

AMENDED IN ASSEMBLY JUNE 18, 2012

AMENDED IN ASSEMBLY JUNE 21, 2011

AMENDED IN SENATE APRIL 25, 2011

SENATE BILL

No. 214

Introduced by Senator Wolk

(Coauthor: Assembly Member Williams)

February 8, 2011

An act to amend Sections 53395, 53395.1, 53395.2, 53395.3, 53395.4, 53395.5, 53395.6, 53395.7, 53395.10, 53395.11, 53395.12, 53395.13, 53395.14, 53395.16, 53395.17, 53395.19, 53395.20, 53396, 53397.1, and 53397.2 of, and to repeal Sections ~~53395.21~~, 53395.22, 53395.23, 53395.24, 53395.25, 53397.4, 53397.5, 53397.6, and 53397.7 of, and to repeal and add Section 53395.21 to, the Government Code, relating to infrastructure financing districts.

LEGISLATIVE COUNSEL'S DIGEST

SB 214, as amended, Wolk. Infrastructure financing districts: voter approval: repeal.

(1) Existing law authorizes a legislative body, as defined, to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon voter approval. *Existing law authorizes an infrastructure financing district to fund infrastructure projects through tax increment financing, pursuant to the infrastructure financing plan and agreement of affected taxing entities, as defined.*

This bill would revise the provisions governing the public facilities that may be financed. The bill would and recast the provisions governing infrastructure financing districts. The bill would eliminate the

requirement of voter approval *for creation of the district and for bond issuance* and authorize the legislative body to create the district, *subject to specified procedures. The bill would instead authorize a newly created public financing authority, consisting of the city council or board of supervisors, to adopt the infrastructure financing plan, subject to approval by the legislative body, and issue the bonds by resolutions* majority vote of the authority by resolution. The bill would authorize a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only. The bill would authorize a district to finance specified actions and projects and prohibit the district from providing financial assistance to a vehicle dealer or big box retailer, as defined. *The bill would create a public accountability committee, as specified, to review the actions of the public financing authority.*

(2) Existing law requires that an infrastructure financing plan created by a legislative body include a date on which the district will cease to exist, which shall not be more than 30 years from the date on which the ordinance forming the district is adopted.

This bill instead would specify that the date on which the district would cease to exist would not be more than 40 years from the date on which the ~~legislative body~~ public financing authority adopted the resolution adopting the infrastructure financing plan. The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.

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

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

- 1 SECTION 1. Section 53395 of the Government Code is
2 amended to read:
3 53395. (a) The Legislature finds and declares that the state
4 and federal governments have withdrawn in whole or in part from
5 their former role in financing infrastructure, including highways
6 and interchanges, sewage treatment and water reclamation works,
7 water supply and treatment works, flood control and drainage
8 works, schools, libraries, parks, parking facilities, open space, and
9 seismic retrofit and rehabilitation of public facilities.
10 (b) The Legislature further finds and declares that the methods
11 available to local agencies to finance public works often place an

1 undue and unfair burden on buyers of new homes, especially for
2 public works that benefit the broader community.

3 (c) The Legislature further finds and declares that the absence
4 of practical and equitable methods for financing public works leads
5 to a declining standard of public works, a reduced quality of life
6 and decreased safety for affected citizens, increased objection to
7 otherwise desirable development, and excessive costs for
8 homebuyers.

9 (d) The Legislature further finds and declares that because
10 California’s disadvantaged communities, as defined in Section
11 75005 of the Public Resources Code, may not be beneficiaries of
12 quality public works, these communities are neglected and, thus,
13 isolated from and deprived of the basic facilities needed for public
14 health and safety.

15 (e) The Legislature further finds and declares that it is equitable
16 and in the public interest to provide alternative procedures for
17 financing public works and services needed to meet the needs of
18 new housing, disadvantaged communities, and other development
19 projects.

20 (f) *The Legislature further finds and declares that it is in the*
21 *public interest to develop a mechanism that allows public agencies*
22 *to jointly dedicate their revenues to projects that support*
23 *sustainable communities.*

24 *SEC. 2. Section 53395.1 of the Government Code is amended*
25 *to read:*

26 53395.1. Unless the context otherwise requires, the definitions
27 contained in this article shall govern the construction of this
28 chapter.

29 (a) “Affected taxing entity” means any governmental taxing
30 agency ~~which~~ *that* levied or had levied on its behalf a property tax
31 on all or a portion of the property located in the proposed district
32 in the fiscal year prior to the designation of the district, but not
33 including any county office of education, school district, or
34 community college district.

