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AMENDED IN SENATE JUNE 16, 2015  
AMENDED IN ASSEMBLY MARCH 26, 2015  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2**

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**Introduced by Assembly Members Alejo and Eduardo Garcia  
(Coauthors: Assembly Members Brown, Chiu, Cristina Garcia,  
Holden, McCarty, Mullin, Perea, and Ting)**

December 1, 2014

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An act to add Division 4 (commencing with Section 62000) to Title 6 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2, as amended, Alejo. Community revitalization authority.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined by means of redevelopment projects financed by the issuance of bonds serviced by tax increment revenues derived from the project area. 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 agencies and to fulfill the enforceable obligations of those agencies. Existing law also provides for various economic development programs that foster community sustainability and community and economic development initiatives throughout the state.

This bill would authorize certain local agencies to form a community revitalization authority (authority) within a community revitalization and investment area, as defined, to carry out provisions of the

Community Redevelopment Law in that area for purposes related to, among other things, infrastructure, affordable housing, and economic revitalization. The bill would provide for the financing of these activities by, among other things, the issuance of bonds serviced by tax increment revenues, and would require the authority to adopt a community revitalization *and investment* plan for the community revitalization and investment area that includes elements describing and governing revitalization activities. The bill would also provide for periodic audits by the Controller. The bill would also require the Department of Housing and Community Development, advised by an advisory committee appointed by the Director of Housing and Community Development, to periodically review the calculation of surplus housing under these provisions. The bill would require certain funds allocated to the authority to be deposited into a separate Low and Moderate Income Housing Fund and used by the authority for the purposes of increasing, improving, and preserving the community's supply, as specified. The bill would, if an authority failed to expend or encumber surplus funds in the Low and Moderate Income Housing Fund, require those funds to be disbursed towards housing needs. The bill would require an authority to make relocation provisions for persons displaced by a plan and replace certain dwelling units that are destroyed or removed as part of a plan. The bill would authorize an authority to acquire interests in real property and exercise the power of eminent domain, as specified.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Certain areas of the state are generally characterized by
- 4 buildings in which it is unsafe or unhealthy for persons to live or
- 5 work, conditions that make the viable use of buildings or lots
- 6 difficult, high business vacancies and lack of employment
- 7 opportunities, and inadequate public improvements, water, or sewer
- 8 utilities. It is the intent of the Legislature to create a planning and
- 9 financing tool to support the revitalization of these communities.
- 10 (b) It is in the interest of the state to support the economic
- 11 revitalization of these communities through tax increment
- 12 financing.

1 (c) It is the intent of the Legislature to authorize the creation of  
2 Community Revitalization and Investment Authorities to invest  
3 property tax increment revenue to relieve conditions of  
4 unemployment, reduce high crime rates, repair deteriorated or  
5 inadequate infrastructure, promote affordable housing, and improve  
6 conditions leading to increased employment opportunities.

7 SEC. 2. Division 4 (commencing with Section 62000) is added  
8 to Title 6 of the Government Code, to read:

9  
10 DIVISION 4. COMMUNITY REVITALIZATION AND  
11 INVESTMENT AUTHORITIES

12  
13 PART 1. GENERAL PROVISIONS

14  
15 62000. As used in this division, the following terms have the  
16 following meanings:

17 (a) “Authority” means the Community Revitalization and  
18 Investment Authority created pursuant to this division.

19 (b) “Plan” means a community revitalization *and investment*  
20 plan and shall be deemed to be the plan described in Section 16  
21 of Article XVI of the California Constitution.

22 (c) “Plan area” means territory included within a community  
23 revitalization and investment area.

24 (d) “Revitalization project” means a physical improvement to  
25 real property funded by the authority.

26 62001. (a) A community revitalization and investment  
27 authority is a public body, corporate and politic, with jurisdiction  
28 to carry out a community revitalization plan within a community  
29 revitalization and investment area. The authority shall be deemed  
30 to be the “agency” described in subdivision (b) of Section 16 of  
31 Article XVI of the California Constitution for purposes of receiving  
32 tax increment revenues. The authority shall have only those powers  
33 and duties specifically set forth in Section 62002.

34 (b) (1) An authority may be created in any one of the following  
35 ways:

36 (A) A city, county, or city and county may adopt a resolution  
37 creating an authority. The composition of the governing board  
38 shall be comprised as set forth in subdivision (c).

39 (B) A city, county, city and county, and special district, as  
40 special district is defined in subdivision (m) of Section 95 of the

1 Revenue and Taxation Code, or any combination thereof, may  
2 create an authority by entering into a joint powers agreement  
3 pursuant to Chapter 5 (commencing with Section 6500) of Division  
4 7 of Title 1.

5 (2) (A) A school entity, as defined in subdivision (f) of Section  
6 95 of the Revenue and Taxation Code, may not participate in an  
7 authority created pursuant to this part.

8 (B) A successor agency, as defined in subdivision (j) of Section  
9 34171 of the Health and Safety Code, may not participate in an  
10 authority created pursuant to this part, and an entity created  
11 pursuant to this part shall not receive any portion of the property  
12 tax revenues or other moneys distributed pursuant to Section 34188  
13 of the Health and Safety Code.

14 (3) An authority formed by a city or county that created a  
15 redevelopment agency that was dissolved pursuant to Part 1.85  
16 (commencing with Section 34170) of Division 24 of the Health  
17 and Safety Code shall not become effective until the successor  
18 agency or designated local authority for the former redevelopment  
19 agency has adopted findings of fact stating all of the following:

20 (A) The agency has received a finding of completion from the  
21 Department of Finance pursuant to Section 34179.7 of the Health  
22 and Safety Code.

23 (B) No former redevelopment agency assets which are the  
24 subject of litigation against the state, where the city or county or  
25 its successor agency or designated local authority are a named  
26 plaintiff, have been or will be used to benefit any efforts of an  
27 authority formed under this part unless the litigation, has been  
28 resolved by entry of a final judgment by any court of competent  
29 jurisdiction and any appeals have been exhausted.

30 (C) The agency has complied with all orders of the Controller  
31 pursuant to Section 34167.5 of the Health and Safety Code.

32 (c) (1) The governing board of an authority created pursuant  
33 to subparagraph (A) of paragraph (1) of subdivision (b) shall be  
34 appointed by the legislative body of the city, county, or city and  
35 county that created the authority and shall include three members  
36 of the legislative body of the city, county, or city and county that  
37 created the authority and two public members. The appointment  
38 of the two public members shall be subject to the provisions of  
39 Section 54974. The two public members shall live or work within  
40 the community revitalization and investment area.

1 (2) The governing body of the authority created pursuant to  
2 subparagraph (B) of paragraph (1) of subdivision (b) shall be  
3 comprised of a majority of members from the legislative bodies  
4 of the public agencies that created the authority and a minimum  
5 of two public members who live or work within the community  
6 revitalization and investment area. The majority of the board shall  
7 appoint the public members to the governing body. The  
8 appointment of the public members shall be subject to the  
9 provisions of Section 54974.

10 (d) An authority may carry out a community revitalization plan  
11 within a community revitalization and investment area. Not less  
12 than 80 percent of the land calculated by census tracts, or census  
13 block groups, as defined by the United States Census Bureau,  
14 within the area shall be characterized by both of the following  
15 conditions:

16 (1) An annual median household income that is less than 80  
17 percent of the statewide annual median income.

18 (2) Three of the following four conditions:

19 (A) Nonseasonal unemployment that is at least 3 percent higher  
20 than statewide median unemployment, as defined by the report on  
21 labor market information published by the Employment  
22 Development Department in January of the year in which the  
23 community revitalization plan is prepared.

24 (B) Crime rates that are 5 percent higher than the statewide  
25 median crime rate, as defined by the most recent annual report of  
26 the Criminal Justice Statistics Center within the Department of  
27 Justice, when data is available on the California Attorney General's  
28 Internet Web site.

29 (C) Deteriorated or inadequate infrastructure such as streets,  
30 sidewalks, water supply, sewer treatment or processing, and parks.

31 (D) Deteriorated commercial or residential structures.

32 (e) As an alternative to subdivision (d), an authority may also  
33 carry out a community revitalization plan within a community  
34 revitalization and investment area established within a former  
35 military base that is principally characterized by deteriorated or  
36 inadequate infrastructure and structures. Notwithstanding  
37 subdivision (c), the governing board of an authority established  
38 within a former military base shall include a member of the military  
39 base closure commission as a public member.

1 (f) An authority created pursuant to this part shall be a local  
2 public agency subject to the Ralph M. Brown Act (Chapter 9  
3 (commencing with Section 54950) of Part 1 of Division 2 of Title  
4 5), the California Public Records Act (Chapter 3.5 (commencing  
5 with Section 6250) of Division 7 of Title 1), and the Political  
6 Reform Act of 1974 (Title 9 (commencing with Section 81000)).

7 (g) (1) At any time after the authority is authorized to transact  
8 business and exercise its powers, the legislative body or bodies of  
9 the local government or governments that created the authority  
10 may appropriate the amounts the legislative body or bodies deem  
11 necessary for the administrative expenses and overhead of the  
12 authority.

13 (2) The money appropriated may be paid to the authority as a  
14 grant to defray the expenses and overhead, or as a loan to be repaid  
15 upon the terms and conditions as the legislative body may provide.  
16 If appropriated as a loan, the property owners *and residents* within  
17 the plan area shall be made third-party beneficiaries of the  
18 repayment of the loan. In addition to the common understanding  
19 and usual interpretation of the term, “administrative expense”  
20 includes, but is not limited to, expenses of planning and  
21 dissemination of information.

22 62002. An authority may do all of the following:

23 (a) Provide funding to rehabilitate, repair, upgrade, or construct  
24 infrastructure.

