

AMENDED IN SENATE JUNE 10, 2014

AMENDED IN ASSEMBLY APRIL 10, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2493

Introduced by Assembly Member Bloom

*(Coauthors: Assembly Members Achadjian, Alejo, Brown, Lowenthal,
Mullin, V. Manuel Pérez, Nestande, Skinner, and Waldron)*

(Coauthor: Senator Lara)

February 21, 2014

An act to amend Sections 34176 and 34191.4 of the Health and Safety Code, relating to community redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2493, as amended, Bloom. Redevelopment dissolution: housing projects: bond proceeds.

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 provides for the transfer of housing assets and functions previously performed by the dissolved redevelopment agency to one of several specified public entities. Existing law authorizes the successor housing entity to designate the use of, and commit, proceeds from indebtedness that was issued for affordable housing purposes prior to January 1, 2011, and was backed by the Low and Moderate Income Housing Fund.

This bill would instead authorize a successor housing entity to designate the use of, and commit, proceeds from indebtedness that was issued for affordable housing purposes prior to June 28, 2011, and would require the proceeds from bonds issued between January 1, 2011, and June 28, 2011, be used for projects meeting certain criteria established in this bill for projects, to be funded by successor agencies generally, from proceeds of bonds issued during the same period.

Existing law authorizes the Department of Finance to issue a finding of completion to a successor agency that completes a due diligence review and meets other requirements. Upon receiving a finding of completion, a successor agency is authorized to expend excess bond proceeds derived from bonds issued on or before December 31, 2010, in a manner consistent with the original bond covenants.

The bill would expand this authorization to include the expenditure of excess bond proceeds derived from bonds issued on or before June 28, 2011, and would require proceeds derived from bonds issued between January 1, 2011, and June 28, 2011, to be used by successor agencies only for projects meeting certain criteria.

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

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

1 ~~SECTION 1. Section 34176 of the Health and Safety Code is~~
2 ~~amended to read:~~
3 ~~34176. (a) (1) The city, county, or city and county that~~
4 ~~authorized the creation of a redevelopment agency may elect to~~
5 ~~retain the housing assets and functions previously performed by~~
6 ~~the redevelopment agency. If a city, county, or city and county~~
7 ~~elects to retain the authority to perform housing functions~~
8 ~~previously performed by a redevelopment agency, all rights,~~
9 ~~powers, duties, obligations, and housing assets, as defined in~~
10 ~~subdivision (c), excluding any amounts on deposit in the Low and~~
11 ~~Moderate Income Housing Fund and enforceable obligations~~
12 ~~retained by the successor agency, shall be transferred to the city,~~
13 ~~county, or city and county.~~
14 ~~(2) The entity assuming the housing functions of the former~~
15 ~~redevelopment agency shall submit to the Department of Finance~~
16 ~~by August 1, 2012, a list of all housing assets that contains an~~
17 ~~explanation of how the assets meet the criteria specified in~~

1 subdivision (c). The Department of Finance shall prescribe the
2 format for the submission of the list. The list shall include assets
3 transferred between February 1, 2012, and the date upon which
4 the list is created. The department shall have up to 30 days from
5 the date of receipt of the list to object to any of the assets or
6 transfers of assets identified on the list. If the Department of
7 Finance objects to assets on the list, the entity assuming the housing
8 functions of the former redevelopment agency may request a meet
9 and confer process within five business days of receiving the
10 department objection. If the transferred asset is deemed not to be
11 a housing asset as defined in subdivision (c), it shall be returned
12 to the successor agency and the provision of Section 34178.8 may
13 apply. If a housing asset has been previously pledged to pay for
14 bonded indebtedness, the successor agency shall maintain control
15 of the asset in order to pay for the bond debt.