35 (b) “City” means a city, a county, or a city and county.

36 (c) “Debt” means any binding obligation to repay a sum of
37 money, including obligations in the form of bonds, certificates of
38 participation, long-term leases, loans from government agencies,
39 or loans from banks, other financial institutions, private businesses,
40 or individuals.

1 (d) “Designated official” means the city engineer or other
2 appropriate official designated pursuant to Section 53395.13.

3 (e) (1) “District” means an infrastructure financing district.

4 (2) An infrastructure financing district is a “district” within the
5 meaning of Section 1 of Article XIII A of the California
6 Constitution.

7 (f) “Infrastructure financing district” means a legally constituted
8 *public and corporate* governmental entity *separate and distinct*
9 *from the city that* established it pursuant to this chapter for the sole
10 purpose of financing public facilities. *An infrastructure financing*
11 *district shall be a “local agency” for purposes of Chapter 9*
12 *(commencing with Section 54950).*

13 (g) “Landowner” or “owner of land” means any person shown
14 as the owner of land on the last equalized assessment roll or
15 otherwise known to be the owner of the land by the legislative
16 body. The legislative body has no obligation to obtain other
17 information as to the ownership of land, and its determination of
18 ownership shall be final and conclusive for the purposes of this
19 chapter. A public agency is not a landowner or owner of land for
20 purposes of this chapter, unless the public agency owns all of the
21 land to be included within the proposed district.

22 (h) “Legislative body” means the city council or board of
23 supervisors.

24 (i) “*Public financing authority*” means *the legislative body of*
25 *the infrastructure financing district established pursuant to this*
26 *chapter. The public financing authority shall be comprised of*
27 *members of the city council or board of supervisors that established*
28 *the district pursuant to this chapter.*

29 SEC. 3. Section 53395.2 of the Government Code is amended
30 to read:

31 53395.2. (a) The revenues available pursuant to Article 3
32 (commencing with Section 53396) may be used directly for work
33 allowed pursuant to Section 53395.3, may be accumulated for a
34 period not to exceed five years to provide a fund for that work,
35 may be pledged to pay the principal of, and interest on, bonds
36 issued pursuant to Article 4 (commencing with Section 53397),
37 or may be pledged to pay the principal of, and interest on, bonds
38 issued pursuant to the Improvement Bond Act of 1915 (Division
39 10 (commencing with Section 8500) of the Streets and Highways
40 Code) or the Mello-Roos Community Facilities Act of 1982

1 (Chapter 2.5 (commencing with Section 53311)), the proceeds of
 2 which have been or will be used entirely for allowable purposes
 3 of the district. The revenue of the district may also be advanced
 4 for allowable purposes of the district to an Integrated Financing
 5 District established pursuant to Chapter 1.5 (commencing with
 6 Section 53175), in which case the district may be a party to a
 7 reimbursement agreement established pursuant to that chapter.
 8 The revenues of the district may also be committed to paying for
 9 any completed public facility acquired pursuant to Section 53395.3
 10 over a period of time, including the payment of a rate of interest
 11 not to exceed the bond buyer index rate on the day that the
 12 agreement to repay is entered into by the ~~city~~ *district*.

13 (b) ~~The legislative body~~ *public financing authority* may enter
 14 into an agreement with any affected taxing entity providing for
 15 the construction of, or assistance in, financing ~~public facilities~~
 16 *activities pursuant to Section 53395.3*.

17 ~~SEC. 2.~~

18 *SEC. 4.* Section 53395.3 of the Government Code is amended
 19 to read:

20 53395.3. (a) A district may finance (1) the purchase,
 21 construction, expansion, improvement, seismic retrofit, or
 22 rehabilitation of any real or other tangible property with an
 23 estimated useful life of 15 years or longer ~~which~~ *that* satisfies the
 24 requirements of subdivision (b), (2) may finance planning and
 25 design work ~~which~~ *that* is directly related to the purchase,
 26 construction, expansion, or rehabilitation of that property, ~~and~~ (3)
 27 the costs described in Sections 53395.5 and 53396.5, ~~and~~ (4) *may*
 28 *contribute to the cost of maintaining facilities that are financed*
 29 *pursuant to subdivision (b)*. A district may only finance the
 30 purchase of facilities for which construction has been completed,
 31 as determined by the legislative body. The facilities need not be
 32 physically located within the boundaries of the district. ~~A~~ *Except*
 33 *as specifically provided in this section, a* district shall not finance
 34 routine maintenance, repair work, or the costs of ongoing operation
 35 or providing services of any kind. A district shall not compensate
 36 the members of the legislative body of the city *or the district* for
 37 any activities undertaken pursuant to this chapter.