25 ~~(b) Provide for low- and moderate-income housing.~~

26 ~~(c)~~

27 (b) Remedy or remove a release of hazardous substances  
28 pursuant to the Polanco Redevelopment Act (Article 12.5  
29 (commencing with Section 33459) of Part 1 of Chapter 4 of  
30 Division 24) or Chapter 6.10 (commencing with Section 25403)  
31 of Division 20 of the Health and Safety Code.

32 ~~(d)~~

33 (c) Provide for seismic retrofits of existing buildings in  
34 accordance with all applicable laws and regulations.

35 ~~(e)~~

36 (d) Acquire and transfer real property in accordance with Part  
37 3 (commencing with Section 62200). The authority shall retain  
38 controls and establish restrictions or covenants running with the  
39 land sold or leased for private use for such periods of time and  
40 under such conditions as are provided in the plan. The

1 establishment of such controls is a public purpose under the  
2 provisions of this part.

3 ~~(f)~~

4 (e) Issue bonds in conformity with Article 4.5 (commencing  
5 with Section 53506) and Article 5 (commencing with Section  
6 53510) of Chapter 3 of Part 1 of Division 2 of Title 5.

7 ~~(g)~~

8 (f) Borrow money, receive grants, or accept financial or other  
9 assistance or investment from the state or the federal government  
10 or any other public agency or private lending institution for any  
11 project or within its area of operation, and may comply with any  
12 conditions of the loan or grant. An authority may qualify for  
13 funding as a disadvantaged community pursuant to Section 79505.5  
14 of the Water Code or as defined by Section 56033.5. An authority  
15 may also enter into an agreement with a qualified community  
16 development entity, as defined by Section 45D(c) of the Internal  
17 Revenue Code, to coordinate investments of funds derived from  
18 the New Markets Tax Credit with those of the authority in instances  
19 where coordination offers opportunities for greater efficiency of  
20 investments to improve conditions described in subdivisions ~~(d)~~  
21 (c) and ~~(e)~~ (d) within the territorial jurisdiction of the authority.

22 ~~(h)~~

23 (g) Adopt a community revitalization and investment plan  
24 pursuant to Sections 62003 and 62004.

25 ~~(i)~~

26 (h) Make loans or grants for owners or tenants to improve,  
27 rehabilitate, or retrofit buildings or structures within the plan area.

28 ~~(j)~~

29 (i) Construct foundations, platforms, and other like structural  
30 forms necessary for the provision or utilization of air rights sites  
31 for buildings to be used for residential, commercial industrial, or  
32 other uses contemplated by the revitalization plan.

33 ~~(k)~~

34 (j) Provide direct assistance to businesses within the plan area  
35 in connection with new or existing facilities for industrial or  
36 manufacturing uses, except as specified in this division.

37 62003. An authority shall adopt a community revitalization  
38 and investment plan that may include a provision for the receipt  
39 of tax increment funds generated within the area according to

1 Section 62005, provided the plan includes each of the following  
2 elements:

3 (a) A statement of the principal goals and objectives of the plan  
4 including territory to be covered by the plan.

5 (b) A description of the deteriorated or inadequate infrastructure  
6 within the area and a program for construction of adequate  
7 infrastructure or repair or upgrading of existing infrastructure.

8 (c) A housing program that ~~complies~~ *describes how the authority*  
9 *will comply* with Part 2 (commencing with Section 62100). *The*  
10 *program shall include the following information:*

11 (1) *The amount available in the Low and Moderate Income*  
12 *Housing Fund and the estimated amounts that will be deposited*  
13 *in the fund during each of the next five years.*

14 (2) *Estimates of the number of new, rehabilitated, or price*  
15 *restricted residential units to be assisted during each of the five*  
16 *years and estimates of the expenditures of moneys from the Low*  
17 *and Moderate Income Housing Fund during each of the five years.*

18 (3) *A description of how the program will implement the*  
19 *requirements for expenditures of funds in the Low and Moderate*  
20 *Income Housing Fund over a 10-year period for various groups*  
21 *as required by Chapter 2 (commencing with Section 62115) of*  
22 *Part 2.*

23 (4) *Estimates of the number of units, if any, developed by the*  
24 *authority for very low, low-, and moderate-income households*  
25 *during the next five years.*

26 (d) A program to remedy or remove a release of hazardous  
27 substances, if applicable.

28 (e) A program to provide funding for or otherwise facilitate the  
29 economic revitalization of the area.

30 (f) A fiscal analysis setting forth the projected receipt of revenue  
31 and projected expenses over a five-year planning horizon, including  
32 the potential issuance of bonds backed by tax increment during  
33 the term of the plan. Bonds shall be issued in conformity with  
34 Article 4.5 (commencing with Section 53506) and Article 5  
35 (commencing with Section 53510) of Chapter 3 of Part 1 of  
36 Division 2 of Title 5. *An authority shall not spend revenue for any*  
37 *purpose that is not identified as part of a program described in*  
38 *subdivisions (b), (c), (d), and (e).*

39 (g) Time limits that may not exceed the following:

1 (1) Thirty years for establishing loans, advances and  
2 indebtedness.

3 (2) Forty-five years for the repayment of all of the authority's  
4 debts and obligations, and fulfilling all of the authority's housing  
5 obligations. The plan shall specify that an authority shall dissolve  
6 as a legal entity in no more than 45 years, and no further taxes  
7 shall be allocated to the authority pursuant to Section 62005.  
8 Nothing in this paragraph shall be interpreted to prohibit an  
9 authority from refinancing outstanding debt solely to reduce interest  
10 costs.

11 (h) A determination that the community revitalization investment  
12 area complies with the conditions described in subdivision (d) or  
13 (e) of Section 62001.

14 62004. (a) The authority shall consider adoption of the plan  
15 at three public hearings that shall take place at least 30 days apart.  
16 At the first public hearing, the authority shall hear all written and  
17 oral comments but take no action. At the second public hearing,  
18 the authority shall consider ~~at~~ *any additional* written and oral  
19 comments and take action to modify or reject the plan. If the plan  
20 is ~~not rejected~~ *adopted* at the second public hearing, then the  
21 authority shall conduct a protest proceeding at the third public  
22 hearing to consider whether the property owners and residents  
23 within the plan area wish to present oral or written protests against  
24 ~~the creation of the authority.~~ *adoption of the plan.*

25 (b) The draft plan shall be made available to the public and to  
26 each property owner within the area at a meeting held at least 30  
27 days prior to the notice given for the first public hearing. The  
28 purposes of the meeting shall be to allow the staff of the authority  
29 to present the draft plan, answer questions about the plan, and  
30 consider comments about the plan.

31 (c) ~~(1) Notice of the first public hearing shall be given by~~  
32 ~~publication not less than once a week for four successive weeks~~  
33 ~~in a newspaper of general circulation published in the county in~~  
34 ~~which the area lies and shall be mailed to each property owner~~  
35 ~~within the proposed area of the plan. Notice of the second public~~  
36 ~~hearing shall be given by publication not less than 10 days prior~~  
37 ~~to the date of the second public hearing in a newspaper of general~~  
38 ~~circulation published in the county in which the area lies and shall~~  
39 ~~be mailed to each property owner within the proposed area of the~~  
40 ~~plan.~~ *meeting required by subdivision (b) and the public hearings*

1 *required by this subdivision shall be given in accordance with*  
2 *subdivision (k). The notice shall do all of the following, as*  
3 *applicable:*

4 ~~(1)~~

5 (A) Describe specifically the boundaries of the proposed area.

6 ~~(2)~~

7 (B) Describe the purpose of the plan.

8 ~~(3)~~

9 (C) State the day, hour, and place when and where any and all  
10 persons having any comments on the proposed plan may appear  
11 to provide written or oral comments to the authority.

12 ~~(4)~~

13 (D) Notice of second public hearing shall include a summary  
14 of the changes made to the plan as a result of the oral and written  
15 testimony received at or before the public hearing and shall identify  
16 a location accessible to the public where the plan *proposed* to be  
17 presented *and adopted* at the second public hearing can be  
18 reviewed.

19 ~~(5)~~

20 (E) Notice of the third public hearing to consider any written  
21 or oral protests shall contain a copy of the final plan adopted  
22 pursuant to subdivision (a), and shall inform the property owner  
23 and resident of his or her right to submit an oral or written protest  
24 before the close of the public hearing. The protest may state that  
25 the property owner or resident objects to the authority taking action  
26 to implement the plan.

27 ~~(f)~~

28 (2) At the third public hearing, the authority shall consider all  
29 written and oral protests received prior to the close of the public  
30 hearing and shall terminate the proceedings or adopt the plan  
31 subject to confirmation by the voters at an election called for that  
32 purpose. The authority shall terminate the proceedings if there is  
33 a majority protest. A majority protest exists if protests have been  
34 filed representing over 50 percent of the combined number of  
35 property owners and residents in the area who are at least 18 years  
36 of age. An election shall be called if between 25 percent and 50  
37 percent of the combined number of property owners and residents  
38 in the area who are at least 18 years of age file a protest.