16 (b) If a city, county, or city and county does not elect to retain
17 the responsibility for performing housing functions previously
18 performed by a redevelopment agency, all rights, powers, assets,
19 duties, and obligations associated with the housing activities of
20 the agency, excluding enforceable obligations retained by the
21 successor agency and any amounts in the Low and Moderate
22 Income Housing Fund, shall be transferred as follows:

23 (1) If there is no local housing authority in the territorial
24 jurisdiction of the former redevelopment agency, to the Department
25 of Housing and Community Development.

26 (2) If there is one local housing authority in the territorial
27 jurisdiction of the former redevelopment agency, to that local
28 housing authority.

29 (3) If there is more than one local housing authority in the
30 territorial jurisdiction of the former redevelopment agency, to the
31 local housing authority selected by the city, county, or city and
32 county that authorized the creation of the redevelopment agency.

33 (e) Commencing on the operative date of this part, the entity
34 that assumes the housing functions formerly performed by the
35 redevelopment agency and receives the transferred housing assets
36 may enforce affordability covenants and perform related activities
37 pursuant to applicable provisions of the Community
38 Redevelopment Law (Part 1 (commencing with Section 33000));
39 including, but not limited to, Section 33418.

1 ~~(d) Except as specifically provided in Section 34191.4, any~~
2 ~~funds transferred to the city, county, or city and county or~~
3 ~~designated entity pursuant to this section, together with any funds~~
4 ~~generated from housing assets, as defined in subdivision (e), shall~~
5 ~~be maintained in a separate Low and Moderate Income Housing~~
6 ~~Asset Fund which is hereby created in the accounts of the entity~~
7 ~~assuming the housing functions pursuant to this section. Funds in~~
8 ~~this account shall be used in accordance with applicable~~
9 ~~housing-related provisions of the Community Redevelopment Law~~
10 ~~(Part 1 (commencing with Section 33000)):~~

11 ~~(e) For purposes of this part, "housing asset" includes all of the~~
12 ~~following:~~

13 ~~(1) Any real property, interest in, or restriction on the use of~~
14 ~~real property, whether improved or not, and any personal property~~
15 ~~provided in residences, including furniture and appliances, all~~
16 ~~housing-related files and loan documents, office supplies, software~~
17 ~~licenses, and mapping programs, that were acquired for low- and~~
18 ~~moderate-income housing purposes, either by purchase or through~~
19 ~~a loan, in whole or in part, with any source of funds.~~

20 ~~(2) Any funds that are encumbered by an enforceable obligation~~
21 ~~to build or acquire low- and moderate-income housing, as defined~~
22 ~~by the Community Redevelopment Law (Part 1 (commencing with~~
23 ~~Section 33000)) unless required in the bond covenants to be used~~
24 ~~for repayment purposes of the bond.~~

25 ~~(3) Any loan or grant receivable, funded from the Low and~~
26 ~~Moderate Income Housing Fund, from homebuyers, homeowners,~~
27 ~~nonprofit or for-profit developers, and other parties that require~~
28 ~~occupancy by persons of low or moderate income as defined by~~
29 ~~the Community Redevelopment Law (Part 1 (commencing with~~
30 ~~Section 33000)):~~

31 ~~(4) Any funds derived from rents or operation of properties~~
32 ~~acquired for low- and moderate-income housing purposes by other~~
33 ~~parties that were financed with any source of funds, including~~
34 ~~residual receipt payments from developers, conditional grant~~
35 ~~repayments, cost savings and proceeds from refinancing, and~~
36 ~~principal and interest payments from homebuyers subject to~~
37 ~~enforceable income limits.~~

38 ~~(5) A stream of rents or other payments from housing tenants~~
39 ~~or operators of low- and moderate-income housing financed with~~
40 ~~any source of funds that are used to maintain, operate, and enforce~~

1 the affordability of housing or for enforceable obligations
2 associated with low- and moderate-income housing.

3 (6) (A) Repayments of loans or deferrals owed to the Low and
4 Moderate Income Housing Fund pursuant to subparagraph (G) of
5 paragraph (1) of subdivision (d) of Section 34171, which shall be
6 used consistent with the affordable housing requirements in the
7 Community Redevelopment Law (Part 1 (commencing with
8 Section 33000)).