38 (b) The district shall finance only structural or nonstructural
 39 public capital facilities *that either benefit properties within the*

1 *district or make facilities available to those properties, including,*
 2 *but not limited to, all of the following:*
 3 (1) Highways, interchanges, ramps and bridges, arterial streets,
 4 parking facilities, and transit facilities.
 5 (2) Sewage treatment and water reclamation plants and
 6 interceptor pipes.
 7 (3) Facilities and watershed lands used for the collection and
 8 treatment of water for urban uses.
 9 (4) Flood management, including levees, bypasses, dams,
 10 retention basins, and drainage channels.
 11 (5) Child care facilities.
 12 (6) Libraries.
 13 (7) Parks, recreational facilities, open space, and habitat
 14 restoration.
 15 (8) Facilities for the transfer and disposal of solid waste,
 16 including transfer stations and vehicles.
 17 (c) The district *shall be a local agency within the meaning of*
 18 *subdivision (d) of Section 33459 of the Health and Safety Code*
 19 *and may finance any actions necessary to implement the Polanco*
 20 *Redevelopment Act (Article 12.5 (commencing with Section*
 21 *33459) of Chapter 4 of Part 1 of Division 24 of the Health and*
 22 *Safety Code).*
 23 (d) The district may finance any ~~projects~~ *project that implement*
 24 *implements a sustainable communities strategy prepared pursuant*
 25 ~~to Section 65074~~ *transit priority project.*
 26 (e) Any district ~~which~~ *that* constructs dwelling units shall set
 27 aside not less than 20 percent of those units to increase and improve
 28 the community’s supply of low- and moderate-income housing
 29 available at an affordable housing cost, as defined by Section
 30 50052.5 of the Health and Safety Code, to persons and families of
 31 low- and moderate-income, as defined in Section 50093 of the
 32 Health and Safety Code.
 33 ~~SEC. 3.~~
 34 *SEC. 5.* Section 53395.4 of the Government Code is amended
 35 to read:
 36 53395.4. (a) A district shall not provide any form of financial
 37 assistance to a vehicle dealer or a big box retailer, or a business
 38 entity that sells or leases land to a vehicle dealer or big box retailer,
 39 that is relocating from the territorial jurisdiction of one local agency

1 to the territorial jurisdiction of another local agency, but within
2 the same market area, as those terms are used in Section 53084.

3 (b) A district may finance only the facilities authorized in this
4 chapter to the extent that the facilities are in addition to those
5 provided in the territory of the district before the district was
6 created. The additional facilities may not supplant facilities already
7 available within that territory when the district was created but
8 may supplement, *rehabilitate, upgrade, or make more sustainable*
9 ~~those facilities as needed to serve new developments.~~

10 (c) A district may include areas ~~which~~ *that* are not contiguous.

11 ~~SEC. 4.~~

12 *SEC. 6.* Section 53395.5 of the Government Code is amended
13 to read:

14 53395.5. It is the intent of the Legislature that the establishment
15 of a district should not ordinarily lead to the removal of existing
16 dwelling units. If, however, any dwelling units are proposed to be
17 removed or destroyed in the course of private development or
18 public works construction within the area of the district, the
19 legislative body shall do all of the following:

20 (a) Within four years of the removal or destruction, cause or
21 require the construction or rehabilitation, for rental or sale to
22 persons or families of low or moderate income, of an equal number
23 of replacement dwelling units at affordable housing cost, as defined
24 in Section 50052.5 of the Health and Safety Code, within the
25 territory of the district if the dwelling units removed were inhabited
26 by persons or families of low or moderate income, as defined in
27 Section 50093 of the Health and Safety Code.

28 (b) Within four years of the removal or destruction, cause or
29 require the construction or rehabilitation, for rental or sale to
30 persons of low or moderate income, a number of dwelling units
31 which is at least one unit but not less than 20 percent of the total
32 dwelling units removed at affordable housing cost, as defined in
33 Section 50052.5 of the Health and Safety Code, within the territory
34 of the district if the dwelling units removed or destroyed were not
35 inhabited by persons of low or moderate income, as defined in
36 Section 50093 of the Health and Safety Code.