39 ~~(e)~~

- 1 (d) An election required pursuant to *paragraph (2) of*  
2 ~~subdivision (c)~~ shall be held within 90 days of the public  
3 hearing and may be held by mail-in ballot. The authority shall  
4 adopt, at a duly noticed public hearing, procedures for this election.  
5 ~~(f)~~
- 6 (e) If a majority of the property owners and residents vote  
7 against the plan, then the authority shall not take any further action  
8 to implement the proposed plan. The authority shall not propose  
9 a new or revised plan to the affected property owners and residents  
10 for at least one year following the date of an election in which the  
11 plan was rejected.  
12 ~~(g)~~
- 13 (f) The authority may provide notice of the public hearings to  
14 tenants of properties within the proposed area of the plan in a  
15 manner of its choosing.  
16 ~~(h)~~
- 17 (g) At the hour set in the notice required by subdivision (a), the  
18 authority shall consider all written and oral comments.  
19 ~~(i)~~
- 20 (h) If less than 25 percent of the combined number of property  
21 owners and residents in the area who are at least 18 years of age  
22 file a protest, the authority may adopt the plan at the conclusion  
23 of the third public hearing by ordinance. The ordinance adopting  
24 the plan shall be subject to referendum as prescribed by law.  
25 ~~(j)~~
- 26 (i) For the purposes of Section 62005, the plan shall be the plan  
27 adopted pursuant to this section.  
28 ~~(k)~~
- 29 (j) The authority shall consider and adopt an amendment or  
30 amendments to a plan in accordance with the provisions of this  
31 section.
- 32 (k) *The authority shall post notice of each meeting or public*  
33 *hearing required by this section in an easily identifiable and*  
34 *accessible location on the authority's Internet Web site and shall*  
35 *mail a written notice of the meeting or public hearing to each*  
36 *owner of land and each resident at least 10 days prior to the*  
37 *meeting or public hearing.*
- 38 (l) *Notice of the first public hearing shall also be published not*  
39 *less than once a week for four successive weeks prior to the first*

1 *public hearing in a newspaper of general circulation published in*  
2 *the county in which the area lies.*

3 (2) *Notice of the second public hearing shall also be published*  
4 *not less than 10 days prior to the second public hearing in a*  
5 *newspaper of general circulation in the county in which the area*  
6 *lies.*

7 (3) *Notice of the third public hearing shall also be published*  
8 *not less than 10 days prior to the third public hearing in a*  
9 *newspaper of general circulation in the county in which the area*  
10 *lies.*

11 62005. (a) (1) The plan adopted pursuant to Section 62004  
12 may include a provision that taxes levied and collected upon  
13 taxable property in the area included within the territory each year  
14 by or for the benefit the taxing agencies that have adopted a  
15 resolution pursuant to subdivision (d), shall be divided as follows:

16 (A) That portion of the taxes that would have been produced  
17 by the rate upon which the tax is levied each year by or for each  
18 of the consenting local agencies upon the total sum of the assessed  
19 value of the taxable property in the territory as shown upon the  
20 assessment roll used in connection with the taxation of the property  
21 by the consenting local agency, last equalized prior to the effective  
22 date of the certification of completion, and that portion of taxes  
23 by or for each school entity, shall be allocated to, and when  
24 collected shall be paid to, the respective consenting local agencies  
25 and school entities as taxes by or for the consenting local agencies  
26 and school entities on all property are paid.

27 (B) That portion of the levied taxes each year specified in the  
28 community revitalization plan adopted pursuant to Section 62004  
29 for each consenting local agency that has agreed to participate  
30 pursuant a resolution adopted pursuant to subdivision (d), in excess  
31 of the amount specified in subparagraph (A), shall be allocated to,  
32 and when collected shall be paid into a special fund of the authority  
33 to finance the improvements specified in the community  
34 revitalization plan.

35 (2) A consenting local agency may advance funds to the  
36 authority. The authority shall use those advanced funds solely for  
37 the purposes specified in the community revitalization plan and  
38 shall repay the consenting local agency with revenue from the  
39 taxes received pursuant to this subdivision.

40 (b) For purposes of this section, the following definitions apply:

1 (1) “Taxing agency” means a local agency as defined by  
2 subdivision (a) of Section 95 of the Revenue and Taxation Code,  
3 and does not include any school entity as defined in subdivision  
4 (f) of Section 95 of the Revenue and Taxation Code.

5 (2) “Consenting local agency” means a local agency that has  
6 adopted a resolution of its governing body consenting to the  
7 ~~annexation development~~ *community revitalization and investment*  
8 plan.

9 (3) “Territory” means the land that is contained within the  
10 community revitalization plan.

11 (c) The provision for the receipt of tax increment funds shall  
12 become effective in the tax year that begins after the December 1  
13 first following the adoption of the plan.

14 (d) At any time prior to or after adoption of the plan, any city,  
15 county, or special district, other than a school entity as defined in  
16 subdivision (n) of Section 95 of the Revenue and Taxation Code  
17 or a successor agency as defined in subdivision (j) of Section  
18 34171, that receives ad valorem property taxes from property  
19 located within an area may adopt a resolution directing the county  
20 auditor-controller to allocate its share of tax increment funds within  
21 the area covered by the plan according to subdivision (a) to the  
22 authority. The resolution adopted pursuant to this subdivision may  
23 direct the county auditor-controller to allocate less than the full  
24 amount of the tax increment, establish a maximum amount of time  
25 in years that the allocation takes place, or limit the use of the funds  
26 by the authority for specific purposes or ~~programs~~. *programs,*  
27 *provided that 25 percent of the amount of tax increment designated*  
28 *is allocated for affordable housing pursuant to Section 62100. A*  
29 resolution adopted pursuant to this subdivision may be repealed  
30 and be of no further effect by giving the county auditor-controller  
31 60 days’ notice; provided, however, that the county  
32 auditor-controller shall continue to allocate to the authority the  
33 taxing entity’s share of ad valorem property taxes that have been  
34 pledged to the repayment of debt issued by the authority until the  
35 debt has been fully repaid. Prior to adopting a resolution pursuant  
36 to this subdivision, a city, county, or special district shall approve  
37 a memorandum of understanding with the authority governing the  
38 authority’s use of tax increment funds for administrative and  
39 overhead expenses pursuant to subdivision (g) of Section 62001.

1 (e) Upon adoption of a plan that includes a provision for the  
2 receipt of tax increment funds according to subdivision (a), the  
3 county auditor-controller shall allocate tax increment revenue to  
4 the authority as follows:

5 (1) If the authority was formed pursuant to subparagraph (A)  
6 of paragraph (1) of subdivision (b) of Section 62001, the authority  
7 shall be allocated each year specified in the plan that portion of  
8 the taxes levied for each city, county, city and county, and special  
9 district that has adopted a resolution pursuant to subdivision (d),  
10 in excess of the amount specified in paragraph (1) of subdivision  
11 (a).

12 (2) If the authority was formed pursuant to subparagraph (B)  
13 of paragraph (1) of subdivision (b) of Section 62001, the authority  
14 shall be allocated each year specified in the plan that portion of  
15 the taxes levied for each jurisdiction as provided in the joint powers  
16 agreement in excess of the amount specified in paragraph (1) of  
17 subdivision (a).

18 (f) If an area includes, in whole or in part, land formerly or  
19 currently designated as a part of a redevelopment project area, as  
20 defined in Section 33320.1 of the Health and Safety Code, any  
21 plan adopted pursuant to this part that includes a provision for the  
22 receipt of tax increment revenues according to subdivision (a) shall  
23 include a provision that tax increment amounts ~~collected and~~  
24 ~~received by~~ *payable to* an authority are subject and subordinate to  
25 any preexisting enforceable obligation as that term is defined by  
26 Section 34171 of the Health and Safety Code.

27 62006. (a) The authority shall review the plan at least annually  
28 and make any amendments that are necessary and appropriate in  
29 accordance with the procedures set forth in Section 62004 and  
30 shall require the preparation of an annual independent financial  
31 audit paid for from revenues of the authority.

32 (b) An authority shall adopt an annual report on or before June  
33 30 of each year after holding a public hearing. Written copies of  
34 the draft report shall be made available to the public 30 days prior  
35 to the public hearing. The authority shall cause the draft report to  
36 be posted in an easily identifiable and accessible location on the  
37 authority's Internet Web site and shall mail a written notice of the  
38 availability of the draft report on the Internet Web site to each  
39 owner of land and each resident within the area covered by the  
40 plan and to each taxing entity that has adopted a resolution pursuant

1 to subdivision (d) of Section 62005. The notice shall be mailed by  
2 first-class mail, but may be addressed to “occupant.”

3 (c) The annual report shall contain all of the following:

4 (1) A description of the projects undertaken in the fiscal year,  
5 including any rehabilitation of structures, and a comparison of the  
6 progress expected to be made on those projects compared to the  
7 actual progress.

8 (2) A chart comparing the actual revenues and expenses,  
9 including administrative costs, of the authority to the budgeted  
10 revenues and expenses.

11 (3) The amount of tax increment revenues received.

12 (4) The amount of revenues expended for low- and  
13 moderate-income housing.

14 (5) An assessment of the status regarding completion of the  
15 authority’s projects.

16 (6) The amount of revenues expended to assist private  
17 businesses.

18 (d) If the authority fails to provide the annual report required  
19 by subdivision (a), the authority shall not spend any funds received  
20 pursuant to a resolution adopted pursuant to subdivision (d) of  
21 Section 62005.

22 (e) Every 10 years, at the public hearing held pursuant to  
23 subdivision (b), the authority shall conduct a protest proceeding  
24 to consider whether the property owners and residents within the  
25 plan area wish to present oral or written protests against the  
26 authority. Notice of this protest proceeding shall be included in  
27 the written notice of the hearing on the annual report and shall  
28 inform the property owner and resident of his or her right to submit  
29 an oral or written protest before the close of the public hearing.  
30 The protest may state that the property owner or resident objects  
31 to the authority taking action to implement the plan on and after  
32 the date of the election described in subdivision (f). The authority  
33 shall consider all written and oral protests received prior to the  
34 close of the public hearing.

35 (f) If there is a majority protest, the authority shall not take any  
36 further action to implement the plan on and after the date the  
37 existence of a majority protest is determined. If between 25 percent  
38 and 50 percent of the property owners and residents file protests,  
39 then the authority shall call an election of the property owners and  
40 residents in the area covered by the plan, and shall not initiate or

1 authorize any new projects until the election is held. A majority  
2 protest exists if protests have been filed representing over 50  
3 percent of the combined number of property owners and residents,  
4 at least 18 years of age or older, in the area.