9 (B) Loan or deferral repayments shall not be made prior to the
10 2013-14 fiscal year. Beginning in the 2013-14 fiscal year, the
11 maximum repayment amount authorized each fiscal year for
12 repayments made pursuant to this paragraph and subdivision (b)
13 of Section 34191.4 combined shall be equal to one-half of the
14 increase between the amount distributed to taxing entities pursuant
15 to paragraph (4) of subdivision (a) of Section 34183 in that fiscal
16 year and the amount distributed to taxing entities pursuant to that
17 paragraph in the 2012-13 base year. Loan or deferral repayments
18 made pursuant to this paragraph shall take priority over amounts
19 to be repaid pursuant to subdivision (b) of Section 34191.4.

20 (f) If a development includes both low- and moderate-income
21 housing that meets the definition of a housing asset under
22 subdivision (e) and other types of property use, including, but not
23 limited to, commercial use, governmental use, open space, and
24 parks, the oversight board shall consider the overall value to the
25 community as well as the benefit to taxing entities of keeping the
26 entire development intact or dividing the title and control over the
27 property between the housing successor and the successor agency
28 or other public or private agencies. The disposition of those assets
29 may be accomplished by a revenue-sharing arrangement as
30 approved by the oversight board on behalf of the affected taxing
31 entities.

32 (g) (1) (A) The entity assuming the housing functions pursuant
33 to this section may designate the use of and commit indebtedness
34 obligation proceeds that remain after the satisfaction of enforceable
35 obligations that have been approved in a Recognized Obligation
36 Payment Schedule and that are consistent with the indebtedness
37 obligation covenants. The proceeds shall be derived from
38 indebtedness obligations that were issued for the purposes of
39 affordable housing prior to June 28, 2011. Bond proceeds derived
40 from bonds issued between January 1, 2011, and June 28, 2011,

1 shall only be used for projects that meet the criteria set forth in
2 subparagraph (A) or (B) of paragraph (1) of subdivision (c) of
3 Section 34191.4. Enforceable obligations may be satisfied by the
4 creation of reserves for the projects that are the subject of the
5 enforceable obligation that are consistent with the contractual
6 obligations for those projects, or by expending funds to complete
7 the projects.

8 (B) The entity assuming the housing functions pursuant to this
9 section shall provide notice to the successor agency of any
10 designations of use or commitments of funds specified in
11 subparagraph (A) that it wishes to make at least 20 days before
12 the deadline for submission of the Recognized Obligation Payment
13 Schedule to the oversight board. Commitments and designations
14 shall not be valid and binding on any party until they are included
15 in an approved and valid Recognized Obligation Payment
16 Schedule. The review of these designations and commitments by
17 the successor agency, oversight board, and Department of Finance
18 shall be limited to a determination that the designations and
19 commitments are consistent with bond covenants and that there
20 are sufficient funds available.

21 (2) Funds shall be used and committed in a manner consistent
22 with the purposes of the Low and Moderate Income Housing Asset
23 Fund. Notwithstanding any other law, the successor agency shall
24 retain and expend the excess housing obligation proceeds at the
25 discretion of the succeeding housing entity, provided that the
26 successor agency ensures that the proceeds are expended in a
27 manner consistent with the indebtedness obligation covenants and
28 with any requirements relating to the tax status of those obligations.
29 The amount expended shall not exceed the amount of indebtedness
30 obligation proceeds available and such expenditure shall constitute
31 the creation of excess housing proceeds expenditures to be paid
32 from the excess proceeds. Excess housing proceeds expenditures
33 shall be listed separately on the Recognized Obligation Payment
34 Schedule submitted by the successor agency.

