

AMENDED IN SENATE JANUARY 17, 2014

AMENDED IN SENATE JANUARY 6, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 471

**Introduced by Assembly Members Atkins, Dickinson, Perea, and
Ting**

(Coauthors: Senators Mitchell, Torres, and Wolk)

February 19, 2013

An act to amend Section 53395.4 of the Government Code, and to amend Sections 34163, 34171, 34177, 34180, 34183, 34191.4, and 34191.5 of the Health and Safety Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 471, as amended, Atkins. Local government: redevelopment: successor agencies to redevelopment agencies.

(1) Existing law authorizes the creation of infrastructure financing districts, as defined, for the sole purpose of financing public facilities, subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to the division of taxes and voter approval requirements. Existing law prohibits an infrastructure financing district from including any portion of a redevelopment project area.

This bill would delete that prohibition and would authorize a district to finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area, as specified.

(2) Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the

designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law prohibits a successor agency from entering into contracts with, incur obligations, or make commitments to, any entity, as specified, or to amend or modify existing agreements, obligations, or commitments with any entity, for any purpose.

This bill would authorize a successor agency to amend an existing contract or agreement related to long-term enforceable obligations, or enter into a new contract or agreement in furtherance of an existing contract or agreement, for the purpose of administering projects in connection with long-term enforceable obligations, if the existing contract or agreement has been approved by the Department of Finance as an enforceable obligation on a Recognized Obligation Payment Schedule, and the existing contract or agreement has received a final and conclusive determination. The bill would prohibit any amendment of an existing contract or agreement, or any new contract or agreement, from committing any new funding from any source beyond the funding that was previously authorized in the existing contract or agreement. The bill would also prohibit the amendment of an existing contract or agreement, or any new contract or agreement, from otherwise adversely affecting the flow of property tax revenues, or payments made to taxing entities, as specified.

(3) Existing law requires a successor agency to submit a Recognized Obligation Payment Schedule to the Department of Finance, and requires the successor agency to make payments pursuant to that schedule.

This bill would authorize the successor agency to schedule Recognized Obligation Payment Schedule payments beyond the existing Recognized Obligation Payment Schedule cycle upon a showing that a lender requires cash on hand beyond the Recognized Obligation Payment Schedule cycle, or when a payment is shown to be due during the Recognized Obligation Payment Schedule period. The bill would authorize the successor agency to utilize reasonable estimates and projections to support payment amounts where a payment is shown to be due during the Recognized Obligation Payment Schedule period but an invoice or other billing document has not been received, if the successor agency submits appropriate supporting documentation for the basis of the estimate or projection to the department. The bill would provide that a Recognized Obligation Payment Schedule may also

include appropriation of moneys from bonds subject to passage during the Recognized Obligation Payment Schedule cycle when an enforceable obligation requires the agency to issue the bonds and use the proceeds to pay for project expenditures.

(4) Existing law requires that specified actions of a successor agency be first approved by its oversight board, including, among others, the establishment of a Recognized Obligation Payment Schedule.

This bill would require a successor agency to notify the board 10 days prior to entering into a contract or agreement for the use or disposition of specified properties. The bill would authorize the board to notify the successor agency during that 10-day period that the board intends to conduct a hearing to determine whether the contract or agreement is consistent with the successor agency's long-range property management plan and would require the board to hold the hearing and issue findings within 30 days after it so notified the successor agency.

(5) Existing law requires the county auditor-controller to determine the amount of property taxes that would have been allocated to each redevelopment agency if it had not been dissolved and to deposit this amount in a Redevelopment Property Tax Trust Fund in the county. Existing law requires the conducting of a due diligence review to determine the unobligated balances available for transfer to affected taxing entities. Existing law requires the county auditor-controller for each fiscal year to allocate moneys in the Redevelopment Property Tax Trust Fund for passthrough payment obligations, enforceable obligations of the dissolved redevelopment agency, and administrative costs, as specified. Any remaining moneys in the Redevelopment Property Tax Trust Fund are required to be distributed as local property tax revenues to local agencies and school entities, as specified.

This bill would require that, on January 2, 2014, and twice yearly thereafter until June 1, 2018, funds be allocated to cover the housing entity administrative cost allowance of a local housing authority that has assumed the housing duties of the former redevelopment agency, as specified, before remaining moneys are distributed to local agencies and school entities. The bill would define "housing entity administrative cost allowance" for these purposes. This bill would also exclude from the calculation of the amount distributed to taxing entities during the 2012–13 base year the amounts distributed to taxing entities pursuant to the due diligence review process. By imposing additional duties upon local public officials, the bill would create a state-mandated local program.

(6) Existing law requires a successor agency to prepare a long-range property management plan that addresses the disposition and use of the real properties of a former redevelopment agency and requires a transfer of the property to the city, county, or city and county if the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, as specified.

This bill would specify that the term “identified in an approved redevelopment plan” includes properties listed in a community plan or a 5-year implementation plan.

(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

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

1 SECTION 1. Section 53395.4 of the Government Code is
2 amended to read:

3 53395.4. (a) A district may finance only the facilities or
4 services authorized in this chapter to the extent that the facilities
5 or services are in addition to those provided in the territory of the
6 district before the district was created. The additional facilities or
7 services may not supplant facilities or services already available
8 within that territory when the district was created but may
9 supplement those facilities and services as needed to serve new
10 developments.

11 (b) A district may include areas that are not contiguous.

12 (c) A district may finance a project or portion of a project that
13 is located in, or overlaps with, a redevelopment project area or
14 former redevelopment project area. The successor agency to the
15 former redevelopment agency shall receive a certificate of
16 completion, as defined in Section 34179.7 of the Health and Safety
17 Code, prior to the district financing any project or portion of a
18 project under this subdivision.

1 (d) Notwithstanding subdivision (c), any debt or obligation of
2 a district shall be subordinate to an enforceable obligation of a
3 former redevelopment agency, as defined in Section 34171 of the
4 Health and Safety Code. For the purposes of this chapter, the
5 division of taxes allocated to the district pursuant to subdivision
6 (b) of Section 53396 shall not include any taxes required to be
7 deposited by the county auditor-controller into the Redevelopment
8 Property Tax Trust Fund created pursuant to subdivision (b) of
9 Section 34170.5 of the Health and Safety Code.

10 (e) The legislative body of the city *or county* forming the district
11 may choose to dedicate any portion of its net available revenue to
12 the district through the financing plan described in Section
13 53395.14.

14 (f) For the purposes of this section, “net available revenue”
15 means periodic distributions to the city *or county* from the
16 Redevelopment Property Tax Trust Fund, created pursuant to
17 Section 34170.5 of the Health and Safety Code, that are available
18 to the city *or county* after all preexisting legal commitments and
19 statutory obligations funded from that revenue are made pursuant
20 to Part 1.85 (commencing with Section 34170) of Division 24 of
21 the Health and Safety Code. Net available revenue shall not include
22 any funds deposited by the county auditor-controller into the
23 Redevelopment Property Tax Trust Fund or funds remaining in
24 the Redevelopment Property Tax Trust Fund prior to distribution.
25 Net available revenues shall not include any moneys payable to a
26 school district that maintains kindergarten and grades 1 to 12,
27 inclusive, community college districts, or to the Educational
28 Revenue Augmentation Fund, pursuant to paragraph (4) of
29 subdivision (a) of Section 34183 of the Health and Safety Code.