37 (c) Provide relocation assistance and make all the payments
38 required by Chapter 16 (commencing with Section 7260) of
39 Division 7 of Title 1, to persons displaced by any public or private

1 development occurring within the territory of the district. This
2 displacement shall be deemed to be the result of public action.

3 (d) Ensure that removal or destruction of any dwelling units
4 occupied by persons or families of low or moderate income not
5 take place unless and until there are suitable housing units, at
6 comparable cost to the units from which the persons or families
7 were displaced, available and ready for occupancy by the residents
8 of the units at the time of their displacement. The housing units
9 shall be suitable to the needs of these displaced persons or families
10 and shall be decent, safe, sanitary, and otherwise standard
11 dwellings.

12 ~~SEC. 5.~~

13 SEC. 7. Section 53395.6 of the Government Code is amended
14 to read:

15 53395.6. Any action or proceeding to attack, review, set aside,
16 void, or annul the creation of a district, adoption of an infrastructure
17 financing plan, including a division of taxes thereunder, shall be
18 commenced within 30 days after the date the legislative body
19 adopted the resolution adopting the infrastructure financing plan
20 pursuant to Section 53395.20. Consistent with the time limitations
21 of this section, such an action or proceeding with respect to a
22 division of taxes under this chapter may be brought pursuant to
23 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
24 the Code of Civil Procedure, except that Section 869 of the Code
25 of Civil Procedure shall not apply.

26 ~~SEC. 6.~~

27 SEC. 8. Section 53395.7 of the Government Code is amended
28 to read:

29 53395.7. An action to determine the validity of the issuance
30 of bonds pursuant to this chapter may be brought pursuant to
31 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
32 the Code of Civil Procedure. However, notwithstanding the time
33 limits specified in Section 860 of the Code of Civil Procedure, the
34 action shall be commenced within 30 days after the date the
35 ~~legislative body~~ *public financing authority* adopted the resolution
36 authorizing the issuance of the bonds pursuant to Section 53397.1,
37 if the action is brought by an interested person pursuant to Section
38 863 of the Code of Civil Procedure. Any appeal from a judgment
39 in that action or proceeding shall be commenced within 30 days
40 after entry of judgment.

1 ~~SEC. 7.~~

2 *SEC. 9.* Section 53395.10 of the Government Code is amended
3 to read:

4 53395.10. A legislative body of a city may designate one or
5 more proposed infrastructure financing districts pursuant to this
6 chapter. Proceedings for the establishment of a district shall be
7 instituted by the adoption of a resolution of intention to establish
8 the proposed district and shall do all of the following:

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

13 (b) State the type of public facilities *and development* proposed
14 to be financed *or assisted* by the district *in accordance with Section*
15 *53395.3. The district may only finance public facilities authorized*
16 *by Section 53395.3.*

17 (c) State the need for the district and the goals the district
18 proposes to achieve ~~by financing public facilities.~~

19 (d) State that incremental property tax revenue from the city
20 and some or all affected taxing entities within the district, *if*
21 *approved by resolution pursuant to Section 53395.19*, may be used
22 ~~to finance these public facilities~~ *implement the plan adopted*
23 *pursuant to Section 53395.14.*

24 (e) Fix a time and place for a public hearing on the proposal.

25 ~~SEC. 8.~~

26 *SEC. 10.* Section 53395.11 of the Government Code is amended
27 to read:

28 53395.11. The legislative body shall direct the clerk to mail a
29 copy of the resolution of intention to create the district to each
30 owner of land within the district and to each affected taxing entity.

31 ~~SEC. 9.~~

32 *SEC. 11.* Section 53395.12 of the Government Code is amended
33 to read:

34 53395.12. (a) The legislative body shall direct the clerk to
35 post a copy of the resolution of intention to create the district in
36 an easily identifiable and accessible location on the legislative
37 body's Internet Web site.

38 (b) *At the conclusion of the public hearing scheduled pursuant*
39 *to subdivision (e) of Section 53395.10, the legislative body of the*
40 *city may adopt a resolution establishing the infrastructure*

1 *financing district based upon a finding that (1) the goals of the*
2 *district are consistent with the general plan; and (2) the financing*
3 *programs undertaken by the district are an efficient means of*
4 *implementing the goals of the district.*

5 SEC. 12. Section 53395.13 of the Government Code is amended
6 to read:

7 53395.13. After adopting the resolution pursuant to Section
8 53395.10 53395.12, the legislative body shall send a copy of the
9 resolution to the public financing authority. Upon receipt of the
10 resolution, the public financing authority shall designate and direct
11 the city engineer or other appropriate official to prepare an
12 infrastructure plan pursuant to Section 53395.14.