35 (h) Subdivisions (d) and (e) of Section 33334.3 and any other
36 applicable sections of the Community Redevelopment Law shall
37 apply for purposes of funding administrative and planning costs
38 associated with the implementation of this section. For this purpose,
39 the term “Low and Moderate Income Housing Fund” shall mean
40 the “Low and Moderate Income Housing Asset Fund.” This section

1 ~~shall not be construed to provide any stream of tax increment~~
2 ~~financing.~~

3 *SECTION 1. Section 34176 of the Health and Safety Code is*
4 *amended to read:*

5 34176. (a) (1) The city, county, or city and county that
6 authorized the creation of a redevelopment agency may elect to
7 retain the housing assets and functions previously performed by
8 the redevelopment agency. If a city, county, or city and county
9 elects to retain the authority to perform housing functions
10 previously performed by a redevelopment agency, all rights,
11 powers, duties, obligations, and housing assets, as defined in
12 subdivision (e), excluding any amounts on deposit in the Low and
13 Moderate Income Housing Fund and enforceable obligations
14 retained by the successor agency, shall be transferred to the city,
15 county, or city and county.

16 (2) The housing successor shall submit to the Department of
17 Finance by August 1, 2012, a list of all housing assets that contains
18 an explanation of how the assets meet the criteria specified in
19 subdivision (e). The Department of Finance shall prescribe the
20 format for the submission of the list. The list shall include assets
21 transferred between February 1, 2012, and the date upon which
22 the list is created. The department shall have up to 30 days from
23 the date of receipt of the list to object to any of the assets or
24 transfers of assets identified on the list. If the Department of
25 Finance objects to assets on the list, the housing successor may
26 request a meet and confer process within five business days of
27 receiving the department objection. If the transferred asset is
28 deemed not to be a housing asset as defined in subdivision (e), it
29 shall be returned to the successor agency and the provision of
30 Section 34178.8 may apply. If a housing asset has been previously
31 pledged to pay for bonded indebtedness, the successor agency shall
32 maintain control of the asset in order to pay for the bond debt.

33 (3) For purposes of this section and Section 34176.1, "housing
34 successor" means the entity assuming the housing function of a
35 former redevelopment agency pursuant to this section.

36 (b) If a city, county, or city and county does not elect to retain
37 the responsibility for performing housing functions previously
38 performed by a redevelopment agency, all rights, powers, assets,
39 duties, and obligations associated with the housing activities of
40 the agency, excluding enforceable obligations retained by the

1 successor agency and any amounts in the Low and Moderate
2 Income Housing Fund, shall be transferred as follows:

3 (1) If there is no local housing authority in the territorial
4 jurisdiction of the former redevelopment agency, to the Department
5 of Housing and Community Development.

6 (2) If there is one local housing authority in the territorial
7 jurisdiction of the former redevelopment agency, to that local
8 housing authority.

9 (3) If there is more than one local housing authority in the
10 territorial jurisdiction of the former redevelopment agency, to the
11 local housing authority selected by the city, county, or city and
12 county that authorized the creation of the redevelopment agency.

13 (c) Commencing on the operative date of this part, the housing
14 successor may enforce affordability covenants and perform related
15 activities pursuant to applicable provisions of the Community
16 Redevelopment Law (Part 1 (commencing with Section 33000)),
17 including, but not limited to, Section 33418.

18 (d) Except as specifically provided in Section 34191.4, any
19 funds transferred to the housing successor, together with any funds
20 generated from housing assets, as defined in subdivision (e), shall
21 be maintained in a separate Low and Moderate Income Housing
22 Asset Fund which is hereby created in the accounts of the housing
23 successor.

24 (e) For purposes of this part, “housing asset” includes all of the
25 following:

26 (1) Any real property, interest in, or restriction on the use of
27 real property, whether improved or not, and any personal property
28 provided in residences, including furniture and appliances, all
29 housing-related files and loan documents, office supplies, software
30 licenses, and mapping programs, that were acquired for low- and
31 moderate-income housing purposes, either by purchase or through
32 a loan, in whole or in part, with any source of funds.