30 SEC. 2. Section 34163 of the Health and Safety Code is
31 amended to read:

32 34163. Notwithstanding Part 1 (commencing with Section
33 33000), Part 1.5 (commencing with Section 34000), Part 1.6
34 (commencing with Section 34050), and Part 1.7 (commencing
35 with Section 34100), or any other law, commencing on the effective
36 date of this part, an agency shall not have the authority to, and
37 shall not, do any of the following:

38 (a) Make loans or advances or grant or enter into agreements
39 to provide funds or provide financial assistance of any sort to any

1 entity or person for any purpose, including, but not limited to, all
2 of the following:

3 (1) Loans of moneys or any other thing of value or commitments
4 to provide financing to nonprofit organizations to provide those
5 organizations with financing for the acquisition, construction,
6 rehabilitation, refinancing, or development of multifamily rental
7 housing or the acquisition of commercial property for lease, each
8 pursuant to Chapter 7.5 (commencing with Section 33741) of Part
9 1.

10 (2) Loans of moneys or any other thing of value for residential
11 construction, improvement, or rehabilitation pursuant to Chapter
12 8 (commencing with Section 33750) of Part 1. These include, but
13 are not limited to, construction loans to purchasers of residential
14 housing, mortgage loans to purchasers of residential housing, and
15 loans to mortgage lenders, or any other entity, to aid in financing
16 pursuant to Chapter 8 (commencing with Section 33750).

17 (3) The purchase, by an agency, of mortgage or construction
18 loans from mortgage lenders or from any other entities.

19 (b) Except as provided in subdivision (d) of Section 34191.4,
20 enter into contracts with, incur obligations, or make commitments
21 to, any entity, whether governmental, tribal, or private, or any
22 individual or groups of individuals for any purpose, including, but
23 not limited to, loan agreements, passthrough agreements, regulatory
24 agreements, services contracts, leases, disposition and development
25 agreements, joint exercise of powers agreements, contracts for the
26 purchase of capital equipment, agreements for redevelopment
27 activities, including, but not limited to, agreements for planning,
28 design, redesign, development, demolition, alteration, construction,
29 reconstruction, rehabilitation, site remediation, site development
30 or improvement, removal of graffiti, land clearance, and seismic
31 retrofits.

32 (c) Amend or modify existing agreements, obligations, or
33 commitments with any entity, for any purpose, including, but not
34 limited to, any of the following:

35 (1) Renewing or extending term of leases or other agreements,
36 except that the agency may extend lease space for its own use to
37 a date not to exceed six months after the effective date of the act
38 adding this part and for a rate no more than 5 percent above the
39 rate the agency currently pays on a monthly basis.

1 (2) Modifying terms and conditions of existing agreements,
2 obligations, or commitments.

3 (3) Forgiving all or any part of the balance owed to the agency
4 on existing loans or extend the term or change the terms and
5 conditions of existing loans.

6 (4) Making any future deposits to the Low and Moderate Income
7 Housing Fund created pursuant to Section 33334.3.

8 (5) Transferring funds out of the Low and Moderate Income
9 Housing Fund, except to meet the minimum housing-related
10 obligations that existed as of January 1, 2011, to make required
11 payments under Sections 33690 and 33690.5, and to borrow funds
12 pursuant to Section 34168.5.

13 (d) Dispose of assets by sale, long-term lease, gift, grant,
14 exchange, transfer, assignment, or otherwise, for any purpose,
15 including, but not limited to, any of the following:

16 (1) Assets, including, but not limited to, real property, deeds of
17 trust, and mortgages held by the agency, moneys, accounts
18 receivable, contract rights, proceeds of insurance claims, grant
19 proceeds, settlement payments, rights to receive rents, and any
20 other rights to payment of whatever kind.

21 (2) Real property, including, but not limited to, land, land under
22 water and waterfront property, buildings, structures, fixtures, and
23 improvements on the land, any property appurtenant to, or used
24 in connection with, the land, every estate, interest, privilege,
25 easement, franchise, and right in land, including rights-of-way,
26 terms for years, and liens, charges, or encumbrances by way of
27 judgment, mortgage, or otherwise, and the indebtedness secured
28 by the liens.

29 (e) Acquire real property by any means for any purpose,
30 including, but not limited to, the purchase, lease, or exercising of
31 an option to purchase or lease, exchange, subdivide, transfer,
32 assume, obtain option upon, acquire by gift, grant, bequest, devise,
33 or otherwise acquire any real property, any interest in real property,
34 and any improvements on it, including the repurchase of developed
35 property previously owned by the agency and the acquisition of
36 real property by eminent domain; provided, however, that nothing
37 in this subdivision is intended to prohibit the acceptance or transfer
38 of title for real property acquired prior to the effective date of this
39 part.

1 (f) Transfer, assign, vest, or delegate any of its assets, funds,
2 rights, powers, ownership interests, or obligations for any purpose
3 to any entity, including, but not limited to, the community, the
4 legislative body, another member of a joint powers authority, a
5 trustee, a receiver, a partner entity, another agency, a nonprofit
6 corporation, a contractual counterparty, a public body, a
7 limited-equity housing cooperative, the state, a political subdivision
8 of the state, the federal government, any private entity, or an
9 individual or group of individuals.

10 (g) Accept financial or other assistance from the state or federal
11 government or any public or private source if the acceptance
12 necessitates or is conditioned upon the agency incurring
13 indebtedness as that term is described in this part.

14 SEC. 3. Section 34171 of the Health and Safety Code is
15 amended to read:

16 34171. The following terms shall have the following meanings:

17 (a) “Administrative budget” means the budget for administrative
18 costs of the successor agencies as provided in Section 34177.

19 (b) “Administrative cost allowance” means an amount that,
20 subject to the approval of the oversight board, is payable from
21 property tax revenues of up to 5 percent of the property tax
22 allocated to the successor agency on the Recognized Obligation
23 Payment Schedule covering the period January 1, 2012, through
24 June 30, 2012, and up to 3 percent of the property tax allocated to
25 the Redevelopment Obligation Retirement Fund money that is
26 allocated to the successor agency for each fiscal year thereafter;
27 provided, however, that the amount shall not be less than two
28 hundred fifty thousand dollars (\$250,000), unless the oversight
29 board reduces this amount, for any fiscal year or such lesser amount
30 as agreed to by the successor agency. However, the allowance
31 amount shall exclude, and shall not apply to, any administrative
32 costs that can be paid from bond proceeds or from sources other
33 than property tax. Administrative cost allowances shall exclude
34 any litigation expenses related to assets or obligations, settlements
35 and judgments, and the costs of maintaining assets prior to
36 disposition. Employee costs associated with work on specific
37 project implementation activities, including, but not limited to,
38 construction inspection, project management, or actual
39 construction, shall be considered project-specific costs and shall
40 not constitute administrative costs.