13 ~~SEC. 10. Section 53395.14 of the Government Code is amended~~
14 ~~to read:~~

15 ~~53395.14. After receipt of a copy of the resolution of intention~~
16 ~~to establish a district, the official designated pursuant to Section~~
17 ~~53395.13 shall prepare a proposed infrastructure financing plan.~~
18 ~~The infrastructure financing plan shall be consistent with the~~
19 ~~general plan of the city within which the district is located and~~
20 ~~shall include all of the following:~~

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

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

32 ~~(c) A finding that the public facilities provide significant benefits~~
33 ~~to an area larger than the area of the district.~~

34 ~~(d) A financing section, which shall contain all of the following~~
35 ~~information:~~

36 ~~(1) A specification of the maximum portion of the incremental~~
37 ~~tax revenue of the city and of each affected taxing entity proposed~~
38 ~~to be committed to the district for each year during which the~~
39 ~~district will receive incremental tax revenue. The portion need not~~

1 be the same for all affected taxing entities. The portion may change
2 over time.

3 ~~(2) A projection of the amount of tax revenues expected to be~~
4 ~~received by the district in each year during which the district will~~
5 ~~receive tax revenues, including an estimate of the amount of tax~~
6 ~~revenues attributable to each affected taxing entity for each year.~~

7 ~~(3) A plan for financing the public facilities to be assisted by~~
8 ~~the district, including a detailed description of any intention to~~
9 ~~incur debt.~~

10 ~~(4) A limit on the total number of dollars of taxes which may~~
11 ~~be allocated to the district pursuant to the plan.~~

12 ~~(5) A date on which the district will cease to exist, by which~~
13 ~~time all tax allocation to the district will end. The date shall not~~
14 ~~be more than 40 years from the date the legislative body adopted~~
15 ~~the resolution adopting the infrastructure financing plan pursuant~~
16 ~~to Section 53395.20.~~

17 ~~(6) An analysis of the costs to the city of providing facilities~~
18 ~~and services to the area of the district while the area is being~~
19 ~~developed and after the area is developed. The plan shall also~~
20 ~~include an analysis of the tax, fee, charge, and other revenues~~
21 ~~expected to be received by the city as a result of expected~~
22 ~~development in the area of the district.~~

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

25 ~~(e) If any dwelling units occupied by persons or families of low~~
26 ~~or moderate income are proposed to be removed or destroyed in~~
27 ~~the course of private development or public works construction~~
28 ~~within the area of the district, a plan providing for replacement of~~
29 ~~those units and relocation of those persons or families consistent~~
30 ~~with the requirements of Section 53395.5.~~

31 ~~(f) The goals the district proposes to achieve by financing public~~
32 ~~facilities.~~

33 *SEC. 13. Section 53395.14 of the Government Code is amended*
34 *to read:*

35 53395.14. After receipt of a copy of the resolution of intention
36 ~~to establish a district, the~~*The* official designated pursuant to
37 Section 53395.13 shall prepare a proposed infrastructure financing
38 plan. The infrastructure financing plan shall be consistent with the
39 general plan of the city within which the district is located and
40 shall include all of the following:

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

4 (b) A description of the public facilities ~~required~~, *or assistance,*
5 *that benefits or serves the development* to serve the development
6 proposed in the area of the district including those to be provided
7 by the private sector, those to be provided by governmental entities
8 without assistance under this chapter, those public improvements
9 and facilities to be financed with assistance from the proposed
10 district, and those to be provided jointly. The description shall
11 include the proposed location, timing, and costs of the public
12 improvements and facilities.

13 (c) ~~A~~ *If funding from affected taxing entities is incorporated*
14 *into the financing plan, a finding that the public facilities are of*
15 ~~communitywide significance and~~ *provide significant benefits to*
16 *an area larger than the area of the district.*

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

19 (1) A specification of the maximum portion of the incremental
20 *property* tax revenue of the city and of each affected taxing entity,
21 *if any*, proposed to be committed to the district for each year during
22 which the district will receive incremental tax revenue. The portion
23 need not be the same for all affected taxing entities. The portion
24 may change over time.