5 (g) An election required pursuant to subdivision (f) shall be held  
6 within 90 days of the public hearing and may be held by mail-in  
7 ballot. The authority shall adopt, at a duly noticed public hearing,  
8 procedures for holding this election.

9 (h) If a majority of the property owners and residents vote  
10 against the authority, then the authority shall not take any further  
11 action to implement the plan on and after the date of the election  
12 held pursuant to subdivision (e). This section shall not prevent the  
13 authority from taking any and all actions and appropriating and  
14 expending funds, including, but not limited to, any and all  
15 payments on bonded or contractual indebtedness, to carry out and  
16 complete projects for which expenditures of any kind had been  
17 made prior to the date of the ~~election~~. *election and any expenditures*  
18 *required by Section 62100 that were incurred prior to the date of*  
19 *the election.*

20 62007. (a) Every five years, beginning in the calendar year in  
21 which the authority has allocated a cumulative total of more than  
22 one million dollars (\$1,000,000) in tax increment revenues,  
23 including any proceeds of a debt issuance, for the purposes of  
24 subdivision (c) ~~or~~ of Section 62003, the authority shall contract  
25 for an independent audit to determine compliance with the  
26 affordable housing ~~set-aside, maintenance and replacement~~  
27 requirements of Chapter 1 (commencing with Section 62100) and  
28 Chapter 2 (commencing with Section 62115) of Part 2, including  
29 provisions to ensure that the requirements are met within each  
30 five-year period covered by the audit. The audit shall be conducted  
31 according to guidelines established by the Controller, which shall  
32 be established on or before December 31, 2021. A copy of the  
33 completed audit shall be provided to the Controller. The Controller  
34 shall not be required to review and approve the completed audits.

35 (b) Where the audit demonstrates a failure to comply with the  
36 requirements of Chapter 1 (commencing with Section 62100) and  
37 Chapter 2 (commencing with Section 62115) of Part 2, the  
38 authority shall adopt and submit to the Controller, as part of the  
39 audit, a plan to achieve compliance with those provisions as soon  
40 as feasible, but in not less than two years following the audit

1 findings. The Controller shall review and approve the *compliance*  
2 plan, and require the *compliance* plan to stay in effect until  
3 compliance is achieved. The Controller shall ensure that the  
4 *compliance* plan includes one or more of the following means of  
5 achieving compliance:

6 (1) The expenditure of an additional 10 percent of gross tax  
7 increment revenue on increasing, preserving, and improving the  
8 supply of low-income housing.

9 (2) An increase in the production, by an additional 10 percent,  
10 of housing for very low income households as required by  
11 paragraph (2) of subdivision (b) of Section 62120.

12 (3) The targeting of expenditures pursuant to Section 62100  
13 exclusively to rental housing affordable to, and occupied by,  
14 persons of very low and extremely low income.

15 (c) If an authority is required to conduct an audit pursuant to  
16 subdivision (a) in advance of the issuance of the Controller's  
17 guidelines, then it shall prepare an updated audit pursuant to the  
18 Controller's guidelines on or before January 1, 2023.

19 62008. (a) If an authority fails to provide a copy of the  
20 completed audit to the Controller as required by paragraph (2) of  
21 subdivision (c) within 20 days following receipt of a written notice  
22 of the failure from the Controller, the authority shall forfeit to the  
23 state:

24 (1) Two thousand five hundred dollars (\$2,500) in the case of  
25 an authority with a total revenue, in the prior year, of less than one  
26 hundred thousand dollars (\$100,000), as reported in the Controller's  
27 annual financial reports.

28 (2) Five thousand five hundred dollars (\$5,500) in the case of  
29 an authority with a total revenue, in the prior year, of at least one  
30 hundred thousand dollars (\$100,000) but less than two hundred  
31 fifty thousand dollars (\$250,000), as reported in the Controller's  
32 annual financial reports.

33 (3) Ten thousand dollars (\$10,000) in the case of an authority  
34 with a total revenue, in the prior year, of at least two hundred fifty  
35 thousand dollars (\$250,000), as reported in the Controller's annual  
36 financial reports.

37 (b) If an authority fails to provide a copy of the completed audit  
38 to the Controller as required by paragraph (2) of subdivision (c)  
39 within 20 days after receipt of a written notice pursuant to  
40 subdivision (a) for two consecutive years, the authority shall forfeit

1 an amount that is double the amount of the forfeiture assessed  
2 pursuant to subdivision (a).

3 (c) (1) If an authority fails to provide a copy of the completed  
4 audit to the Controller as required by paragraph (2) of subdivision  
5 (c) within 20 days after receipt of a written notice pursuant to  
6 subdivision (a) for three or more consecutive years, the authority  
7 shall forfeit an amount that is triple the amount of the forfeiture  
8 assessed pursuant to subdivision (a).

9 (2) The Controller shall conduct, or cause to be conducted, an  
10 independent financial audit report.

11 (3) The authority shall reimburse the Controller for the cost of  
12 complying with this subdivision.

13 (d) Upon the request of the Controller, the Attorney General  
14 shall bring an action for the forfeiture in the name of the people  
15 of the State of California. *If the Attorney General fails to respond*  
16 *to the request within 90 days of its receipt, then any other available*  
17 *remedies may be exercised.*

18 (e) Upon satisfactory showing of good cause, the Controller  
19 shall waive the forfeiture requirements of this section.

20  
21 PART 2. HOUSING

22  
23 CHAPTER 1. HOUSING FOR PERSONS OF LOW AND MODERATE  
24 INCOME  
25

26 62100. (a) Not less than 25 percent of all taxes that are  
27 allocated to the authority *from any participating entity* pursuant  
28 to Section 62005 shall be deposited into a separate Low and  
29 Moderate Income Housing Fund pursuant to Section 62101 and  
30 used by the authority for the purposes of increasing, improving,  
31 and preserving the community’s supply of low- and  
32 moderate-income housing available at affordable housing cost, as  
33 defined by the following sections of the Health and Safety Code:  
34 Section 50052.5, to persons and families of low or moderate  
35 income, as defined in Section 50093, lower income households,  
36 as defined by Section 50079.5, very low income households, as  
37 defined in Section 50105, and extremely low income households,  
38 as defined by Section 50106, that is occupied by these persons and  
39 families unless the authority makes a finding that combining  
40 funding received under this program with other funding for the

1 same purpose shall reduce administrative costs or expedite the  
2 construction of affordable housing. If the authority makes such a  
3 finding, then (1) an authority may transfer funding from the  
4 program adopted pursuant to subdivision (c) of Section 62003 to  
5 the housing authority within the territorial jurisdiction of the local  
6 jurisdiction that created the authority or to the entity that received  
7 the housing assets of the former redevelopment agency pursuant  
8 to Section 34176 of the Health and Safety Code, *Code* or to a  
9 *private nonprofit housing developer*; and (2) Section 34176.1 of  
10 the Health and Safety Code shall not apply to funds transferred.  
11 Funding shall be spent within the ~~project~~ *plan* area in which the  
12 funds were generated. Any recipient of funds transferred pursuant  
13 to this subdivision shall comply with all applicable provisions of  
14 this part.

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

20 (1) Acquire real property or building sites subject to Section  
21 62112.

22 (2) (A) Improve real property or building sites with onsite or  
23 offsite improvements, but only if both (i) the improvements are  
24 part of the new construction or rehabilitation of affordable housing  
25 units for low- or moderate-income persons that are directly  
26 benefited by the improvements, and are a reasonable and  
27 fundamental component of the housing units, and (ii) the authority  
28 requires that the units remain available at affordable housing cost  
29 to, and occupied by, persons and families of extremely low, very  
30 low, low, or moderate income for the same time period and in the  
31 same manner as provided in subdivision (c) and paragraph (2) of  
32 subdivision (f) of Section 62101.

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

1 of housing units, if the project is a housing project, or by dividing  
2 the cost of the affordable housing units by the total cost of the  
3 project, if the project is not a housing project.

4 (3) Donate real property to private or public persons or entities.

5 (4) Finance insurance premiums necessary for the provision of  
6 insurance during the construction or rehabilitation of properties  
7 that are administered by governmental entities or nonprofit  
8 organizations to provide housing for lower income households, as  
9 defined in Section 50079.5 of the Health and Safety Code,  
10 including rental properties, emergency shelters, transitional  
11 housing, or special residential care facilities.

12 (5) Construct buildings or structures.

13 (6) Acquire buildings or structures.

14 (7) Rehabilitate buildings or structures.

15 (8) Provide subsidies to, or for the benefit of, extremely low  
16 income households, as defined by Section 50106 of the Health and  
17 Safety Code, very low income households, as defined by Section  
18 50105 of the Health and Safety Code, lower income households,  
19 as defined by Section 50079.5 of the Health and Safety Code, or  
20 persons and families of low or moderate income, as defined by  
21 Section 50093 of the Health and Safety Code, to the extent those  
22 households cannot obtain housing at affordable costs on the open  
23 market. Housing units available on the open market are those units  
24 developed without direct government subsidies.

25 (9) Develop plans, pay principal and interest on bonds, loans,  
26 advances, or other indebtedness, or pay financing or carrying  
27 charges.

28 (10) Maintain the community's supply of mobilehomes.

29 (11) Preserve the availability to lower income households of  
30 affordable housing units in housing developments that are assisted  
31 or subsidized by public entities and that are threatened with  
32 imminent conversion to market rates.

33 (c) The authority may use these funds to meet, in whole or in  
34 part, the replacement housing provisions in Section 62120.  
35 However, this section shall not be construed as limiting in any way  
36 the requirements of that section.

