciliation statement consistent with this
35 part, including, but not limited to, the types and amounts of
36 indebtedness to be reported.

37 SEC. 18. Article 6.5 (commencing with Section 33679.1) is
38 added to Chapter 6 of Part 1 of Division 24 of the Health and Safety
39 Code, to read:

1 Article 6.5. Tax Increment Financing for Projects Created After
2 January 1, 2012
3

4 33679.1. (a) This article shall apply to any redevelopment plan
5 adopted on or after January 1, 2012. For purposes of a
6 redevelopment plan that is adopted prior to January 1, 2012, but
7 amended after January 1, 2012, this article shall apply only to new
8 territory added by that amendment.

9 (b) A redevelopment plan or plan amendment that is subject to
10 this article shall be adopted and implemented in the manner
11 provided by this part, except to the extent that the other provisions
12 of this part are inconsistent with this article, in which case this
13 article shall prevail.

14 33679.2. For purposes of this article, the following terms shall
15 have the following meanings:

16 (a) Notwithstanding Section 33353.2, for purposes of a
17 redevelopment plan or plan amendment subject to this article,
18 “affected taxing entity” means any noneducational taxing agency
19 that levies a property tax on all or any portion of the property
20 located in the adopted project area in the fiscal year prior to the
21 fiscal year in which the report prepared pursuant to Section 33328
22 is issued or in any fiscal year after the date the redevelopment plan
23 is adopted. To the extent that a new noneducational taxing agency
24 wholly or partially replaces the geographic jurisdiction of a
25 preexisting noneducational taxing agency, the new noneducational
26 taxing agency shall be an “affected taxing entity” and the
27 preexisting taxing agency shall no longer be an “affected taxing
28 entity.”

29 (b) “Noneducational taxing agency” means a city, county, city
30 and county, district, or other public corporation, except a school
31 district, community college district, or county office of education.

32 (c) “Taxes” shall include, but without limitation, all levies on
33 an ad valorem basis upon land or real property. “Taxes” shall not
34 include any amounts of money deposited in a Sales and Use Tax
35 Compensation Fund pursuant to Section 97.68 of the Revenue and
36 Taxation Code or a Vehicle License Fee Property Tax
37 Compensation Fund pursuant to Section 97.70 of the Revenue and
38 Taxation Code.

39 33679.3. Any redevelopment plan or plan amendment that is
40 subject to this article may contain a provision that taxes, if any,

1 levied upon taxable property in a redevelopment project each year
2 by or for the benefit of any noneducational taxing agencies after
3 the effective date of the ordinance approving the redevelopment
4 plan or plan amendment, shall be divided as follows:

5 (a) That portion of the taxes which would be produced by the
6 rate upon which the tax is levied each year by or for each of the
7 noneducational taxing agencies upon the total sum of the assessed
8 value of the taxable property in the redevelopment project as shown
9 upon the assessment roll used in connection with the taxation of
10 that property by the noneducational taxing agency, last equalized
11 prior to the effective date of the ordinance, shall be allocated to
12 and when collected shall be paid to the respective noneducational
13 taxing agencies as taxes by or for the noneducational taxing
14 agencies on all other property are paid (for the purpose of allocating
15 taxes levied by or for any noneducational taxing agency or agencies
16 which did not include the territory in a redevelopment project on
17 the effective date of the ordinance but to which that territory has
18 been annexed or otherwise included after that effective date, the
19 assessment roll of the county last equalized on the effective date
20 of the ordinance shall be used in determining the assessed valuation
21 of the taxable property in the project on the effective date); and

22 (b) Except as provided in subdivision (c) or in Section 33492.15,
23 that portion of the levied taxes each year by or for noneducational
24 taxing agencies in excess of that amount shall be allocated to and
25 when collected shall be paid into a special fund of the
26 redevelopment agency to pay the principal of and interest on loans,
27 moneys advanced to, or indebtedness (whether funded, refunded,
28 assumed, or otherwise) incurred by the redevelopment agency to
29 finance or refinance, in whole or in part, the redevelopment project.
30 Unless and until the total assessed valuation of the taxable property
31 in a redevelopment project exceeds the total assessed value of the
32 taxable property in that project as shown by the last equalized
33 assessment roll referred to in subdivision (a), all of the taxes levied
34 and collected upon the taxable property in the redevelopment
35 project by or for noneducational taxing agencies shall be paid to
36 the respective noneducational taxing agencies. When the loans,
37 advances, and indebtedness, if any, and interest thereon, have been
38 paid, all moneys thereafter received from taxes upon the taxable
39 property in the redevelopment project by or for noneducational

1 taxing agencies shall be paid to the respective noneducational
2 taxing agencies as taxes on all other property are paid.