25 (2) *A specification of the maximum portion of revenue from*
26 *other taxes imposed by a city proposed to be committed to the*
27 *district for each year during which the district will receive those*
28 *revenues.*

29 ~~(2)~~

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

34 ~~(3)~~

35 (4) A plan for financing the public facilities to be assisted by
36 the district, including a detailed description of any intention to
37 incur debt.

38 ~~(4)~~

39 (5) A limit on the total number of dollars of taxes ~~which~~ *that*
40 may be allocated to the district pursuant to the plan.

1 ~~(5)~~

2 (6) A date on which the district will cease to exist, by which
3 time all tax allocation to the district will end. The date shall not
4 be more than ~~30~~ 40 years from the date ~~on which the ordinance~~
5 ~~forming the district is adopted~~ *the public financing authority*
6 *adopted the resolution adopting the infrastructure financing plan*
7 pursuant to Section ~~53395.23~~ 53395.20.

8 ~~(6)~~

9 (7) An analysis of the costs to the city of providing facilities
10 and services to the area of the district while the area is being
11 developed and after the area is developed. The plan shall also
12 include an analysis of the tax, fee, charge, and other revenues
13 expected to be received by the city as a result of expected
14 development in the area of the district.

15 ~~(7)~~

16 (8) An analysis of the projected fiscal impact of the district and
17 the associated development upon each affected taxing entity.

18 ~~(8)~~

19 (9) A plan for financing any potential costs that may be incurred
20 by reimbursing a developer of a project that is both located entirely
21 within the boundaries of that district and qualifies for the Transit
22 Priority Project Program, pursuant to Section 65470, including
23 any permit and affordable housing expenses *and additional*
24 *expenses* related to the project *or the developer of a project that*
25 *implements a transit priority project.*

26 (e) If any dwelling units occupied by persons or families of low
27 or moderate income are proposed to be removed or destroyed in
28 the course of private development or public works construction
29 within the area of the district, a plan providing for replacement of
30 those units and relocation of those persons or families consistent
31 with the requirements of Section 53395.5.

32 (f) *The goals the district proposes to achieve by financing public*
33 *facilities.*

34 (g) *The goals the district proposes to achieve by assisting the*
35 *development described in paragraph (8) of subdivision (d).*

36 (h) *If funding from affected taxing entities is included in the*
37 *plan, the creation of the public accountability committee, pursuant*
38 *to Section 53395.21.*

39 SEC. 14. *Section 53395.16 of the Government Code is amended*
40 *to read:*

1 53395.16. The designated official shall consult with *the city*
 2 *and* each affected taxing entity, and, at the request of any affected
 3 taxing entity, shall meet with representatives of an affected taxing
 4 entity. Any affected taxing entity may suggest revisions to the
 5 plan.

6 *SEC. 15. Section 53395.17 of the Government Code is amended*
 7 *to read:*

8 53395.17. The ~~legislative body~~ *public financing authority* shall
 9 conduct a public hearing prior to adopting the proposed
 10 infrastructure financing plan. The public hearing shall be called
 11 no sooner than 60 days after the plan has been sent to each affected
 12 taxing entity. In addition to the notice given to landowners and
 13 affected taxing entities pursuant to Sections 53395.11 and
 14 53395.12, notice of the public hearing shall be given by publication
 15 not less than once a week for four successive weeks in a newspaper
 16 of general circulation published in the city in which the proposed
 17 district is located. The notice shall state that the district will be
 18 used to finance public works, briefly describe the public works,
 19 briefly describe the proposed financial arrangements, including
 20 the proposed commitment of incremental tax revenue, describe
 21 the boundaries of the proposed district and state the day, hour, and
 22 place when and where any persons having any objections to the
 23 proposed infrastructure financing plan, or the regularity of any of
 24 the prior proceedings, may appear before the ~~legislative body~~
 25 *public financing authority* and object to the adoption of the
 26 proposed plan by the ~~legislative body~~ *public financing authority*.

27 ~~SEC. 11.~~

28 *SEC. 16. Section 53395.19 of the Government Code is amended*
 29 *to read:*

30 53395.19. (a) The ~~legislative body~~ *public financing authority*
 31 shall not enact a resolution ~~forming a district and providing~~
 32 *approving a financing plan that provides* for the division of taxes
 33 of any affected taxing entity pursuant to Article 3 (commencing
 34 with Section 53396), unless a resolution approving the plan has
 35 been adopted by the governing body of each affected taxing entity
 36 ~~which~~ *that* is proposed to be subject to division of taxes pursuant
 37 to Article 3 (commencing with Section 53396) has been filed with
 38 the ~~legislative body~~ *public financing authority* at or prior to the
 39 time of the hearing.