33 (2) Any funds that are encumbered by an enforceable obligation
34 to build or acquire low- and moderate-income housing, as defined
35 by the Community Redevelopment Law (Part 1 (commencing with
36 Section 33000)) unless required in the bond covenants to be used
37 for repayment purposes of the bond.

38 (3) Any loan or grant receivable, funded from the Low and
39 Moderate Income Housing Fund, from homebuyers, homeowners,
40 nonprofit or for-profit developers, and other parties that require

1 occupancy by persons of low or moderate income as defined by
2 the Community Redevelopment Law (Part 1 (commencing with
3 Section 33000)).

4 (4) Any funds derived from rents or operation of properties
5 acquired for low- and moderate-income housing purposes by other
6 parties that were financed with any source of funds, including
7 residual receipt payments from developers, conditional grant
8 repayments, cost savings and proceeds from refinancing, and
9 principal and interest payments from homebuyers subject to
10 enforceable income limits.

11 (5) A stream of rents or other payments from housing tenants
12 or operators of low- and moderate-income housing financed with
13 any source of funds that are used to maintain, operate, and enforce
14 the affordability of housing or for enforceable obligations
15 associated with low- and moderate-income housing.

16 (6) (A) Repayments of loans or deferrals owed to the Low and
17 Moderate Income Housing Fund pursuant to subparagraph (G) of
18 paragraph (1) of subdivision (d) of Section 34171, which shall be
19 used consistent with the affordable housing requirements in the
20 Community Redevelopment Law (Part 1 (commencing with
21 Section 33000)).

22 (B) Loan or deferral repayments shall not be made prior to the
23 2013–14 fiscal year. Beginning in the 2013–14 fiscal year, the
24 maximum repayment amount authorized each fiscal year for
25 repayments made pursuant to this paragraph and subdivision (b)
26 of Section 34191.4 combined shall be equal to one-half of the
27 increase between the amount distributed to taxing entities pursuant
28 to paragraph (4) of subdivision (a) of Section 34183 in that fiscal
29 year and the amount distributed to taxing entities pursuant to that
30 paragraph in the 2012–13 base year. Loan or deferral repayments
31 made pursuant to this paragraph shall take priority over amounts
32 to be repaid pursuant to subdivision (b) of Section 34191.4.

33 (f) If a development includes both low- and moderate-income
34 housing that meets the definition of a housing asset under
35 subdivision (e) and other types of property use, including, but not
36 limited to, commercial use, governmental use, open space, and
37 parks, the oversight board shall consider the overall value to the
38 community as well as the benefit to taxing entities of keeping the
39 entire development intact or dividing the title and control over the
40 property between the housing successor and the successor agency

1 or other public or private agencies. The disposition of those assets
2 may be accomplished by a revenue-sharing arrangement as
3 approved by the oversight board on behalf of the affected taxing
4 entities.

5 (g) (1) (A) The housing successor may designate the use of
6 and commit indebtedness obligation proceeds that remain after the
7 satisfaction of enforceable obligations that have been approved in
8 a Recognized Obligation Payment Schedule and that are consistent
9 with the indebtedness obligation covenants. The proceeds shall be
10 derived from indebtedness obligations that were issued for the
11 purposes of affordable housing prior to *June 28, 2011. Bond*
12 *proceeds derived from bonds issued between January 1, 2011, and*
13 ~~were backed by the Low and Moderate Income Housing Fund.~~
14 *June 28, 2011, shall only be used for projects that meet the criteria*
15 *set forth in subparagraph (A) or (B) of paragraph (1) of subdivision*
16 *(c) of Section 34191.4. Enforceable obligations may be satisfied*
17 *by the creation of reserves for the projects that are the subject of*
18 *the enforceable obligation that are consistent with the contractual*
19 *obligations for those projects, or by expending funds to complete*
20 *the projects.*

21 (B) The housing successor shall provide notice to the successor
22 agency of any designations of use or commitments of funds
23 specified in subparagraph (A) that it wishes to make at least 20
24 days before the deadline for submission of the Recognized
25 Obligation Payment Schedule to the oversight board. Commitments
26 and designations shall not be valid and binding on any party until
27 they are included in an approved and valid Recognized Obligation
28 Payment Schedule. The review of these designations and
29 commitments by the successor agency, oversight board, and
30 Department of Finance shall be limited to a determination that the
31 designations and commitments are consistent with bond covenants
32 and that there are sufficient funds available.