1 (c) “Designated local authority” shall mean a public entity
2 formed pursuant to subdivision (d) of Section 34173.

3 (d) (1) “Enforceable obligation” means any of the following:

4 (A) Bonds, as defined by Section 33602 and bonds issued
5 pursuant to Chapter 10.5 (commencing with Section 5850) of
6 Division 6 of Title 1 of the Government Code, including the
7 required debt service, reserve set-asides, and any other payments
8 required under the indenture or similar documents governing the
9 issuance of the outstanding bonds of the former redevelopment
10 agency. A reserve may be held when required by the bond
11 indenture or when the next property tax allocation will be
12 insufficient to pay all obligations due under the provisions of the
13 bond for the next payment due in the following half of the calendar
14 year.

15 (B) Loans of moneys borrowed by the redevelopment agency
16 for a lawful purpose, to the extent they are legally required to be
17 repaid pursuant to a required repayment schedule or other
18 mandatory loan terms.

19 (C) Payments required by the federal government, preexisting
20 obligations to the state or obligations imposed by state law, other
21 than passthrough payments that are made by the county
22 auditor-controller pursuant to Section 34183, or legally enforceable
23 payments required in connection with the agencies’ employees,
24 including, but not limited to, pension payments, pension obligation
25 debt service, unemployment payments, or other obligations
26 conferred through a collective bargaining agreement. Costs incurred
27 to fulfill collective bargaining agreements for layoffs or
28 terminations of city employees who performed work directly on
29 behalf of the former redevelopment agency shall be considered
30 enforceable obligations payable from property tax funds. The
31 obligations to employees specified in this subparagraph shall
32 remain enforceable obligations payable from property tax funds
33 for any employee to whom those obligations apply if that employee
34 is transferred to the entity assuming the housing functions of the
35 former redevelopment agency pursuant to Section 34176. The
36 successor agency or designated local authority shall enter into an
37 agreement with the housing entity to reimburse it for any costs of
38 the employee obligations.

39 (D) Judgments or settlements entered by a competent court of
40 law or binding arbitration decisions against the former

1 redevelopment agency, other than passthrough payments that are
2 made by the county auditor-controller pursuant to Section 34183.
3 Along with the successor agency, the oversight board shall have
4 the authority and standing to appeal any judgment or to set aside
5 any settlement or arbitration decision.

6 (E) Any legally binding and enforceable agreement or contract
7 that is not otherwise void as violating the debt limit or public
8 policy. However, nothing in this act shall prohibit either the
9 successor agency, with the approval or at the direction of the
10 oversight board, or the oversight board itself from terminating any
11 existing agreements or contracts and providing any necessary and
12 required compensation or remediation for such termination. Titles
13 of or headings used on or in a document shall not be relevant in
14 determining the existence of an enforceable obligation.

15 (F) Contracts or agreements necessary for the administration or
16 operation of the successor agency, in accordance with this part,
17 including, but not limited to, agreements concerning litigation
18 expenses related to assets or obligations, settlements and
19 judgments, and the costs of maintaining assets prior to disposition,
20 and agreements to purchase or rent office space, equipment and
21 supplies, and pay-related expenses pursuant to Section 33127 and
22 for carrying insurance pursuant to Section 33134.

23 (G) Amounts borrowed from, or payments owing to, the Low
24 and Moderate Income Housing Fund of a redevelopment agency,
25 which had been deferred as of the effective date of the act adding
26 this part; provided, however, that the repayment schedule is
27 approved by the oversight board. Repayments shall be transferred
28 to the Low and Moderate Income Housing Asset Fund established
29 pursuant to subdivision (d) of Section 34176 as a housing asset
30 and shall be used in a manner consistent with the affordable
31 housing requirements of the Community Redevelopment Law (Part
32 1 (commencing with Section 33000)).

33 (2) For purposes of this part, “enforceable obligation” does not
34 include any agreements, contracts, or arrangements between the
35 city, county, or city and county that created the redevelopment
36 agency and the former redevelopment agency. However, written
37 agreements entered into (A) at the time of issuance, but in no event
38 later than December 31, 2010, of indebtedness obligations, and
39 (B) solely for the purpose of securing or repaying those
40 indebtedness obligations may be deemed enforceable obligations

1 for purposes of this part. Notwithstanding this paragraph, loan
2 agreements entered into between the redevelopment agency and
3 the city, county, or city and county that created it, within two years
4 of the date of creation of the redevelopment agency, may be
5 deemed to be enforceable obligations.

6 (3) Contracts or agreements between the former redevelopment
7 agency and other public agencies, to perform services or provide
8 funding for governmental or private services or capital projects
9 outside of redevelopment project areas that do not provide benefit
10 to the redevelopment project and thus were not properly authorized
11 under Part 1 (commencing with Section 33000) shall be deemed
12 void on the effective date of this part; provided, however, that such
13 contracts or agreements for the provision of housing properly
14 authorized under Part 1 (commencing with Section 33000) shall
15 not be deemed void.

16 (e) “Indebtedness obligations” means bonds, notes, certificates
17 of participation, or other evidence of indebtedness, issued or
18 delivered by the redevelopment agency, or by a joint exercise of
19 powers authority created by the redevelopment agency, to
20 third-party investors or bondholders to finance or refinance
21 redevelopment projects undertaken by the redevelopment agency
22 in compliance with the Community Redevelopment Law (Part 1
23 (commencing with Section 33000)).

24 (f) “Oversight board” shall mean each entity established pursuant
25 to Section 34179.

26 (g) “Recognized obligation” means an obligation listed in the
27 Recognized Obligation Payment Schedule.

28 (h) “Recognized Obligation Payment Schedule” means the
29 document setting forth the minimum payment amounts and due
30 dates of payments required by enforceable obligations for each
31 six-month fiscal period as provided in subdivision (m) of Section
32 34177.

33 (i) “School entity” means any entity defined as such in
34 subdivision (f) of Section 95 of the Revenue and Taxation Code.

35 (j) “Successor agency” means the successor entity to the former
36 redevelopment agency as described in Section 34173.

37 (k) “Taxing entities” means cities, counties, a city and county,
38 special districts, and school entities, as defined in subdivision (f)
39 of Section 95 of the Revenue and Taxation Code, that receive

1 passthrough payments and distributions of property taxes pursuant
2 to the provisions of this part.

3 (l) “Property taxes” include all property tax revenues, including
4 those from unitary and supplemental and roll corrections applicable
5 to tax increment.

6 (m) “Department” means the Department of Finance unless the
7 context clearly refers to another state agency.

8 (n) “Sponsoring entity” means the city, county, or city and
9 county, or other entity that authorized the creation of each
10 redevelopment agency.