37 (d) The authority ~~may~~ *shall* use these funds inside ~~or~~ outside  
38 the plan area. The authority ~~may only use these funds outside the~~  
39 ~~plan area upon a resolution of the authority that the use will be of~~  
40 ~~benefit to the plan. The determination by the authority shall be~~

1 final and conclusive as to the issue of benefit to the plan area. The  
2 Legislature finds and declares that the provision of replacement  
3 housing pursuant to Section 62120 is always of benefit to a plan.  
4 Unless the authority finds, before the plan is adopted, that the  
5 provision of low- and moderate-income housing outside the plan  
6 area will be of benefit to the plan, the plan area shall include  
7 property suitable for low- and moderate-income housing.

8 (e) The Legislature finds and declares that expenditures or  
9 obligations incurred by the authority pursuant to this section shall  
10 constitute an indebtedness of the plan area.

11 (e)

12 (f) (1) (A) An action to compel compliance with the  
13 requirement of this section to deposit not less than 25 percent of  
14 all taxes that are allocated to the authority pursuant to Section  
15 62005 in the Low and Moderate Income Housing Fund shall be  
16 commenced within 10 years of the alleged violation. A cause of  
17 action for a violation accrues on the last day of the fiscal year in  
18 which the funds were required to be deposited in the Low and  
19 Moderate Income Housing Fund.

20 (B) An action to compel compliance with the requirement of  
21 this section that money deposited in the Low and Moderate Income  
22 Housing Fund be used by the agency for purposes of increasing,  
23 improving, and preserving the community's supply of low- and  
24 moderate-income housing available at affordable housing cost  
25 shall be commenced within 10 years of the alleged violation. A  
26 cause of action for a violation accrues on the date of the actual  
27 expenditure of the funds.

28 (C) An agency found to have deposited less into the Low and  
29 Moderate Income Housing Fund than mandated by Section 62101  
30 or to have spent money from the Low and Moderate Income  
31 Housing Fund for purposes other than increasing, improving, and  
32 preserving the community's supply of low- and moderate-income  
33 housing, as mandated by this section, shall repay the funds with  
34 interest in one lump sum pursuant to Section 970.4 or 970.5 or  
35 may do either of the following:

36 (i) Petition the court under Section 970.6 for repayment in  
37 installments.

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

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

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

8 (4) Except as otherwise provided in this subdivision, Chapter  
9 2 (commencing with Section 970) of Part 5 of Division 3.6 of Title  
10 1 for the enforcement of a judgment against a local public entity  
11 applies to a judgment against a local public entity that violates this  
12 section.

13 (5) This subdivision applies to actions filed on and after January  
14 1, 2016.

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

19 62101. (a) The funds that are required by Section 62100 or  
20 62103 to be used for the purposes of increasing, improving, and  
21 preserving the community's supply of low- and moderate-income  
22 housing shall be held in a separate Low and Moderate Income  
23 Housing Fund until used.

24 (b) Any interest earned by the Low and Moderate Income  
25 Housing Fund and any repayments or other income to the authority  
26 for loans, advances, or grants, of any kind from the Low and  
27 Moderate Income Housing Fund, shall accrue to and be deposited  
28 in, the fund and may only be used in the manner prescribed for the  
29 Low and Moderate Income Housing Fund.

30 (c) The moneys in the Low and Moderate Income Housing Fund  
31 shall be used to increase, improve, and preserve the supply of low-  
32 and moderate-income housing within the territorial jurisdiction of  
33 the authority.

34 (d) It is the intent of the Legislature that the Low and Moderate  
35 Income Housing Fund be used to the maximum extent possible to  
36 defray the costs of production, improvement, and preservation of  
37 low- and moderate-income housing and that the amount of money  
38 spent for planning and general administrative activities associated  
39 with the development, improvement, and preservation of that  
40 housing not be disproportionate to the amount actually spent for

1 the costs of production, improvement, or preservation of that  
2 housing. The authority shall determine annually that the planning  
3 and administrative expenses are necessary for the production,  
4 improvement, or preservation of low- and moderate-income  
5 housing.

6 (e) (1) Planning and general administrative costs ~~which~~ *that*  
7 may be paid with moneys from the Low and Moderate Income  
8 Housing Fund are those expenses incurred by the authority ~~which~~  
9 *that* are directly related to the programs and activities authorized  
10 under subdivision (e) of Section 62100 and are limited to the  
11 following:

12 (A) Costs incurred for salaries, wages, and related costs of the  
13 authority's staff or for services provided through interagency  
14 agreements, and agreements with contractors, including usual  
15 indirect costs related thereto.

16 (B) Costs incurred by a nonprofit corporation which are not  
17 directly attributable to a specific project.

18 (2) Legal, architectural, and engineering costs and other salaries,  
19 wages, and costs directly related to the planning and execution of  
20 a specific project that are authorized under subdivision (e) of  
21 Section 62100 and that are incurred by a nonprofit housing sponsor  
22 are not planning and administrative costs for the purposes of this  
23 section, but are instead project costs.

24 (f) (1) The requirements of this subdivision apply to all new or  
25 substantially rehabilitated housing units developed or otherwise  
26 assisted with moneys from the Low and Moderate Income Housing  
27 Fund. Except to the extent that a longer period of time may be  
28 required by other provisions of law, the authority shall require that  
29 housing units subject to this subdivision shall remain available at  
30 affordable housing cost to, and occupied by, persons and families  
31 of low or moderate income and very low income and extremely  
32 low income households for the longest feasible time, but for not  
33 less than the following periods of time:

34 (A) Fifty-five years for rental units. However, the authority may  
35 replace rental units with equally affordable and comparable rental  
36 units in another location within the community if (i) the  
37 replacement units are available for occupancy prior to the  
38 displacement of any persons and families of low or moderate  
39 income residing in the units to be replaced, and (ii) the comparable

1 replacement units are not developed with moneys from the Low  
2 and Moderate Income Housing Fund.

3 (B) Forty-five years for owner-occupied units. However, the  
4 authority may permit sales of owner-occupied units prior to the  
5 expiration of the 45-year period for a price in excess of that  
6 otherwise permitted under this subdivision pursuant to an adopted  
7 program which protects the agency's investment of moneys from  
8 the Low and Moderate Income Housing Fund, including, but not  
9 limited to, an equity sharing program which establishes a schedule  
10 of equity sharing that permits retention by the seller of a portion  
11 of those excess proceeds based on the length of occupancy. The  
12 remainder of the excess proceeds of the sale shall be allocated to  
13 the authority and deposited in the Low and Moderate Income  
14 Housing Fund. Only the units originally assisted by the authority  
15 shall be counted towards the agency's obligations under Section  
16 62102.

17 (C) Fifteen years for mutual self-help housing units that are  
18 occupied by and affordable to very low and low-income  
19 households. However, the authority may permit sales of mutual  
20 self-help housing units prior to expiration of the 15-year period  
21 for a price in excess of that otherwise permitted under this  
22 subdivision pursuant to an adopted program that (i) protects the  
23 agency's investment of moneys from the Low and Moderate  
24 Income Housing Fund, including, but not limited to, an equity  
25 sharing program that establishes a schedule of equity sharing that  
26 permits retention by the seller of a portion of those excess proceeds  
27 based on the length of occupancy, and (ii) ensures through a  
28 recorded regulatory agreement, deed of trust, or similar recorded  
29 instrument that if a mutual self-help housing unit is sold at any  
30 time after expiration of the 15-year period and prior to 45 years  
31 after the date of recording of the covenants or restrictions required  
32 pursuant to paragraph (2), the authority recovers, at a minimum,  
33 its original principal from the Low and Moderate Income Housing  
34 Fund from the proceeds of the sale and deposits those funds into  
35 the Low and Moderate Income Housing Fund. The remainder of  
36 the excess proceeds of the sale not retained by the seller shall be  
37 allocated to the agency and deposited in the Low and Moderate  
38 Income Housing Fund. For the purposes of this subparagraph,  
39 "mutual self-help housing unit" means an owner-occupied housing  
40 unit for which persons and families of very low and low income

1 contribute no fewer than 500 hours of their own labor in individual  
2 or group efforts to provide a decent, safe, and sanitary ownership  
3 housing unit for themselves, their families, and others authorized  
4 to occupy that unit. This subparagraph shall not preclude the  
5 authority and the developer of the mutual self-help housing units  
6 from agreeing to 45-year deed restrictions.

7 (2) If land on which those dwelling units are located is deleted  
8 from the plan area, the authority shall continue to require that those  
9 units remain affordable as specified in this subdivision.

10 (3) The authority shall require the recording in the office of the  
11 county recorder of the following documents:

12 (A) The covenants or restrictions implementing this subdivision  
13 for each parcel or unit of real property subject to this subdivision.  
14 The authority shall obtain and maintain a copy of the recorded  
15 covenants or restrictions for not less than the life of the covenant  
16 or restriction.

17 (B) For all new or substantially rehabilitated units developed  
18 or otherwise assisted with moneys from the Low and Moderate  
19 Income Housing Fund, a separate document called “Notice of  
20 Affordability Restrictions on Transfer of Property,” set forth in  
21 14-point type or larger. This document shall contain all of the  
22 following information:

23 (i) A recitation of the affordability covenants or restrictions. ~~If~~  
24 ~~the~~ *The* document recorded under this subparagraph *is shall be*  
25 recorded concurrently with the covenants or restrictions recorded  
26 under subparagraph (A), the recitation of the affordability  
27 covenants or restrictions shall also reference the concurrently  
28 recorded document. ~~If the document recorded under this~~  
29 ~~subparagraph is not recorded concurrently with the covenants or~~  
30 ~~restrictions recorded under subparagraph (A), the recitation of the~~  
31 ~~affordability covenants or restrictions shall also reference the~~  
32 ~~recorder’s identification number of the document recorded under~~  
33 ~~subparagraph (A).~~

34 (ii) The date the covenants or restrictions expire.