1 (b) In the case of an affected taxing entity that is a special district
2 ~~which~~*that* provides fire protection services and where the county
3 board of supervisors is the governing authority or has appointed
4 itself as the governing board of the district, the plan shall be
5 adopted by a separate resolution approved by the district's
6 governing authority or governing board.

7 (c) Nothing in this section shall be construed to prevent the
8 ~~legislative body~~*public financing authority* from amending its
9 infrastructure financing plan and adopting a resolution forming
10 the infrastructure financing district without allocation of the tax
11 revenues of any affected taxing entity that has not approved the
12 infrastructure financing plan by resolution of the governing body
13 of the affected taxing entity.

14 (d) *A public financing authority may enter into a joint powers*
15 *agreement pursuant to Section 6500 with an affected taxing entity*
16 *to carry out the purposes of this chapter with regard to nontaxing*
17 *authority or powers only.*

18 (e) *An infrastructure financing plan that provides for the division*
19 *of taxes of any affected taxing entity shall not be implemented until*
20 *the date on which the public accountability committee is created*
21 *pursuant to Section 53395.21.*

22 ~~SEC. 12.~~

23 *SEC. 17.* Section 53395.20 of the Government Code is amended
24 to read:

25 53395.20. (a) At the conclusion of the hearing required by
26 Section 53395.17, the ~~legislative body~~*public financing authority*
27 may adopt a resolution adopting the infrastructure financing plan,
28 as modified, and approving the formation of the infrastructure
29 financing district in a manner consistent with ~~Section~~ *Sections*
30 *53395.10 and 53395.19*, or it may abandon the proceedings. *The*
31 *public financing authority shall forward a copy of the plan to the*
32 *legislative body to review and approve the financing section of the*
33 *plan described in subdivision (d) of Section 53395.14. The*
34 *infrastructure financing plan shall not take effect until approved*
35 *by the legislative body.*

36 (b) No later than June 30 of each year after the adoption of the
37 infrastructure financing plan, the ~~legislative body~~*public financing*
38 *authority shall direct the clerk of the legislative body to mail an*
39 *annual report to each owner of land within the district and each*
40 *affected taxing entity. The* ~~legislative body~~ *public financing*

1 *authority* shall direct the clerk *of the legislative body* to post this
 2 annual report in an easily identifiable and accessible location on
 3 the legislative body's Internet Web site. The annual report shall
 4 contain all of the following:

- 5 (1) A summary of the district's expenditures.
- 6 (2) A description of the progress made towards the district's
 7 adopted goals.
- 8 (3) An assessment of the status regarding completion of the
 9 district's public works projects.

10 (c) If the district fails to provide the annual report required by
 11 subdivision (b), the district shall not spend any funds to construct
 12 public works projects until the annual report is submitted.

13 (d) If the district fails to produce evidence of progress made
 14 towards achieving its adopted goals for five consecutive years, the
 15 district shall not spend any funds to construct any new public works
 16 projects; provided, however, the district may complete any public
 17 works projects that it had started. Any excess property tax
 18 increment revenues that had been allocated for new public works
 19 projects shall be reallocated to the affected taxing entities.

20 ~~SEC. 13.~~

21 *SEC. 18.* Section 53395.21 of the Government Code is repealed.

22 *SEC. 19.* *Section 53395.21 is added to the Government Code,*
 23 *to read:*

24 *53395.21. (a) If an infrastructure financing plan contains a*
 25 *provision that provides for the division of taxes of any affected*
 26 *taxing entity, a public accountability committee shall be established*
 27 *pursuant to this section.*

28 *(b) A public accountability committee shall be comprised of a*
 29 *representative of each affected taxing entity that has agreed to the*
 30 *division of its taxes, a representative of the public financing*
 31 *authority, and one or more public members.*

32 *(c) The legislative body of each affected taxing entity and the*
 33 *legislative body of the public financing authority shall each appoint*
 34 *one of its members, or their designee, to the public accountability*
 35 *committee. Those persons appointed pursuant to this subdivision*
 36 *shall, by lot, appoint one or more public members to ensure that*
 37 *the public accountability committee consists of an odd number of*
 38 *members for voting purposes.*