11 (o) “Final judicial determination” means a final judicial
12 determination made by any state court that is not appealed, or by
13 a court of appellate jurisdiction that is not further appealed, in an
14 action by any party.

15 (p) From January 2, 2014, to June 1, 2018, inclusive, “housing
16 entity administrative cost allowance” means an amount of up to 1
17 percent of the property tax allocated to the Redevelopment
18 Obligation Retirement Fund on behalf of the successor agency for
19 each applicable fiscal year, but not less than one hundred fifty
20 thousand dollars (\$150,000) per fiscal year.

21 (1) The housing entity administrative cost allowance shall be
22 listed by the successor agency on the Recognized Obligation
23 Payment Schedule. Upon approval of the Recognized Obligation
24 Payment Schedule by the oversight board and the department, the
25 housing entity administrative cost allowance shall be remitted by
26 the county auditor-controller on each January 2 and June 1 to the
27 local housing authority that assumed the housing functions of the
28 former redevelopment agency pursuant to paragraph (2) or (3) of
29 subdivision (b) of Section 34176. To assist the county
30 auditor-controller in this duty, the successor agency shall notify
31 the county auditor-controller by March 1, 2014, of the identity of
32 the entity that has assumed the housing functions of the former
33 redevelopment agency.

34 (2) If there are insufficient moneys in the Redevelopment
35 Obligations Retirement Fund in a given fiscal year to make the
36 payment authorized by this subdivision, the unfunded amount may
37 be listed on each subsequent Recognized Obligation Payment
38 Schedule until it has been paid in full. In these cases the five-year
39 time limit on the payments shall not apply.

1 SEC. 4. Section 34177 of the Health and Safety Code is
2 amended to read:

3 34177. Successor agencies are required to do all of the
4 following:

5 (a) Continue to make payments due for enforceable obligations.

6 (1) On and after February 1, 2012, and until a Recognized
7 Obligation Payment Schedule becomes operative, only payments
8 required pursuant to an enforceable obligations payment schedule
9 shall be made. The initial enforceable obligation payment schedule
10 shall be the last schedule adopted by the redevelopment agency
11 under Section 34169. However, payments associated with
12 obligations excluded from the definition of enforceable obligations
13 by paragraph (2) of subdivision (d) of Section 34171 shall be
14 excluded from the enforceable obligations payment schedule and
15 be removed from the last schedule adopted by the redevelopment
16 agency under Section 34169 prior to the successor agency adopting
17 it as its enforceable obligations payment schedule pursuant to this
18 subdivision. The enforceable obligation payment schedule may
19 be amended by the successor agency at any public meeting and
20 shall be subject to the approval of the oversight board as soon as
21 the board has sufficient members to form a quorum. In recognition
22 of the fact that the timing of the California Supreme Court's ruling
23 in the case California Redevelopment Association v. Matosantos
24 (2011) 53 Cal.4th 231 delayed the preparation by successor
25 agencies and the approval by oversight boards of the January 1,
26 2012, through June 30, 2012, Recognized Obligation Payment
27 Schedule, a successor agency may amend the Enforceable
28 Obligation Payment Schedule to authorize the continued payment
29 of enforceable obligations until the time that the January 1, 2012,
30 through June 30, 2012, Recognized Obligation Payment Schedule
31 has been approved by the oversight board and by the Department
32 of Finance. The successor agency may utilize reasonable estimates
33 and projections to support payment amounts for enforceable
34 obligations if the successor agency submits appropriate supporting
35 documentation of the basis for the estimate or projection to the
36 Department of Finance.

37 (2) The Department of Finance and the Controller shall each
38 have the authority to require any documents associated with the
39 enforceable obligations to be provided to them in a manner of their
40 choosing. Any taxing entity, the department, and the Controller

1 shall each have standing to file a judicial action to prevent a
2 violation under this part and to obtain injunctive or other
3 appropriate relief.

4 (3) Commencing on the date the Recognized Obligation Payment
5 Schedule is valid pursuant to subdivision (l), only those payments
6 listed in the Recognized Obligation Payment Schedule may be
7 made by the successor agency from the funds specified in the
8 Recognized Obligation Payment Schedule. In addition, after it
9 becomes valid, the Recognized Obligation Payment Schedule shall
10 supersede the Statement of Indebtedness, which shall no longer
11 be prepared nor have any effect under the Community
12 Redevelopment Law (Part 1 (commencing with Section 33000)).

13 (4) Nothing in the act adding this part is to be construed as
14 preventing a successor agency, with the prior approval of the
15 oversight board, as described in Section 34179, from making
16 payments for enforceable obligations from sources other than those
17 listed in the Recognized Obligation Payment Schedule.

18 (5) From February 1, 2012, to July 1, 2012, a successor agency
19 shall have no authority and is hereby prohibited from accelerating
20 payment or making any lump-sum payments that are intended to
21 prepay loans unless such accelerated repayments were required
22 prior to the effective date of this part.

23 (b) Maintain reserves in the amount required by indentures,
24 trust indentures, or similar documents governing the issuance of
25 outstanding redevelopment agency bonds.

26 (c) Perform obligations required pursuant to any enforceable
27 obligation.

28 (d) Remit unencumbered balances of redevelopment agency
29 funds to the county auditor-controller for distribution to the taxing
30 entities, including, but not limited to, the unencumbered balance
31 of the Low and Moderate Income Housing Fund of a former
32 redevelopment agency. In making the distribution, the county
33 auditor-controller shall utilize the same methodology for allocation
34 and distribution of property tax revenues provided in Section
35 34188.

36 (e) Dispose of assets and properties of the former redevelopment
37 agency as directed by the oversight board; provided, however, that
38 the oversight board may instead direct the successor agency to
39 transfer ownership of certain assets pursuant to subdivision (a) of
40 Section 34181. The disposal is to be done expeditiously and in a

1 manner aimed at maximizing value. Proceeds from asset sales and
2 related funds that are no longer needed for approved development
3 projects or to otherwise wind down the affairs of the agency, each
4 as determined by the oversight board, shall be transferred to the
5 county auditor-controller for distribution as property tax proceeds
6 under Section 34188. The requirements of this subdivision shall
7 not apply to a successor agency that has been issued a finding of
8 completion by the Department of Finance pursuant to Section
9 34179.7.

10 (f) Enforce all former redevelopment agency rights for the
11 benefit of the taxing entities, including, but not limited to,
12 continuing to collect loans, rents, and other revenues that were due
13 to the redevelopment agency.

14 (g) Effectuate transfer of housing functions and assets to the
15 appropriate entity designated pursuant to Section 34176.

16 (h) Expeditiously wind down the affairs of the redevelopment
17 agency pursuant to the provisions of this part and in accordance
18 with the direction of the oversight board.

19 (i) Continue to oversee development of properties until the
20 contracted work has been completed or the contractual obligations
21 of the former redevelopment agency can be transferred to other
22 parties. Bond proceeds shall be used for the purposes for which
23 bonds were sold unless the purposes can no longer be achieved,
24 in which case, the proceeds may be used to defease the bonds.

