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**Introduced by Senator DeSaulnier**

February 16, 2011

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An act to repeal Section 33334.29 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 447, as introduced, DeSaulnier. Redevelopment agency of the City of Redding: veterans home property acquisition.

Existing law authorizes the redevelopment agency of the City of Redding to borrow and use a specified amount from its Low and Moderate Income Housing Fund to provide financial assistance for the acquisition of property for a veterans home.

This bill would repeal this provision of law.

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

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

1 SECTION 1. Section 33334.29 of the Health and Safety Code  
2 is repealed.  
3 ~~33334.29. (a) Notwithstanding Sections 33334.2, 33334.3,~~  
4 ~~and 33334.6, the redevelopment agency of the City of Redding,~~  
5 ~~of the County of Shasta, or of any other city located within the~~  
6 ~~County of Shasta, may borrow and use up to two million three~~  
7 ~~hundred thousand dollars (\$2,300,000) from its Low and Moderate~~  
8 ~~Income Housing Fund to provide financial assistance for the~~  
9 ~~acquisition of property for a veterans home within the territorial~~  
10 ~~jurisdiction of the agency of the City of Redding. As used in this~~  
11 ~~section, "veterans' home" shall mean a veterans' home authorized~~

1 pursuant to ~~Division 5 (commencing with Section 1010) of the~~  
2 ~~Military and Veterans Code.~~  
3 ~~(b) Funds borrowed pursuant to subdivision (a) shall be repaid~~  
4 ~~within 15 years from the date they are loaned, with interest at the~~  
5 ~~rate earned from time to time on funds deposited in the State of~~  
6 ~~California Local Agency Investment Fund. The indebtedness~~  
7 ~~created pursuant to this section shall not be considered to meet the~~  
8 ~~requirements imposed by Section 33333.8, and the agency shall~~  
9 ~~comply in full with that section. If a redevelopment agency~~  
10 ~~described in subdivision (a) is required to remit an amount of tax~~  
11 ~~increment funds to the county auditor for deposit in the county's~~  
12 ~~Educational Revenue Augmentation Fund, created pursuant to~~  
13 ~~Article 3 (commencing with Section 97) of Chapter 6 of Part 0.5~~  
14 ~~of Division 1 of the Revenue and Taxation Code, then the time~~  
15 ~~limit on repayment of the funds borrowed pursuant to this section~~  
16 ~~shall be suspended for one year after the funds are remitted to the~~  
17 ~~county auditor. In addition, the agency shall receive and use tax~~  
18 ~~increment funds to pay the loan described in subdivision (a) until~~  
19 ~~the funds borrowed pursuant to subdivision (a) have been fully~~  
20 ~~repaid. The agency may not incur any obligation with respect to~~  
21 ~~loans, advance of money, or indebtedness, or whether funded,~~  
22 ~~refunded, assumed or otherwise, that would impair or delay its~~  
23 ~~ability or capacity to repay the funds loaned pursuant to this~~  
24 ~~section; except that the agency may incur indebtedness against~~  
25 ~~non-Low and Moderate Income Housing Fund moneys if the~~  
26 ~~proceeds of the indebtedness will be used to repay the funds~~  
27 ~~borrowed pursuant to this section.~~