35 (iii) The street address of the property, including, if applicable,  
36 the unit number, unless the property is used to confidentially house  
37 victims of domestic violence.

38 (iv) The assessor’s parcel number for the property.

39 (v) The legal description of the property.

1 (4) The authority shall require the recording of the document  
2 required under subparagraph (B) of paragraph (3) not more than  
3 30 days after the date of recordation of the covenants or restrictions  
4 required under subparagraph (A) of paragraph (3).

5 (5) The county recorder shall index the documents required to  
6 be recorded under paragraph (3) by the authority and current owner.

7 (6) Notwithstanding Section 27383, a county recorder may  
8 charge all authorized recording fees to any party, including a public  
9 agency, for recording the document specified in subparagraph (B)  
10 of paragraph (3).

11 (7) Notwithstanding any other law, the covenants or restrictions  
12 implementing this subdivision shall run with the land and shall be  
13 enforceable against any owner who violates a covenant or  
14 restriction and each successor in interest who continues the  
15 violation, by any of the following:

16 (A) The authority.

17 (B) The city or county that established the authority.

18 (C) A resident of a unit subject to this subdivision.

19 (D) A residents' association with members who reside in units  
20 subject to this subdivision.

21 (E) A former resident of a unit subject to this subdivision who  
22 last resided in that unit.

23 (F) An applicant seeking to enforce the covenants or restrictions  
24 for a particular unit that is subject to this subdivision, if the  
25 applicant conforms to all of the following:

26 (i) Is of low or moderate income, as defined in Section 50093  
27 of the Health and Safety Code.

28 (ii) Is able and willing to occupy that particular unit.

29 (iii) Was denied occupancy of that particular unit due to an  
30 alleged breach of a covenant or restriction implementing this  
31 subdivision.

32 (G) A person on an affordable housing waiting list who is of  
33 low or moderate income, as defined in Section 50093, and who is  
34 able and willing to occupy a unit subject to this subdivision.

35 (8) A dwelling unit shall not be counted as satisfying the  
36 affordable housing requirements of this part, unless covenants for  
37 that dwelling unit are recorded in compliance with subparagraph

38 (A) of paragraph (3).

39 (9) Failure to comply with the requirements of subparagraph

40 (B) of paragraph (3) shall not invalidate any covenants or

1 restrictions recorded pursuant to subparagraph (A) of paragraph  
2 (3).

3 (g) “Housing,” as used in this section, includes residential hotels,  
4 as defined in subdivision (k) of Section 37912 of the Health and  
5 Safety Code. The definitions of “lower income households,” “very  
6 low income households,” and “extremely low income households”  
7 in Sections 50079.5, 50105, and 50106 of the Health and Safety  
8 Code shall apply to this section. “Longest feasible time,” as used  
9 in this section, includes, but is not limited to, unlimited duration.

10 (h) “Increasing, improving, and preserving the community’s  
11 supply of low- and moderate-income housing,” as used in this  
12 section and in Section 62100, includes the preservation of rental  
13 housing units assisted by federal, state, or local government on the  
14 condition that units remain affordable to, and occupied by, low-  
15 and moderate-income households, including extremely low and  
16 very low income households, for the longest feasible time, but not  
17 less than 55 years, beyond the date the subsidies and use restrictions  
18 could be terminated and the assisted housing units converted to  
19 market rate rentals. In preserving these units the authority shall  
20 require that the units remain affordable to, and occupied by, persons  
21 and families of low- and moderate-income and extremely low and  
22 very low income households for the longest feasible time, but not  
23 less than 55 years. ~~However, the authority may replace rental units  
24 with equally affordable and comparable rental units in another  
25 location within the community if (1) the replacement units in  
26 another location are available for occupancy prior to the  
27 displacement of any persons and families of low or moderate  
28 income residing in the units to be replaced and (2) the comparable  
29 replacement units are not developed with moneys from the Low  
30 and Moderate Income Housing Fund.~~

31 (i) Funds from the Low and Moderate Income Housing Fund  
32 shall not be used to the extent that other reasonable means of  
33 private or commercial financing of the new or substantially  
34 rehabilitated units at the same level of affordability and quantity  
35 are reasonably available to the agency or to the owner of the units.  
36 Prior to the expenditure of funds from the Low and Moderate  
37 Income Housing Fund for new or substantially rehabilitated  
38 housing units, where those funds will exceed 50 percent of the  
39 cost of producing the units, the authority shall find, based on  
40 substantial evidence, that the use of the funds is necessary because

1 the authority or owner of the units has made a good faith attempt  
2 but has been unable to obtain commercial or private means of  
3 financing the units at the same level of affordability and quantity.

4 62102. (a) Except as specified in subdivision (d), each  
5 authority shall expend over each 10-year period of the community  
6 revitalization plan the moneys in the Low and Moderate Income  
7 Housing Fund to assist housing for persons of low income and  
8 housing for persons of very low income in at least the same  
9 proportion as the total number of housing units needed that each  
10 of those income groups bears to the total number of units needed  
11 for persons of moderate, low, and very low income within the  
12 community, as those needs have been determined for the  
13 community pursuant to Section 65584. In determining compliance  
14 with this obligation, the authority may adjust the proportion by  
15 subtracting from the need identified for each income category, the  
16 number of units for persons of that income category that are newly  
17 constructed over the duration of the implementation plan with  
18 other locally controlled government assistance and without agency  
19 assistance and that are required to be affordable to, and occupied  
20 by, persons of the income category for at least 55 years for rental  
21 housing and 45 years for ownership housing, except that in making  
22 an adjustment the agency may not subtract units developed  
23 pursuant to a replacement housing obligation under state or federal  
24 law.

25 (b) Each authority shall expend over the duration of each  
26 ~~implementation~~ plan, the moneys in the Low and Moderate Income  
27 Housing Fund to assist housing that is available to all persons  
28 regardless of age in at least the same proportion as the number of  
29 low-income households with a member under 65 years of age bears  
30 to the total number of low-income households of the community  
31 as reported in the most recent census of the United States Census  
32 Bureau.

33 (c) An authority that has deposited in the Low and Moderate  
34 Income Housing Fund over the first five years of the period of ~~an~~  
35 ~~implementation~~ a plan an aggregate that is less than two million  
36 dollars (\$2,000,000) shall have an extra five years to meet the  
37 requirements of this section.

38 (d) For the purposes of this section, “locally controlled” means  
39 government assistance where the city or county that created the  
40 authority or other local government entity has the discretion and

1 the authority to determine the recipient and the amount of the  
2 assistance, whether or not the source of the funds or other  
3 assistance is from the state or federal government. Examples of  
4 locally controlled government assistance include, but are not  
5 limited to, the Community Development Block Grant Program  
6 (42 U.S.C. Sec. 5301 et seq.) funds allocated to a city or county,  
7 the Home Investment Partnership Program (42 U.S.C. Sec. 12721  
8 et seq.) funds allocated to a city or county, fees or funds received  
9 by a city or county pursuant to a city or county authorized program,  
10 and the waiver or deferral of city or other charges.

11 62103. Every community revitalization plan shall contain—a  
12 *both of the following:*

13 (1) A provision that *requires*, whenever dwelling units housing  
14 persons and families of low or moderate income are destroyed or  
15 removed from the low- and moderate-income housing market as  
16 part of a revitalization ~~project~~ *project*, the authority ~~shall, to~~, within  
17 two years of such destruction or removal, rehabilitate, develop, or  
18 construct, or cause to be rehabilitated, developed, or constructed,  
19 for rental or sale to persons and families of low or moderate income  
20 an equal number of replacement dwelling units at affordable  
21 housing costs, as defined by Section 50052.5 of the Health and  
22 Safety Code, within the territorial jurisdiction of the authority, in  
23 accordance with all of the provisions of Sections 62120 and  
24 62120.5.

25 (2) A *provision that prohibits the number of housing units*  
26 *occupied by extremely low, very low-, and low-income households,*  
27 *including the number of bedrooms in those units, at the time the*  
28 *plan is adopted, from being reduced in the plan area during the*  
29 *effective period of the plan.*

30 62104. Programs to assist or develop low- and  
31 moderate-income housing pursuant to this part shall be entitled to  
32 priority consideration *after a program implemented by a housing*  
33 *successor pursuant to Section 34176.1 of the Health and Safety*  
34 *Code* for assistance in housing programs administered by the  
35 California Housing Finance Agency, the Department of Housing  
36 and Community Development, and other state agencies and  
37 departments, if those agencies or departments determine that the  
38 housing is otherwise eligible for assistance under a particular  
39 program.

1 62105. The same notice requirements as specified in Section  
2 65863.10 shall apply to multifamily rental housing that receives  
3 financial assistance pursuant to Sections 62100 and 62101.

4 62106. Notwithstanding Sections 62100 and 62101, assistance  
5 provided by an authority to preserve the availability to lower  
6 income households of affordable housing units which are assisted  
7 or subsidized by public entities and which are threatened with  
8 imminent conversion to market rates may be credited and offset  
9 against an agency's obligations under Section 62100.

10 62107. (a) Except as otherwise provided in this subdivision,  
11 not later than six months following the close of any fiscal year of  
12 an authority in which excess surplus accumulates in the authority's  
13 Low and Moderate Income Housing Fund, the authority may adopt  
14 a plan pursuant to this section for expenditure of all moneys in the  
15 Low and Moderate Income Housing Fund within five years from  
16 the end of that fiscal year. The plan may be general and need not  
17 be site-specific, but shall include objectives respecting the number  
18 and type of housing to be assisted, identification of the entities,  
19 which will administer the plan, alternative means of ensuring the  
20 affordability of housing units for the longest feasible time, as  
21 specified in subdivision (e) of Section 62101 the income groups  
22 to be assisted, and a schedule by fiscal year for expenditure of the  
23 excess surplus.