25 (j) Prepare a proposed administrative budget and submit it to
26 the oversight board for its approval. The proposed administrative
27 budget shall include all of the following:

28 (1) Estimated amounts for successor agency administrative costs
29 for the upcoming six-month fiscal period.

30 (2) Proposed sources of payment for the costs identified in
31 paragraph (1).

32 (3) Proposals for arrangements for administrative and operations
33 services provided by a city, county, city and county, or other entity.

34 (k) Provide administrative cost estimates, from its approved
35 administrative budget that are to be paid from property tax revenues
36 deposited in the Redevelopment Property Tax Trust Fund, to the
37 county auditor-controller for each six-month fiscal period.

38 (l) (1) Before each six-month fiscal period, prepare a
39 Recognized Obligation Payment Schedule in accordance with the
40 requirements of this paragraph. For each recognized obligation,

1 the Recognized Obligation Payment Schedule shall identify one
2 or more of the following sources of payment:
3 (A) Low and Moderate Income Housing Fund.
4 (B) Bond proceeds.
5 (C) Reserve balances.
6 (D) Administrative cost allowance.
7 (E) The Redevelopment Property Tax Trust Fund, but only to
8 the extent no other funding source is available or when payment
9 from property tax revenues is required by an enforceable obligation
10 or by the provisions of this part.
11 (F) Other revenue sources, including rents, concessions, asset
12 sale proceeds, interest earnings, and any other revenues derived
13 from the former redevelopment agency, as approved by the
14 oversight board in accordance with this part.
15 (2) A Recognized Obligation Payment Schedule shall not be
16 deemed valid unless all of the following conditions have been met:
17 (A) A Recognized Obligation Payment Schedule is prepared
18 by the successor agency for the enforceable obligations of the
19 former redevelopment agency. The initial schedule shall project
20 the dates and amounts of scheduled payments for each enforceable
21 obligation for the remainder of the time period during which the
22 redevelopment agency would have been authorized to obligate
23 property tax increment had the a redevelopment agency not been
24 dissolved.
25 (B) The Recognized Obligation Payment Schedule is submitted
26 to and duly approved by the oversight board. The successor agency
27 shall submit a copy of the Recognized Obligation Payment
28 Schedule to the county administrative officer, the county
29 auditor-controller, and the Department of Finance at the same time
30 that the successor agency submits the Recognized Obligation
31 Payment Schedule to the oversight board for approval.
32 (C) A copy of the approved Recognized Obligation Payment
33 Schedule is submitted to the county auditor-controller, the
34 Controller’s office, and the Department of Finance, and is posted
35 on the successor agency’s Internet Web site.
36 (3) The Recognized Obligation Payment Schedule shall be
37 forward looking to the next six months. The first Recognized
38 Obligation Payment Schedule shall be submitted to the Controller’s
39 office and the Department of Finance by April 15, 2012, for the
40 period of January 1, 2012, to June 30, 2012, inclusive. This

1 Recognized Obligation Payment Schedule shall include all
2 payments made by the former redevelopment agency between
3 January 1, 2012, through January 31, 2012, and shall include all
4 payments proposed to be made by the successor agency from
5 February 1, 2012, through June 30, 2012. Former redevelopment
6 agency enforceable obligation payments due, and reasonable or
7 necessary administrative costs due or incurred, prior to January 1,
8 2012, shall be made from property tax revenues received in the
9 spring of 2011 property tax distribution, and from other revenues
10 and balances transferred to the successor agency.

11 (m) The Recognized Obligation Payment Schedule for the period
12 of January 1, 2013, to June 30, 2013, shall be submitted by the
13 successor agency, after approval by the oversight board, no later
14 than September 1, 2012. Commencing with the Recognized
15 Obligation Payment Schedule covering the period July 1, 2013,
16 through December 31, 2013, successor agencies shall submit an
17 oversight board-approved Recognized Obligation Payment
18 Schedule to the Department of Finance and to the county
19 auditor-controller no fewer than 90 days before the date of property
20 tax distribution. The Department of Finance shall make its
21 determination of the enforceable obligations and the amounts and
22 funding sources of the enforceable obligations no later than 45
23 days after the Recognized Obligation Payment Schedule is
24 submitted. Within five business days of the department's
25 determination, a successor agency may request additional review
26 by the department and an opportunity to meet and confer on
27 disputed items. The meet and confer period may vary; an untimely
28 submittal of a Recognized Obligation Payment Schedule may result
29 in a meet and confer period of less than 30 days. The department
30 shall notify the successor agency and the county auditor-controllers
31 as to the outcome of its review at least 15 days before the date of
32 property tax distribution.

33 (1) The successor agency shall submit a copy of the Recognized
34 Obligation Payment Schedule to the Department of Finance
35 electronically, and the successor agency shall complete the
36 Recognized Obligation Payment Schedule in the manner provided
37 for by the department. A successor agency shall be in
38 noncompliance with this paragraph if it only submits to the
39 department an electronic message or a letter stating that the

1 oversight board has approved a Recognized Obligation Payment
2 Schedule.

3 (2) If a successor agency does not submit a Recognized
4 Obligation Payment Schedule by the deadlines provided in this
5 subdivision, the city, county, or city and county that created the
6 redevelopment agency shall be subject to a civil penalty equal to
7 ten thousand dollars (\$10,000) per day for every day the schedule
8 is not submitted to the department. The civil penalty shall be paid
9 to the county auditor-controller for allocation to the taxing entities
10 under Section 34183. If a successor agency fails to submit a
11 Recognized Obligation Payment Schedule by the deadline, any
12 creditor of the successor agency or the Department of Finance or
13 any affected taxing entity shall have standing to and may request
14 a writ of mandate to require the successor agency to immediately
15 perform this duty. Those actions may be filed only in the County
16 of Sacramento and shall have priority over other civil matters.
17 Additionally, if an agency does not submit a Recognized Obligation
18 Payment Schedule within 10 days of the deadline, the maximum
19 administrative cost allowance for that period shall be reduced by
20 25 percent.

21 (3) If a successor agency fails to submit to the department an
22 oversight board-approved Recognized Obligation Payment
23 Schedule that complies with all requirements of this subdivision
24 within five business days of the date upon which the Recognized
25 Obligation Payment Schedule is to be used to determine the amount
26 of property tax allocations, the department may determine if any
27 amount should be withheld by the county auditor-controller for
28 payments for enforceable obligations from distribution to taxing
29 entities, pending approval of a Recognized Obligation Payment
30 Schedule. The county auditor-controller shall distribute the portion
31 of any of the sums withheld pursuant to this paragraph to the
32 affected taxing entities in accordance with paragraph (4) of
33 subdivision (a) of Section 34183 upon notice by the department
34 that a portion of the withheld balances are in excess of the amount
35 of enforceable obligations. The county auditor-controller shall
36 distribute withheld funds to the successor agency only in
37 accordance with a Recognized Obligation Payment Schedule
38 approved by the department. County auditor-controllers shall lack
39 the authority to withhold any other amounts from the allocations

1 provided for under Section 34183 or 34188 unless required by a
2 court order.