33 (2) Funds shall be used and committed in a manner consistent
34 with the purposes of the Low and Moderate Income Housing Asset
35 Fund. Notwithstanding any other law, the successor agency shall
36 retain and expend the excess housing obligation proceeds at the
37 discretion of the housing successor, provided that the successor
38 agency ensures that the proceeds are expended in a manner
39 consistent with the indebtedness obligation covenants and with
40 any requirements relating to the tax status of those obligations.

1 The amount expended shall not exceed the amount of indebtedness
2 obligation proceeds available and such expenditure shall constitute
3 the creation of excess housing proceeds expenditures to be paid
4 from the excess proceeds. Excess housing proceeds expenditures
5 shall be listed separately on the Recognized Obligation Payment
6 Schedule submitted by the successor agency.

7 (h) This section shall not be construed to provide any stream of
8 tax increment financing.

9 SEC. 2. Section 34191.4 of the Health and Safety Code is
10 amended to read:

11 34191.4. The following provisions shall apply to any successor
12 agency that has been issued a finding of completion by the
13 Department of Finance:

14 (a) All real property and interests in real property identified in
15 subparagraph (C) of paragraph (5) of subdivision (c) of Section
16 34179.5 shall be transferred to the Community Redevelopment
17 Property Trust Fund of the successor agency upon approval by the
18 Department of Finance of the long-range property management
19 plan submitted by the successor agency pursuant to subdivision
20 (b) of Section 34191.7 unless that property is subject to the
21 requirements of any existing enforceable obligation.

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

29 (2) If the oversight board finds that the loan is an enforceable
30 obligation, the accumulated interest on the remaining principal
31 amount of the loan shall be recalculated from origination at the
32 interest rate earned by funds deposited into the Local Agency
33 Investment Fund. The loan shall be repaid to the city, county, or
34 city and county in accordance with a defined schedule over a
35 reasonable term of years at an interest rate not to exceed the interest
36 rate earned by funds deposited into the Local Agency Investment
37 Fund. The annual loan repayments provided for in the recognized
38 obligations payment schedules shall be subject to all of the
39 following limitations:

1 (A) Loan repayments shall not be made prior to the 2013–14
2 fiscal year. Beginning in the 2013–14 fiscal year, the maximum
3 repayment amount authorized each fiscal year for repayments
4 made pursuant to this subdivision and paragraph (7) of subdivision
5 (e) of Section 34176 combined shall be equal to one-half of the
6 increase between the amount distributed to the taxing entities
7 pursuant to paragraph (4) of subdivision (a) of Section 34183 in
8 that fiscal year and the amount distributed to taxing entities
9 pursuant to that paragraph in the 2012–13 base year. Loan or
10 deferral repayments made pursuant to this subdivision shall be
11 second in priority to amounts to be repaid pursuant to paragraph
12 (7) of subdivision (e) of Section 34176.

13 (B) Repayments received by the city, county or city and county
14 that formed the redevelopment agency shall first be used to retire
15 any outstanding amounts borrowed and owed to the Low and
16 Moderate Income Housing Fund of the former redevelopment
17 agency for purposes of the Supplemental Educational Revenue
18 Augmentation Fund and shall be distributed to the Low and
19 Moderate Income Housing Asset Fund established by subdivision
20 (d) of Section 34176.