24 (b) The authority shall separately account for ~~each~~ *any* excess  
25 surplus *accumulated each year* either as part of or in addition to  
26 a Low and Moderate Income Housing Fund.

27 (c) If the authority develops a plan for expenditure of excess  
28 surplus or other moneys in the Low and Moderate Income Housing  
29 Fund, a copy of that plan and any amendments to that plan shall  
30 be included in the authority's annual report pursuant to Section  
31 62006.

32 62108. (a) (1) Upon failure of the authority to expend or  
33 encumber excess surplus in the Low and Moderate Income Housing  
34 Fund within one year from the date the moneys become excess  
35 surplus, as defined in paragraph (1) of subdivision (g), the authority  
36 shall do either of the following:

37 (A) Disburse voluntarily its excess surplus to the county housing  
38 ~~authority~~ *authority, a private nonprofit housing developer*, or to  
39 another public agency exercising housing development powers

1 within the territorial jurisdiction of the agency in accordance with  
2 subdivision (b).

3 (B) Expend or encumber its excess surplus within two additional  
4 years.

5 (2) If an authority, after three years has elapsed from the date  
6 that the moneys become excess surplus, has not expended or  
7 encumbered its excess surplus, the authority shall be subject to  
8 sanctions pursuant to subdivision (e), until the authority has  
9 expended or encumbered its excess surplus plus an additional  
10 amount, equal to 50 percent of the amount of the excess surplus  
11 that remains at the end of the three-year period. The additional  
12 expenditure shall not be from the authority's Low and Moderate  
13 Income Housing Fund, but shall be used in a manner that meets  
14 all requirements for expenditures from that fund.

15 (b) The housing authority or other public agency to which the  
16 money is transferred shall utilize the moneys for the purposes of,  
17 and subject to the same restrictions that are applicable to, the  
18 authority under this part, and for that purpose may exercise all of  
19 the powers of a housing authority under Part 2 (commencing with  
20 Section 34200) of Division 24 of the Health and Safety Code to  
21 an extent not inconsistent with these limitations.

22 (c) Notwithstanding Section 34209 of the Health and Safety  
23 Code or any other law, for the purpose of accepting a transfer of,  
24 and using, moneys pursuant to this section, the housing authority  
25 of a county or other public agency may exercise its powers within  
26 the territorial jurisdiction of an authority located in that county.

27 (d) The amount of excess surplus that shall be transferred to the  
28 housing authority or other public agency because of a failure of  
29 the authority to expend or encumber excess surplus within one  
30 year shall be the amount of the excess surplus that is not so  
31 expended or encumbered. The housing authority or other public  
32 agency to which the moneys are transferred shall expend or  
33 encumber these moneys for authorized purposes not later than  
34 three years after the date these moneys were transferred from the  
35 Low and Moderate Income Housing Fund.

36 (e) (1) Until a time when the authority has expended or  
37 encumbered excess surplus moneys pursuant to subdivision (a),  
38 the authority shall be prohibited from encumbering any funds or  
39 expending any moneys derived from any source, except that the  
40 authority may encumber funds and expend moneys to pay the

1 following obligations, if any, that were incurred by the authority  
2 prior to three years from the date the moneys became excess  
3 surplus:

4 (A) Bonds, notes, interim certificates, debentures, or other  
5 obligations issued by an authority, whether funded, refunded,  
6 assumed, or otherwise, pursuant to subdivision (f) of Section  
7 62003.

8 (B) Loans or moneys advanced to the authority, including, but  
9 not limited to, loans from federal, state, or local agencies, or a  
10 private entity.

11 (C) Contractual obligations which, if breached, could subject  
12 the authority to damages or other liabilities or remedies.

13 (D) Indebtedness incurred pursuant to Section 62100 or 62104.

14 (E) An amount, to be expended for the operation and  
15 administration of the authority, that may not exceed 75 percent of  
16 the amount spent for those purposes in the preceding fiscal year.

17 (2) This subdivision shall not be construed to prohibit the  
18 expenditure of excess surplus funds or other funds to meet the  
19 requirement in paragraph (2) of subdivision (a) that the agency  
20 spend or encumber excess surplus funds, plus an amount equal to  
21 50 percent of excess surplus, prior to spending or encumbering  
22 funds for any other purpose.

23 (f) This section shall not be construed to limit any authority *that*  
24 an authority may have under other provisions of this part to contract  
25 with a housing—~~authority~~ *authority, private nonprofit housing*  
26 *developer, or other public agency exercising housing developer*  
27 *powers, for increasing or improving the community’s supply of*  
28 *low- and moderate-income housing.*

29 (g) For purposes of this section:

30 (1) “Excess surplus” means any unexpended and unencumbered  
31 amount in an authority’s Low and Moderate Income Housing Fund  
32 that exceeds the greater of one million dollars (\$1,000,000) or the  
33 aggregate amount deposited into the Low and Moderate Income  
34 Housing Fund pursuant to Sections 62100 and 62104 during the  
35 authority’s preceding four fiscal years. The first fiscal year to be  
36 included in this computation is the 2016–17 fiscal year, and the  
37 first date on which an excess surplus may exist is July 1, 2021.

38 (2) Moneys shall be deemed encumbered if committed pursuant  
39 to a legally enforceable contract or agreement for expenditure for  
40 purposes specified in Sections 62100 and 62101.

1 (3) (A) For purposes of determining whether an excess surplus  
2 exists, it is the intent of the Legislature to give credit to authorities  
3 which convey land for less than fair market value, on which low-  
4 and moderate-income housing is built or is to be built if at least  
5 49 percent of the units developed on the land are available at an  
6 affordable housing cost to lower income households for at least  
7 the time specified in subdivision (e) of Section 62101, and  
8 otherwise comply with all of the provisions of this division  
9 applicable to expenditures of moneys from a low- and  
10 moderate-income housing fund established pursuant to Section  
11 62101. Therefore, for the sole purpose of determining the amount,  
12 if any, of an excess surplus, an authority may make the following  
13 calculation: if an authority sells, leases, or grants land acquired  
14 with moneys from the Low and Moderate Income Housing Fund,  
15 established pursuant to Section 62101, for an amount which is  
16 below fair market value, and if at least 49 percent of the units  
17 constructed or rehabilitated on the land are affordable to lower  
18 income households, as defined in Section 50079.5 of the Health  
19 and Safety Code, the difference between the fair market value of  
20 the land and the amount the authority receives may be subtracted  
21 from the amount of moneys in an agency's Low and Moderate  
22 Income Housing Fund.

23 (B) If taxes that are deposited in the Low and Moderate Income  
24 Housing Fund are used as security for bonds or other indebtedness,  
25 the proceeds of the bonds or other indebtedness, and income and  
26 expenditures related to those proceeds, shall not be counted in  
27 determining whether an excess surplus exists. The unspent portion  
28 of the proceeds of bonds or other indebtedness, and income related  
29 thereto, shall be excluded from the calculation of the unexpended  
30 and unencumbered amount in the Low and Moderate Income  
31 Housing Fund when determining whether an excess surplus exists.

32 (C) This subdivision shall not be construed to restrict the  
33 authority of an authority provided in any other provision of this  
34 part to expend funds from the Low and Moderate Income Housing  
35 Fund.

36 (D) The Department of Housing and Community Development  
37 shall develop and periodically revise the methodology to be used  
38 in the calculation of excess surplus as required by this section. The  
39 director shall appoint an advisory committee to advise in the  
40 development of this methodology. The advisory committee shall

1 include department staff, affordable housing advocates, and  
2 representatives of the *housing successors of former redevelopment*  
3 *agencies*, the League of California Cities, the California Society  
4 of Certified Public Accountants, the Controller, and any other  
5 authorities or persons interested in the field that the director deems  
6 necessary and appropriate.

7 (h) Communities in which an agency has disbursed excess  
8 surplus funds pursuant to this section shall not disapprove a low-  
9 or moderate-income housing project funded in whole or in part by  
10 the excess surplus funds if the project is consistent with applicable  
11 building codes and the land use designation specified in any  
12 element of the general plan as it existed on the date the application  
13 was deemed complete. A local agency may require compliance  
14 with local development standards and policies appropriate to and  
15 consistent with meeting the quantified objectives relative to the  
16 development of housing, as required in housing elements of the  
17 community pursuant to subdivision (b) of Section 65583.

18 62109. (a) Notwithstanding Sections 50079.5, 50093, and  
19 50105 of the Health and Safety Code, for purposes of providing  
20 assistance to mortgagors participating in a homeownership  
21 residential mortgage revenue bond program pursuant to Section  
22 33750 of the Health and Safety Code, or a home financing program  
23 pursuant to Section 52020 of the Health and Safety Code, or a  
24 California Housing Finance Agency home financing program,  
25 “area median income” means the highest of the following:

- 26 (1) Statewide median household income.
- 27 (2) Countywide median household income.
- 28 (3) Median family income for the area, as determined by the  
29 United States Department of Housing and Urban Development  
30 with respect to either a standard metropolitan statistical area or an  
31 area outside of a standard metropolitan statistical area.

32 Nothing in Section 50093 of the Health and Safety Code shall  
33 prevent the agency from adopting separate family size adjustment  
34 factors or programmatic definitions of income to qualify  
35 households, persons, and families for the programs of the agency.