3 (4) (A) The Recognized Obligation Payment Schedule payments
4 required pursuant to this subdivision may be scheduled beyond
5 the existing Recognized Obligation Payment Schedule cycle upon
6 a showing that a lender requires cash on hand beyond the
7 Recognized Obligation Payment Schedule cycle.

8 (B) When a payment is shown to be due during the Recognized
9 Obligation Payment Schedule period, but an invoice or other billing
10 document has not yet been received, the successor agency may
11 utilize reasonable estimates and projections to support payment
12 amounts for enforceable obligations if the successor agency submits
13 appropriate supporting documentation of the basis for the estimate
14 or projection to the department.

15 (C) A Recognized Obligation Payment Schedule may also
16 include appropriation of moneys from bonds subject to passage
17 during the Recognized Obligation Payment Schedule cycle when
18 an enforceable obligation requires the agency to issue the bonds
19 and use the proceeds to pay for project expenditures.

20 (n) Cause a postaudit of the financial transactions and records
21 of the successor agency to be made at least annually by a certified
22 public accountant.

23 SEC. 5. Section 34180 of the Health and Safety Code is
24 amended to read:

25 34180. (a) All of the following successor agency actions shall
26 first be approved by the oversight board:

27 (1) The establishment of new repayment terms for outstanding
28 loans where the terms have not been specified prior to the date of
29 this part. An oversight board shall not have the authority to
30 reestablish loan agreements between the successor agency and the
31 city, county, or city and county that formed the redevelopment
32 agency except as provided in Chapter 9 (commencing with Section
33 34191.1).

34 (2) The issuance of bonds or other indebtedness or the pledge
35 or agreement for the pledge of property tax revenues (formerly tax
36 increment prior to the effective date of this part) pursuant to
37 subdivision (a) of Section 34177.5.

38 (3) Setting aside of amounts in reserves as required by
39 indentures, trust indentures, or similar documents governing the
40 issuance of outstanding redevelopment agency bonds.

- 1 (4) Merging of project areas.
- 2 (5) Continuing the acceptance of federal or state grants, or other
- 3 forms of financial assistance from either public or private sources,
- 4 if that assistance is conditioned upon the provision of matching
- 5 funds, by the successor entity as successor to the former
- 6 redevelopment agency, in an amount greater than 5 percent.
- 7 (6) (A) If a city, county, or city and county wishes to retain any
- 8 properties or other assets for future redevelopment activities,
- 9 funded from its own funds and under its own auspices, it must
- 10 reach a compensation agreement with the other taxing entities to
- 11 provide payments to them in proportion to their shares of the base
- 12 property tax, as determined pursuant to Section 34188, for the
- 13 value of the property retained.
- 14 (B) If no other agreement is reached on valuation of the retained
- 15 assets, the value will be the fair market value as of the 2011
- 16 property tax lien date as determined by an independent appraiser
- 17 approved by the oversight board.
- 18 (7) Establishment of the Recognized Obligation Payment
- 19 Schedule.
- 20 (8) A request by the successor agency to enter into an agreement
- 21 with the city, county, or city and county that formed the
- 22 redevelopment agency that it is succeeding. An oversight board
- 23 shall not have the authority to reestablish loan agreements between
- 24 the successor agency and the city, county, or city and county that
- 25 formed the redevelopment agency except as provided in Chapter
- 26 9 (commencing with Section 34191.1). Any actions to reestablish
- 27 any other agreements that are in furtherance of enforceable
- 28 obligations, with the city, county, or city and county that formed
- 29 the redevelopment agency are invalid until they are included in an
- 30 approved and valid Recognized Obligation Payment Schedule.
- 31 (9) A request by a successor agency or taxing entity to pledge,
- 32 or to enter into an agreement for the pledge of, property tax
- 33 revenues pursuant to subdivision (b) of Section 34178.
- 34 (b) A successor agency shall provide notice to the oversight
- 35 board at least 10 days prior to entering into a contract or agreement
- 36 for the use or disposition of properties pursuant to paragraph (2)
- 37 of subdivision (c) of Section 34191.5. During the 10-day period
- 38 the oversight board may notify the successor agency that the board
- 39 intends to conduct a hearing to determine whether the contract or
- 40 agreement is consistent with the successor agency's long-range

1 property management plan. The board shall hold the hearing and
2 issue findings within 30 days after it so notified the successor
3 agency.

4 (c) Any document submitted by a successor agency to an
5 oversight board for approval by any provision of this part shall
6 also be submitted to the county administrative officer, the county
7 auditor-controller, and the Department of Finance at the same time
8 that the successor agency submits the document to the oversight
9 board.

10 SEC. 6. Section 34183 of the Health and Safety Code is
11 amended to read:

12 34183. (a) Notwithstanding any other law, from February 1,
13 2012, to July 1, 2012, and for each fiscal year thereafter, the county
14 auditor-controller shall, after deducting administrative costs
15 allowed under Section 34182 and Section 95.3 of the Revenue and
16 Taxation Code, allocate moneys in each Redevelopment Property
17 Tax Trust Fund as follows:

18 (1) Subject to any prior deductions required by subdivision (b),
19 first, the county auditor-controller shall remit from the
20 Redevelopment Property Tax Trust Fund to each local agency and
21 school entity an amount of property tax revenues in an amount
22 equal to that which would have been received under Section 33401,
23 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections
24 read on January 1, 2011, or pursuant to any passthrough agreement
25 between a redevelopment agency and a taxing entity that was
26 entered into prior to January 1, 1994, that would be in force during
27 that fiscal year, had the redevelopment agency existed at that time.
28 The amount of the payments made pursuant to this paragraph shall
29 be calculated solely on the basis of passthrough payment
30 obligations, existing prior to the effective date of this part and
31 continuing as obligations of successor entities, shall occur no later
32 than May 16, 2012, and no later than June 1, 2012, and each
33 January 2 and June 1 thereafter. Notwithstanding subdivision (e)
34 of Section 33670, that portion of the taxes in excess of the amount
35 identified in subdivision (a) of Section 33670, which are
36 attributable to a tax rate levied by a taxing entity for the purpose
37 of producing revenues in an amount sufficient to make annual
38 repayments of the principal of, and the interest on, any bonded
39 indebtedness for the acquisition or improvement of real property
40 shall be allocated to, and when collected shall be paid into, the

1 fund of that taxing entity. The amount of passthrough payments
2 computed pursuant to this section, including any passthrough
3 agreements, shall be computed as though the requirement to set
4 aside funds for the Low and Moderate Income Housing Fund was
5 still in effect.

6 (2) Second, on June 1, 2012, and each January 2 and June 1
7 thereafter, to each successor agency for payments listed in its
8 Recognized Obligation Payment Schedule for the six-month fiscal
9 period beginning January 1, 2012, and July 1, 2012, and each
10 January 2 and June 1 thereafter, in the following order of priority:

11 (A) Debt service payments scheduled to be made for tax
12 allocation bonds.