3 (c) That portion of the taxes in excess of the amount identified
4 in subdivision (a) which are attributable to a tax rate levied by a
5 noneducational taxing agency for the purpose of producing
6 revenues in an amount sufficient to make annual repayments of
7 the principal of, and the interest on, any bonded indebtedness for
8 the acquisition or improvement of real property shall be allocated
9 to, and when collected shall be paid into, the fund of that
10 noneducational taxing agency. This subdivision shall only apply
11 to taxes levied to repay bonded indebtedness approved by the
12 voters of the noneducational taxing agency.

13 (d) It is the intent of the Legislature in enacting this section and
14 the amendments to Section 33670 made by the act adding this
15 section to prohibit the use of Section 33670 to finance community
16 redevelopment pursuant to any redevelopment plan or plan
17 amendment that is adopted on or after January 1, 2012. It is the
18 intent of the Legislature that this section provides an alternate
19 method for financing community redevelopment, within the
20 meaning of Section 16 of Article XVI of the California
21 Constitution, for redevelopment plans and plan amendments
22 adopted on or after January 1, 2012, that exclude property taxes
23 levied by or for school districts, community college districts, or
24 county offices of education. Except as specifically provided in this
25 article in regard to plan amendments that add additional territory
26 to an existing redevelopment plan, it is not the intent of the
27 Legislature that this article limit or otherwise apply to the financing
28 of community redevelopment pursuant to a redevelopment plan
29 adopted prior to January 1, 2012.

30 33679.4. Notwithstanding any other law, for purposes of any
31 redevelopment plan or plan amendment subject to this article:

32 (a) A reference in this part to Section 33670 shall be construed
33 to be a reference to Section 33679.3.

34 (b) Sections 33328.1, 33360.5, 33607.5, and 33676 shall not
35 apply.

36 33679.5. (a) Upon the written request of a redevelopment
37 agency for the purpose of assisting the agency, the county auditor
38 or other officer responsible for allocation of tax revenues pursuant
39 to Section 33679.3 shall prepare a statement each fiscal year for
40 each redevelopment project area and each area added to a

1 redevelopment project area by amendment, which provides for all
2 the following:

3 (1) The total taxable assessed value of secured, unsecured, and
4 state-assessed railroad and nonoperating, nonunitary property.

5 (2) The total taxable assessed value used by the county auditor
6 to determine the division of taxes required by subdivision (a) of
7 Section 33679.3.

8 (3) The total taxable assessed value used by the county auditor
9 to determine the division of taxes required by subdivision (b) of
10 Section 33679.3.

11 (4) The estimated amount of taxes calculated pursuant to
12 subdivision (b) of Section 33679.3, as adjusted by subdivision (c)
13 of Section 33679.3 and subdivision (a) of Section 33679.6. The
14 statement shall specify the gross amount of tax-increment revenue
15 allocated to the agency and any payments to other noneducational
16 taxing entities that are deducted from the gross amount allocated.

17 (5) The estimated amount of taxes to be allocated pursuant to
18 subdivisions (c) and (d) of Section 100 of the Revenue and
19 Taxation Code.

20 (b) If requested to provide a statement pursuant to subdivision
21 (a), the county auditor shall deliver each statement to the respective
22 redevelopment agencies receiving property tax revenue on or before
23 November 30 of each year.

24 (c) (1) Upon the request of a redevelopment agency pursuant
25 to subdivision (a), and concurrently with the disbursement of those
26 property tax revenues, the county auditor shall prepare a statement
27 which provides the amount of disbursement made pursuant to all
28 of the following:

29 (A) Section 33679.3.

30 (B) Section 100 of the Revenue and Taxation Code.