39 *(d) All meetings with the public accountability committee shall*
 40 *be noticed in accordance with Section 54956.*

1 (e) *The purposes of the public accountability committee shall*
2 *be to conduct or have conducted an annual performance review*
3 *and an annual independent financial review of the public financing*
4 *authority. The costs of the audits required pursuant to this*
5 *subdivision shall be paid from revenues of the public financing*
6 *authority.*

7 ~~SEC. 14.~~

8 SEC. 20. Section 53395.22 of the Government Code is repealed.

9 ~~SEC. 15.~~

10 SEC. 21. Section 53395.23 of the Government Code is repealed.

11 ~~SEC. 16.~~

12 SEC. 22. Section 53395.24 of the Government Code is repealed.

13 ~~SEC. 17.~~

14 SEC. 23. Section 53395.25 of the Government Code is repealed.

15 ~~SEC. 18.~~

16 SEC. 24. Section 53396 of the Government Code is amended
17 to read:

18 53396. Any infrastructure financing plan may contain a
19 provision that taxes, if any, levied upon taxable property in the
20 area included within the infrastructure financing district each year
21 by or for the benefit of the State of California, or any affected
22 taxing entity after the effective date of the resolution adopted
23 pursuant to Section 53395.20 to create the district, shall be divided
24 as follows:

25 (a) That portion of the taxes ~~which~~ *that* would be produced by
26 the rate upon which the tax is levied each year by or for each of
27 the affected taxing entities upon the total sum of the assessed value
28 of the taxable property in the district as shown upon the assessment
29 roll used in connection with the taxation of the property by the
30 affected taxing entity, last equalized prior to the effective date of
31 the resolution adopted pursuant to Section 53395.20 to create the
32 district, shall be allocated to, and when collected shall be paid to,
33 the respective affected taxing entities as taxes by or for the affected
34 taxing entities on all other property are paid.

35 (b) That portion of the levied taxes each year specified in the
36 adopted infrastructure financing plan for the city and each affected
37 taxing entity ~~which~~ *that* has agreed to participate pursuant to
38 Section 53395.19 in excess of the amount specified in subdivision
39 (a) shall be allocated to, and when collected shall be paid into a
40 special fund of, the district for all lawful purposes of the district.

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

11 ~~SEC. 19.~~

12 *SEC. 25.* Section 53397.1 of the Government Code is amended
 13 to read:

14 53397.1. The ~~legislative body~~ *public financing authority* may,
 15 by majority vote, authorize the issuance of bonds pursuant to this
 16 chapter by adopting a resolution.

17 ~~SEC. 20.~~

18 *SEC. 26.* Section 53397.2 of the Government Code is amended
 19 to read:

20 53397.2. The resolution adopted pursuant to Section 53397.1
 21 shall contain all of the following information:

- 22 (a) A description of the facilities to be financed with the
 23 proceeds of the bond issue.
- 24 (b) The estimated cost of the facilities, the estimated cost of
 25 preparing and issuing the bonds, and the principal amount of the
 26 bond issuance.
- 27 (c) The maximum interest rate and discount on the bond
 28 issuance.
- 29 (d) A determination of the amount of tax revenue available or
 30 estimated to be available, for the payment of the principal of, and
 31 interest on, the bonds.
- 32 (e) A finding that the amount necessary to pay the principal of,
 33 and interest on, the bond issuance will be less than, or equal to,
 34 the amount determined pursuant to subdivision (d).
- 35 (f) The issuance of the bonds in one or more series.
- 36 (g) The date the bonds will bear.
- 37 (h) The denomination of the bonds.
- 38 (i) The form of the bonds.
- 39 (j) The manner and execution of the bonds.
- 40 (k) The medium of payment in which the bonds are payable.

- 1 *(l)* The place or manner of payment and any requirements for
- 2 registration of the bonds.
- 3 *(m)* The terms or call of redemption, with or without premium.
- 4 ~~SEC. 21.~~
- 5 *SEC. 27.* Section 53397.4 of the Government Code is repealed.
- 6 ~~SEC. 22.~~
- 7 *SEC. 28.* Section 53397.5 of the Government Code is repealed.
- 8 ~~SEC. 23.~~
- 9 *SEC. 29.* Section 53397.6 of the Government Code is repealed.
- 10 ~~SEC. 24.~~
- 11 *SEC. 30.* Section 53397.7 of the Government Code is repealed.

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