13 (B) Payments scheduled to be made on revenue bonds, but only
14 to the extent the revenues pledged for them are insufficient to make
15 the payments and only if the agency's tax increment revenues were
16 also pledged for the repayment of the bonds.

17 (C) Payments scheduled for other debts and obligations listed
18 in the Recognized Obligation Payment Schedule that are required
19 to be paid from former tax increment revenue.

20 (3) Third, on June 1, 2012, and each January 2 and June 1
21 thereafter, to each successor agency for the administrative cost
22 allowance, as defined in Section 34171, for administrative costs
23 set forth in an approved administrative budget for those payments
24 required to be paid from former tax increment revenues.

25 (4) Fourth, on March 1, 2014, and each January 2 and June 1
26 thereafter until June 1, 2018, for the housing entity administrative
27 cost allowance payable to the local housing authority that has
28 assumed the housing duties of the former redevelopment agency
29 pursuant to paragraph (2) or (3) of subdivision (b) of Section
30 34176.

31 (5) Fifth, on June 1, 2012, and each January 2 and June 1
32 thereafter, any moneys remaining in the Redevelopment Property
33 Tax Trust Fund after the payments and transfers authorized by
34 paragraphs (1) to (4), inclusive, shall be distributed to local
35 agencies and school entities in accordance with Section 34188.

36 (b) If the successor agency reports, no later than April 1, 2012,
37 and May 1, 2012, and each December 1 and May 1 thereafter, to
38 the county auditor-controller that the total amount available to the
39 successor agency from the Redevelopment Property Tax Trust
40 Fund allocation to that successor agency's Redevelopment

1 Obligation Retirement Fund, from other funds transferred from
2 each redevelopment agency, and from funds that have or will
3 become available through asset sales and all redevelopment
4 operations, are insufficient to fund the payments required by
5 paragraphs (1) to (4), inclusive, of subdivision (a) in the next
6 six-month fiscal period, the county auditor-controller shall notify
7 the Controller and the Department of Finance no later than 10 days
8 from the date of that notification. The county auditor-controller
9 shall verify whether the successor agency will have sufficient funds
10 from which to service debts according to the Recognized
11 Obligation Payment Schedule and shall report the findings to the
12 Controller. If the Controller concurs that there are insufficient
13 funds to pay required debt service, the amount of the deficiency
14 shall be deducted first from the amount remaining to be distributed
15 to taxing entities pursuant to paragraph (5), and if that amount is
16 exhausted, from amounts available for distribution for
17 administrative costs in paragraphs (3) and (4), with those amounts
18 in paragraph (3) to be exhausted first. If an agency, pursuant to
19 the provisions of Section 33492.15, 33492.72, 33607.5, 33671.5,
20 33681.15, or 33688 or as expressly provided in a passthrough
21 agreement entered into pursuant to Section 33401, made
22 passthrough payment obligations subordinate to debt service
23 payments required for enforceable obligations, funds for servicing
24 bond debt may be deducted from the amounts for passthrough
25 payments under paragraph (1), as provided in those sections, but
26 only to the extent that the amounts remaining to be distributed to
27 taxing entities pursuant to paragraph (5) and the amounts available
28 for distribution for administrative costs in paragraphs (3) and (4)
29 have all been exhausted.

30 (c) The county treasurer may loan any funds from the county
31 treasury to the Redevelopment Property Tax Trust Fund of the
32 successor agency for the purpose of paying an item approved on
33 the Recognized Obligation Payment Schedule at the request of the
34 Department of Finance that are necessary to ensure prompt
35 payments of redevelopment agency debts. An enforceable
36 obligation is created for repayment of those loans.

37 (d) The Controller may recover the costs of audit and oversight
38 required under this part from the Redevelopment Property Tax
39 Trust Fund by presenting an invoice therefor to the county
40 auditor-controller who shall set aside sufficient funds for and

1 disburse the claimed amounts prior to making the next distributions
2 to the taxing entities pursuant to Section 34188. Subject to the
3 approval of the Director of Finance, the budget of the Controller
4 may be augmented to reflect the reimbursement, pursuant to
5 Section 28.00 of the Budget Act.

6 (e) Within 10 days of each distribution of property tax, the
7 county auditor-controller shall provide a report to the department
8 regarding the distribution for each successor agency that includes
9 information on the total available for allocation, the passthrough
10 amounts and how they were calculated, the amounts distributed
11 to successor agencies, and the amounts distributed to taxing entities
12 in a manner and form specified by the department. This reporting
13 requirement shall also apply to distributions required under
14 subdivision (b) of Section 34183.5.

15 SEC. 7. Section 34191.4 of the Health and Safety Code is
16 amended to read:

17 34191.4. The following provisions shall apply to any successor
18 agency that has been issued a finding of completion by the
19 Department of Finance:

20 (a) All real property and interests in real property identified in
21 subparagraph (C) of paragraph (5) of subdivision (c) of Section
22 34179.5 shall be transferred to the Community Redevelopment
23 Property Trust Fund of the successor agency upon approval by the
24 Department of Finance of the long-range property management
25 plan submitted by the successor agency pursuant to subdivision
26 (b) of Section 34191.5 unless that property is subject to the
27 requirements of any existing enforceable obligation.

28 (b) (1) Notwithstanding subdivision (d) of Section 34171, upon
29 application by the successor agency and approval by the oversight
30 board, loan agreements entered into between the redevelopment
31 agency and the city, county, or city and county that created the
32 redevelopment agency shall be deemed to be enforceable
33 obligations provided that the oversight board makes a finding that
34 the loan was for legitimate redevelopment purposes.

35 (2) If the oversight board finds that the loan is an enforceable
36 obligation, the accumulated interest on the remaining principal
37 amount of the loan shall be recalculated from origination at the
38 interest rate earned by funds deposited into the Local Agency
39 Investment Fund. The loan shall be repaid to the city, county, or
40 city and county in accordance with a defined schedule over a

1 reasonable term of years at an interest rate not to exceed the interest
2 rate earned by funds deposited into the Local Agency Investment
3 Fund. The annual loan repayments provided for in the recognized
4 obligation payment schedules shall be subject to all of the following
5 limitations:

6 (A) Loan repayments shall not be made prior to the 2013–14
7 fiscal year. Beginning in the 2013–14 fiscal year, the maximum
8 repayment amount authorized each fiscal year for repayments
9 made pursuant to this subdivision and paragraph (7) of subdivision
10 (e) of Section 34176 combined shall be equal to one-half of the
11 increase between the amount distributed to the taxing entities
12 pursuant to paragraph (5) of subdivision (a) of Section 34183 in
13 that fiscal year and the amount distributed to taxing entities
14 pursuant to that paragraph in the 2012–13 base year, provided,
15 however, that calculation of the amount distributed to taxing
16 entities during the 2012–13 base year shall not include any amounts
17 distributed to taxing entities pursuant to the due diligence review
18 process established in Sections 34179.5 to 34179.8, inclusive.
19 Loan or deferral repayments made pursuant to this subdivision
20 shall be second in priority to amounts to be repaid pursuant to
21 paragraph (7) of subdivision (e) of Section 34176.