31 (C) Supplemental property tax revenues allocated pursuant to
32 Sections 75 to 75.80 of the Revenue and Taxation Code, inclusive.

33 (2) The statement provided pursuant to this subdivision shall
34 also include corrections, updates, or adjustments, if any, to the
35 property tax revenue amounts and taxable assessed values reported
36 pursuant to subdivision (a) of Section 33679.3.

37 (d) The county auditor shall also provide to a redevelopment
38 agency, no later than 30 days after the receipt of a written request
39 from that agency, information or clarification with respect to any
40 statement issued pursuant to this section.

1 (e) If any redevelopment agency requests a statement or
2 information pursuant to this section, the agency shall reimburse
3 the county auditor for all actual and reasonable costs incurred.

4 33679.6. (a) Prior to the adoption by the legislative body of a
5 redevelopment plan providing for tax increment financing pursuant
6 to Section 33679.3, any affected taxing agency may elect to be
7 allocated, in addition to the portion of taxes allocated to the affected
8 taxing agency pursuant to subdivision (a) of Section 33679.3, all
9 or any portion of the tax revenues allocated to the agency pursuant
10 to subdivision (b) of Section 33679.3 attributable to increases in
11 the rate of tax imposed for the benefit of the taxing agency which
12 levy occurs after the tax year in which the ordinance adopting the
13 redevelopment plan becomes effective.

14 (b) The governing body of any affected taxing agency electing
15 to receive allocation of taxes pursuant to this section in addition
16 to taxes allocated to it pursuant to subdivision (a) of Section
17 33679.3 shall adopt a resolution to that effect and transmit the
18 resolution, prior to the adoption of the redevelopment plan, to (1)
19 the legislative body, (2) the agency, and (3) the official or officials
20 performing the functions of levying and collecting taxes for the
21 affected taxing agency. Upon receipt by the official or officials of
22 the resolution, allocation of taxes pursuant to this section to the
23 affected taxing agency which has elected to receive the allocation
24 pursuant to this section by the adoption of the resolution and
25 allocation of taxes pursuant to this section shall be made at the
26 time or times allocations are made pursuant to subdivision (a) of
27 Section 33679.3.

28 (c) An affected taxing agency, at any time after the adoption of
29 the resolution, may elect not to receive all or any portion of the
30 additional allocation of taxes pursuant to this section by rescinding
31 the resolution or by amending the same, as the case may be, and
32 giving notice thereof to the legislative body, the agency, and the
33 official or officials performing the functions of levying and
34 collecting taxes for the affected taxing agency. After receipt of a
35 notice by the official or officials that an affected taxing agency
36 has elected not to receive all or a portion of the additional allocation
37 of taxes by rescission or amendment of the resolution, any
38 allocation of taxes to the affected taxing agency required to be
39 made pursuant to this section shall not thereafter be made but shall
40 be allocated to the agency, and the affected taxing agency shall

1 thereafter be allocated only the portion of taxes provided for in
2 subdivision (a) of Section 33679.3. After receipt of a notice by the
3 official or officials that an affected taxing agency has elected to
4 receive additional tax revenues attributable to only a portion of
5 the increases in the rate of tax, only that portion of the tax revenues
6 shall thereafter be allocated to the affected taxing agency in
7 addition to the portion of taxes allocated pursuant to subdivision
8 (a) of Section 33679.3, and the remaining portion thereof shall be
9 allocated to the agency.

10 33679.7. (a) (1) All the amounts calculated pursuant to this
11 section shall be calculated after the amount required to be deposited
12 in the Low and Moderate Income Housing Fund pursuant to
13 Sections 33334.2, 33334.3, and 33334.6 has been deducted from
14 the total amount of tax increment funds received by the agency in
15 the applicable fiscal year.