21 (C) Twenty percent of any loan repayment shall be deducted
22 from the loan repayment amount and shall be transferred to the
23 Low and Moderate Income Housing Asset Fund, after all
24 outstanding loans from the Low and Moderate Income Housing
25 Fund for purposes of the Supplemental Educational Revenue
26 Augmentation Fund have been paid.

27 (c) (1) Bond proceeds derived from bonds issued on or before
28 June 28, 2011, shall be used for the purposes for which the bonds
29 were sold.

30 (A) Bond proceeds derived from bonds issued between January
31 1, 2011, and June 28, 2011, shall only be used for projects which
32 meet the following criteria, as determined by a resolution issued
33 by the oversight board:

34 (i) The project shall be consistent with the *applicable regional*
35 *sustainable communities strategy adopted by the appropriate*
36 ~~*metropolitan planning organization or alternative planning*~~
37 *strategy adopted pursuant to Section 65080 of the Government*
38 *Code that the State Air Resources Board has determined would,*
39 *if implemented, achieve the greenhouse gas emission reduction*
40 *targets established by the board or, if a sustainable communities*

1 *strategy is not required for a region by law, a regional*
2 *transportation plan that includes programs and policies to reduce*
3 *greenhouse gas emissions.*

4 (ii) Two or more significant planning or implementation actions
5 shall have occurred on or before December 31, 2010. The term
6 “significant planning and implementation actions” means any of
7 the following:

8 (I) An action approved by the governing body of the city, *county,*
9 *city and county,* the board of the former redevelopment agency,
10 or the planning commission directly related to the planning or
11 implementation of the project.

12 (II) The project is included within an approved city, *county, city*
13 *and county,* or redevelopment agency planning document,
14 including, but not limited to, a redevelopment agency five-year
15 implementation plan, capital improvement plan, master plan, or
16 other planning document.

17 (III) The expenditure *by the city, county, city and county, or*
18 *project sponsor,* of more than twenty-five thousand dollars
19 (\$25,000) on planning related activities for the project within one
20 fiscal year, or fifty thousand dollars (\$50,000) in total, over
21 multiple fiscal years.

22 (iii) Documentation dated on or before December 31, 2010,
23 shall be provided indicating the intention to finance all or a portion
24 of the project with the future issuance of long-term debt, or
25 documentation showing that the issuance of long-term
26 redevelopment agency debt was being planned on or before
27 December 31, 2010.

28 (iv) Each construction contract over one hundred thousand
29 dollars (\$100,000) shall include a provision that prevailing wage
30 will be paid by the contractor and all of that contractor’s
31 subcontractors.

32 (v) For each construction contract over two hundred fifty
33 thousand dollars (\$250,000), the successor agency shall require
34 prospective contractors to submit a standardized questionnaire and
35 financial statements as part of their bid package, to establish the
36 contractor’s financial ability and experience in performing large
37 construction projects.

38 (B) Any city, *county, or city and county* that funded an eligible
39 project, meeting the criteria listed in clauses (i) to (iii), inclusive,
40 of subparagraph (A) with funds other than redevelopment funds,

1 between June 28, 2011 and the effective date of the act adding this
2 paragraph, shall be eligible to be reimbursed utilizing 2011 bond
3 proceeds, if the project meets the purpose for which the bonds
4 were issued.

5 (2) (A) Notwithstanding Section 34177.3 or any other
6 conflicting provision of law, bond proceeds in excess of the
7 amounts needed to satisfy approved enforceable obligations shall
8 thereafter be expended in a manner consistent with the original
9 bond covenants. Enforceable obligations may be satisfied by the
10 creation of reserves for projects that are the subject of the
11 enforceable obligation and that are consistent with the contractual
12 obligations for those projects, or by expending funds to complete
13 the projects. An expenditure made pursuant to this paragraph shall
14 constitute the creation of excess bond proceeds obligations to be
15 paid from the excess proceeds. Excess bond proceeds obligations
16 shall be listed separately on the Recognized Obligation Payment
17 Schedule submitted by the successor agency.

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