22 (B) Repayments received by the city, county, or city and county
23 that formed the redevelopment agency shall first be used to retire
24 any outstanding amounts borrowed and owed to the Low and
25 Moderate Income Housing Fund of the former redevelopment
26 agency for purposes of the Supplemental Educational Revenue
27 Augmentation Fund and shall be distributed to the Low and
28 Moderate Income Housing Asset Fund established by subdivision
29 (d) of Section 34176.

30 (C) Twenty percent of any loan repayment shall be deducted
31 from the loan repayment amount and shall be transferred to the
32 Low and Moderate Income Housing Asset Fund, after all
33 outstanding loans from the Low and Moderate Income Housing
34 Fund for purposes of the Supplemental Educational Revenue
35 Augmentation Fund have been paid.

36 (c) (1) Bond proceeds derived from bonds issued on or before
37 December 31, 2010, shall be used for the purposes for which the
38 bonds were sold.

39 (2) (A) Notwithstanding Section 34177.3 or any other
40 conflicting provision of law, bond proceeds in excess of the

1 amounts needed to satisfy approved enforceable obligations shall
2 thereafter be expended in a manner consistent with the original
3 bond covenants. Enforceable obligations may be satisfied by the
4 creation of reserves for projects that are the subject of the
5 enforceable obligation and that are consistent with the contractual
6 obligations for those projects, or by expending funds to complete
7 the projects. An expenditure made pursuant to this paragraph shall
8 constitute the creation of excess bond proceeds obligations to be
9 paid from the excess proceeds. Excess bond proceeds obligations
10 shall be listed separately on the Recognized Obligation Payment
11 Schedule submitted by the successor agency.

12 (B) If remaining bond proceeds cannot be spent in a manner
13 consistent with the bond covenants pursuant to subparagraph (A),
14 the proceeds shall be used to defease the bonds or to purchase
15 those same outstanding bonds on the open market for cancellation.

16 (d) The successor agency may amend an existing contract or
17 agreement related to long-term enforceable obligations, or enter
18 into a new contract or agreement in furtherance of any existing
19 contract or agreement, for the purpose of administering projects
20 in connection with long-term enforceable obligations, if the existing
21 contract or agreement has been approved by the department as an
22 enforceable obligation on a Recognized Obligation Payment
23 Schedule pursuant to subdivision (m) of Section 34177, and the
24 existing contract or agreement has received a final and conclusive
25 determination pursuant to subdivision (i) of Section 34177.5.
26 Additionally, any amendment of an existing contract or agreement,
27 or any new contract or agreement entered into pursuant to this
28 subdivision, shall not adversely affect the flow of property tax
29 revenues or payments made pursuant to paragraph (4) of
30 subdivision (a) of Section 34183 to the taxing entities, including
31 the commitment of any new funding from any source beyond that
32 which was previously authorized in an existing contract or
33 agreement if that commitment would have an adverse effect on
34 the flow of property tax revenues or payments made pursuant to
35 paragraph (4) of subdivision (a).

36 SEC. 8. Section 34191.5 of the Health and Safety Code is
37 amended to read:

38 34191.5. (a) There is hereby established a Community
39 Redevelopment Property Trust Fund, administered by the successor
40 agency, to serve as the repository of the former redevelopment

1 agency's real properties identified in subparagraph (C) of paragraph
2 (5) of subdivision (c) of Section 34179.5.

3 (b) The successor agency shall prepare a long-range property
4 management plan that addresses the disposition and use of the real
5 properties of the former redevelopment agency. The report shall
6 be submitted to the oversight board and the Department of Finance
7 for approval no later than six months following the issuance to the
8 successor agency of the finding of completion.

9 (c) The long-range property management plan shall do all of
10 the following:

11 (1) Include an inventory of all properties in the trust. The
12 inventory shall consist of all of the following information:

13 (A) The date of the acquisition of the property and the value of
14 the property at that time, and an estimate of the current value of
15 the property.

16 (B) The purpose for which the property was acquired.

17 (C) Parcel data, including address, lot size, and current zoning
18 in the former agency redevelopment plan or specific, community,
19 or general plan.

20 (D) An estimate of the current value of the parcel including, if
21 available, any appraisal information.

22 (E) An estimate of any lease, rental, or any other revenues
23 generated by the property, and a description of the contractual
24 requirements for the disposition of those funds.

25 (F) The history of environmental contamination, including
26 designation as a brownfield site, any related environmental studies,
27 and history of any remediation efforts.

28 (G) A description of the property's potential for transit-oriented
29 development and the advancement of the planning objectives of
30 the successor agency.

31 (H) A brief history of previous development proposals and
32 activity, including the rental or lease of property.

33 (2) Address the use or disposition of all of the properties in the
34 trust. Permissible uses include the retention of the property for
35 governmental use pursuant to subdivision (a) of Section 34181,
36 the retention of the property for future development, the sale of
37 the property, or the use of the property to fulfill an enforceable
38 obligation. The plan shall separately identify and list properties in
39 the trust dedicated to governmental use purposes and properties
40 retained for purposes of fulfilling an enforceable obligation. With

1 respect to the use or disposition of all other properties, all of the
2 following shall apply:

3 (A) (i) If the plan directs the use or liquidation of the property
4 for a project identified in an approved redevelopment plan, the
5 property shall transfer to the city, county, or city and county.

6 (ii) For purposes of this subparagraph, the term “identified in
7 an approved redevelopment plan” includes properties listed in a
8 community plan or a five-year implementation plan.

9 (B) If the plan directs the liquidation of the property or the use
10 of revenues generated from the property, such as lease or parking
11 revenues, for any purpose other than to fulfill an enforceable
12 obligation or other than that specified in subparagraph (A), the
13 proceeds from the sale shall be distributed as property tax to the
14 taxing entities.

15 (C) Property shall not be transferred to a successor agency, city,
16 county, or city and county, unless the long-range property
17 management plan has been approved by the oversight board and
18 the Department of Finance.

19 SEC. 9. No reimbursement is required by this act pursuant to
20 Section 6 of Article XIII B of the California Constitution because
21 this act provides for offsetting savings to local agencies or school
22 districts that result in no net costs to the local agencies or school
23 districts, within the meaning of Section 17556 of the Government
24 Code.

25 SEC. 10. This act is an urgency statute necessary for the
26 immediate preservation of the public peace, health, or safety within
27 the meaning of Article IV of the Constitution and shall go into
28 immediate effect. The facts constituting the necessity are:

29 In order to facilitate the smooth and effective implementation
30 and completion of the dissolution of redevelopment agencies, it is
31 necessary that this act go into immediate effect.