16 (2) The payments made pursuant to this section shall be in
17 addition to any amounts the affected taxing entities receive
18 pursuant to subdivision (a) of Section 33679.3. The payments made
19 pursuant to this section to the affected taxing entities, including
20 the community, shall be allocated among the affected taxing
21 entities, including the community if the community elects to receive
22 payments, in proportion to the percentage share of property taxes
23 of each affected taxing entity, including the community, receives
24 during the fiscal year the funds are allocated, which percentage
25 share shall be determined without regard to (A) any amounts
26 allocated to a city, a city and county, or a county pursuant to
27 Sections 97.68 and 97.70 of the Revenue and Taxation Code, (B)
28 any allocation reductions to a city, a city and county, a county, a
29 special district, or a redevelopment agency pursuant to Sections
30 97.71, 97.72, and 97.73 of the Revenue and Taxation Code and
31 Section 33681.12, and (C) any amounts allocated to a school
32 district, community college district, or county office of education.
33 The agency shall reduce its payments pursuant to this section to
34 an affected taxing entity by any amount the agency has paid,
35 directly or indirectly, pursuant to Section 33445, 33445.5, 33445.6,
36 33446, or any other law other than this section for, or in connection
37 with, a public facility owned or leased by that affected taxing
38 agency, except for any amounts that are unrelated to the specific
39 project area or amendment governed by this section. For purposes
40 of calculating the allocation of payments made to affected taxing

1 entities pursuant to this section, an Educational Revenue
2 Augmentation Fund created pursuant to Article 3 (commencing
3 with Section 97) of Chapter 6 of Part 0.5 of Division 1 of the
4 Revenue and Taxation Code is not an affected taxing entity.

5 (b) Commencing with the first fiscal year in which the agency
6 receives tax increments and continuing through the last fiscal year
7 in which the agency receives tax increments, a redevelopment
8 agency shall pay to the affected taxing entities, including the
9 community if the community elects to receive a payment, an
10 amount equal to 25 percent of the tax increments received by the
11 agency after the amount required to be deposited in the Low and
12 Moderate Income Housing Fund has been deducted. In any fiscal
13 year in which the agency receives tax increments, the community
14 that has adopted the redevelopment project area may elect to
15 receive the amount authorized by this paragraph. If the community
16 elects not to receive the amount authorized by this subdivision,
17 the portion of the payment made pursuant to this subdivision that
18 would otherwise have been calculated for and paid to the
19 community based on the community's proportionate share of
20 property tax revenues shall remain with the agency.

21 (c) Commencing with the 11th fiscal year in which the agency
22 receives tax increments and continuing through the last fiscal year
23 in which the agency receives tax increments, a redevelopment
24 agency shall pay to the affected taxing entities, other than the
25 community which has adopted the project, in addition to the
26 amounts paid pursuant to subdivision (b) and after deducting the
27 amount allocated to the Low and Moderate Income Housing Fund,
28 an amount equal to 21 percent of an amount, which shall be
29 calculated by applying the tax rate for the affected taxing entities
30 against the amount by which the assessed value of the taxable
31 property in the redevelopment project, as shown upon the
32 assessment roll of the county last equalized on the current year
33 anniversary of the effective date of the ordinance adopting the
34 redevelopment plan or plan amendment, as applicable, exceeds
35 the assessed value of the taxable property in the redevelopment
36 project, as shown upon the assessment roll of the county last
37 equalized on the 10th anniversary of the effective date of the
38 ordinance adopting the redevelopment plan or plan amendment.
39 The portion of the payment made pursuant to this subdivision that
40 would otherwise have been calculated for and paid to the

1 community, based on the community's proportionate share of
2 property tax revenues, shall instead be allocated among the other
3 affected taxing entities based on their respective percentage shares
4 calculated in accordance with paragraph (2) of subdivision (a),
5 except that the calculation shall be based on the percentage share
6 of property taxes that each affected taxing entity, excluding the
7 community, receives during the fiscal year that the funds are
8 allocated.

9 (d) Commencing with the 31st fiscal year in which the agency
10 receives tax increments and continuing through the last fiscal year
11 in which the agency receives tax increments, a redevelopment
12 agency shall pay to the affected taxing entities, other than the
13 community which has adopted the project, in addition to the
14 amounts paid pursuant to subdivisions (b) and (c) and after
15 deducting the amount allocated to the Low and Moderate Income
16 Housing Fund, an amount equal to 14 percent of an amount, which
17 shall be calculated by applying the tax rate for the affected taxing
18 entities against the amount by which the assessed value of the
19 taxable property in the redevelopment project, as shown upon the
20 assessment roll of the county last equalized on the current year
21 anniversary of the effective date of the ordinance adopting the
22 redevelopment plan or plan amendment exceeds the assessed value
23 of the taxable property in the redevelopment project, as shown
24 upon the assessment roll of the county last equalized on the 30th
25 year anniversary of the effective date of the ordinance adopting
26 the redevelopment plan or plan amendment. The portion of the
27 payment made pursuant to this subdivision that would otherwise
28 have been calculated for and paid to the community, based on the
29 community's proportionate share of property tax revenues, shall
30 instead be allocated among the other affected taxing entities based
31 on their respective percentage shares calculated in accordance with
32 paragraph (2) of subdivision (a), except that the calculation shall
33 be based on the percentage share of property taxes that each
34 affected taxing entity, excluding the community, receives during
35 the fiscal year that the funds are allocated.

36 (e) (1) Prior to incurring any loans, bonds, or other
37 indebtedness, except loans or advances from the community, the
38 agency may subordinate to the loans, bonds, or other indebtedness
39 the amount required to be paid to an affected taxing entity by this

1 section, provided that the affected taxing entity has approved these
 2 subordinations pursuant to this subdivision.

3 (2) At the time the agency requests an affected taxing entity to
 4 subordinate the amount to be paid to it, the agency shall provide
 5 the affected taxing entity with substantial evidence that sufficient
 6 funds will be available to pay both the debt service and the
 7 payments required by this section, when due.

8 (3) Within 45 days after receipt of the agency’s request, the
 9 affected taxing entity shall approve or disapprove the request for
 10 subordination. An affected taxing entity may disapprove a request
 11 for subordination only if it finds, based upon substantial evidence,
 12 that the agency will not be able to pay the debt payments and the
 13 amount required to be paid to the affected taxing entity. If the
 14 affected taxing entity does not act within 45 days after receipt of
 15 the agency’s request, the request to subordinate shall be deemed
 16 approved and shall be final and conclusive.

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

18 (A) The payments made pursuant to this section are necessary
 19 in order to alleviate the financial burden and detriment that affected
 20 taxing entities may incur as a result of the adoption of a
 21 redevelopment plan, and payments made pursuant to this section
 22 will benefit redevelopment project areas.

23 (B) The payments made pursuant to this section are the exclusive
 24 payments that are required to be made by a redevelopment agency
 25 to affected taxing entities during the term of a redevelopment plan.

26 (2) Notwithstanding any other law, a redevelopment agency
 27 shall not be required, either directly or indirectly, as a measure to
 28 mitigate a significant environmental effect or as part of any
 29 settlement agreement or judgment brought in any action to contest
 30 the validity of a redevelopment plan pursuant to Section 33501,
 31 to make any other payments to affected taxing entities, or to pay
 32 for public facilities that will be owned or leased to an affected
 33 taxing entity.

34 SEC. 19. (a) By January 1, 2013, the Controller shall issue
 35 regulations revising and consolidating reporting for redevelopment
 36 agencies. The goal of the regulations shall be to do all of the
 37 following: (1) unify and simplify the reporting requirements of
 38 redevelopment agencies; (2) focus reporting requirements on
 39 information that will be of the greatest utility in monitoring the
 40 activities of redevelopment agencies and their compliance with

1 the provisions of the Community Redevelopment Law; and (3)
2 produce consistent and comparable data using a user-friendly,
3 self-checking electronic data reporting system. The Controller
4 shall consult with an advisory committee comprised of persons
5 nominated by the department, the Legislative Analyst, the
6 California Society of Certified Public Accountants, the California
7 Redevelopment Association, and any other authorities in the field
8 that the Controller deems necessary and appropriate.

9 (b) In connection with issuing the regulations described in
10 subdivision (a), by January 1, 2013, the Controller shall prepare
11 or cause to be prepared a management study that evaluates the
12 reporting of redevelopment agencies and recommends any new
13 management systems, including required technology, needed to
14 implement the proposed regulations.

15 *SEC. 20. This act is an urgency statute necessary for the*
16 *immediate preservation of the public peace, health, or safety within*
17 *the meaning of Article IV of the Constitution and shall go into*
18 *immediate effect. The facts constituting the necessity are:*

19 *In order to preserve housing funds that are needed to house*
20 *elderly individuals and working families, it is necessary that this*
21 *act take effect immediately.*