36 (b) To the extent that any portion of the Low and Moderate  
37 Income Housing Fund is expended to provide assistance to  
38 mortgagors participating in programs whose income exceeds that  
39 of persons and families of low or moderate income, as defined in  
40 Section 50093 of the Health and Safety Code, the authority shall,

1 within two years, expend or enter into a legally enforceable  
2 agreement to expend twice that sum exclusively to increase and  
3 improve the community's supply of housing available at an  
4 affordable housing cost, as defined in Section 50052.5, to lower  
5 income households, as defined in Section 50079.5 of the Health  
6 and Safety Code, of which at least 50 percent shall be very low  
7 income households, as defined in Section 50105 of the Health and  
8 Safety Code.

9 (c) In addition to the requirements of subdivision (c) of Section  
10 33413 of the Health and Safety Code, the authority shall require  
11 that the lower and very low income dwelling units developed  
12 pursuant to this subdivision remain available at an affordable  
13 housing cost to lower and very low income households for at least  
14 ~~30~~ 45 years, except as to dwelling units developed with the  
15 assistance of federal or state subsidy programs which terminate in  
16 a shorter period and cannot be extended or renewed.

17 (d) The authority shall include within the report required by  
18 Section 62008 information with respect to compliance by the  
19 agency with the requirements of this subdivision.

20 62110. The covenants or restrictions imposed by the authority  
21 pursuant to subdivision (f) of Section 62101 may be subordinated  
22 under any of the following alternatives:

23 (a) To a lien, encumbrance, or regulatory agreement under a  
24 federal or state program when a federal or state agency is providing  
25 financing, refinancing, or other assistance to the housing units or  
26 parcels, if the federal or state agency refuses to consent to the  
27 seniority of the ~~agency's~~ *authority's* covenant or restriction on the  
28 basis that it is required to maintain its lien, encumbrance, or  
29 regulatory agreement or restrictions due to statutory or regulatory  
30 requirements, adopted or approved policies, or other guidelines  
31 pertaining to the financing, refinancing, or other assistance of the  
32 housing units or parcels.

33 (b) To a lien, encumbrance, or regulatory agreement of a lender  
34 other than the authority or from a bond issuance providing  
35 financing, refinancing, or other assistance of owner-occupied units  
36 or parcels where the ~~agency~~ *authority* makes a finding that an  
37 economically feasible alternative method of financing, refinancing,  
38 or assisting the units or parcels on substantially comparable terms  
39 and conditions, but without subordination, is not reasonably  
40 available.

1 (c) To an existing lien, encumbrance, or regulatory agreement  
2 of a lender other than the authority or from a bond issuance  
3 providing financing, refinancing, or other assistance of rental units,  
4 where the agency's funds are utilized for rehabilitation of the rental  
5 units.

6 (d) To a lien, encumbrance, or regulatory agreement of a lender  
7 other than the authority or from a bond issuance providing  
8 financing, refinancing, or other assistance of rental units or parcels  
9 where the ~~agency~~ *authority* makes a finding that an economically  
10 feasible alternative method of financing, refinancing, or assisting  
11 the units or parcels on substantially comparable terms and  
12 conditions, but without subordination, is not reasonably available,  
13 and where the ~~agency~~ *authority* obtains written commitments  
14 reasonably designed to protect the ~~agency's~~ *authority's* investment  
15 in the event of default, including, but not limited to, any of the  
16 following:

17 (1) A right of the authority to cure a default on the loan.

18 (2) A right of the authority to negotiate with the lender after  
19 notice of default from the lender.

20 (3) An agreement that if prior to foreclosure of the loan, the  
21 authority takes title to the property and cures the default on the  
22 loan, the lender will not exercise any right it may have to accelerate  
23 the loan by reason of the transfer of title to the ~~agency.~~ *authority.*

24 (4) A right of the authority to purchase property from the owner  
25 at any time after a default on the loan.

26 62111. Subsidies provided pursuant to subdivision (e) of  
27 Section 62100 may include payment of a portion of the principal  
28 and interest on bonds issued by a public agency to finance housing  
29 for persons and families specified in that paragraph if the authority  
30 ensures by contract that the benefit of the subsidy will be passed  
31 on to those persons and families in the form of lower housing costs.

32 62112. For each interest in real property acquired using moneys  
33 from the Low and Moderate Income Housing Fund, the authority  
34 shall, within five years from the date it first acquires the property  
35 interest for the development of housing affordable to persons and  
36 families of low and moderate income, initiate activities consistent  
37 with the development of the property for that purpose. These  
38 activities may include, but are not limited to, zoning changes or  
39 agreements entered into for the development and disposition of  
40 the property. If these activities have not been initiated within this

1 period, the city or county that created the authority may, by  
2 resolution, extend the period during which the authority may retain  
3 the property for one additional period not to exceed five years.  
4 The resolution of extension shall affirm the intention of the city  
5 or county that the property be used for the development of housing  
6 affordable to persons and families of low and moderate income.  
7 In the event that physical development of the property for this  
8 purpose has not begun by the end of the extended period, or if the  
9 authority does not comply with this requirement, the property shall  
10 be sold and the moneys from the sale, less reimbursement to the  
11 agency for the cost of the sale, shall be deposited in the ~~agency's~~  
12 *authority's* Low and Moderate Income Housing Fund.

13  
14 CHAPTER 2. REPLACEMENT AND LOCATION

15  
16 62115. The authority shall prepare a feasible method or plan  
17 for relocation of all of the following:

18 (a) Families and persons to be temporarily or permanently  
19 displaced from housing facilities in the plan area.

20 (b) Nonprofit local community institutions to be temporarily or  
21 permanently displaced from facilities actually used for institutional  
22 purposes in the project area.

23 (c) *The relocation plan required by this section shall comply*  
24 *with the relocation plan requirements of Chapter 16 (commencing*  
25 *with Section 7260) of Division 7 of Title 1.*

26 62116. The city, county, or city and county that created the  
27 authority shall insure that the method or plan of the authority for  
28 the relocation of families or single persons to be displaced by a  
29 revitalization project shall provide that no persons or families of  
30 low and moderate income shall be displaced unless and until there  
31 is a suitable housing unit available and ready for occupancy by  
32 the displaced person or family at rents comparable to those at the  
33 time of their displacement. The housing units shall be suitable to  
34 the needs of those displaced persons or families and must be decent,  
35 safe, sanitary, and otherwise standard dwellings. The authority  
36 shall not displace the person or family until the housing units are  
37 available and ready for occupancy.

38 62117. Whenever all or any portion of a revitalization ~~project~~  
39 *plan area* is developed with low- or moderate-income housing  
40 units and whenever any low- or moderate-income housing units

1 are developed with any authority assistance or pursuant to Section  
2 62120, the authority shall require ~~by contract or other appropriate~~  
3 ~~means in the recorded covenants for those units~~ that the housing  
4 be made available for rent or purchase to the persons and families  
5 of low or moderate income displaced by the revitalization project.  
6 Those persons and families shall be given priority in renting or  
7 buying that ~~housing. However, failure in advance of marketing~~  
8 ~~the units to the general public. Failure to give that priority shall~~  
9 not affect the validity of title to real ~~property. property; however,~~  
10 ~~a unit may not be counted as a replacement or production unit in~~  
11 ~~the event of noncompliance with this provision.~~ The authority shall  
12 keep a list of persons and families of low and moderate income  
13 displaced by the revitalization project who are to be given priority,  
14 and may establish reasonable rules for determining the order or  
15 priority on the list. *The list shall be provided to the owner of those*  
16 *properties at or before any certificate of occupancy is issued.*

17 62118. If insufficient suitable housing units are available in  
18 the ~~community~~ *plan area* for low- and moderate-income persons  
19 and families to be displaced from a community revitalization area,  
20 the city council or board of supervisors that created the authority  
21 shall assure that sufficient land be made available *in the community*  
22 *for suitable housing for rental or purchase by low- and*  
23 *moderate-income persons and families.* If insufficient suitable  
24 housing units are available in the community for use by persons  
25 and families of low and moderate income displaced by the  
26 revitalization project, the authority may, to the extent of that  
27 deficiency, direct or cause the development, rehabilitation, or  
28 construction of housing units within the community, both inside  
29 and outside of revitalization ~~project~~ *plan areas.*

30 62119. Permanent housing facilities shall be made available  
31 within two years from the time occupants are displaced and that  
32 pending the development of such facilities there will be available  
33 to such displaced occupants adequate temporary housing facilities  
34 at rents comparable to those in the community at the time of their  
35 displacement.

36 62120. (a) Whenever dwelling units housing persons and  
37 families of low or moderate income are destroyed or removed from  
38 the low- and moderate-income housing market as part of a  
39 revitalization project that is subject to a written agreement with  
40 the authority or where financial assistance has been provided by

1 the authority, the authority shall, within two years of the destruction  
2 or removal, rehabilitate, develop, or construct, or cause to be  
3 rehabilitated, developed, or constructed, for rental or sale to persons  
4 and families of low or moderate income, an equal number of  
5 replacement dwelling units that have an equal or greater number  
6 of bedrooms as those destroyed or removed units at affordable  
7 housing costs within the territorial jurisdiction of the ~~agency~~.  
8 *authority*. One hundred percent of the replacement dwelling units  
9 shall be available at an affordable housing cost to persons in the  
10 same or a lower income category ~~(low, extremely low, low, very~~  
11 ~~low, or moderate)~~, as the persons displaced from those destroyed  
12 or removed units.

13 (b) (1) Prior to the time limit on the effectiveness of the  
14 community revitalization plan established pursuant to subdivision  
15 (f) of Section 62004 at least 30 percent of all new and substantially  
16 rehabilitated dwelling units developed by an authority shall be  
17 available at affordable housing cost to, and occupied by, persons  
18 and families of low or moderate income. Not less than 50 percent  
19 of the dwelling units required to be available at affordable housing  
20 cost to, and occupied by, persons and families of low or moderate  
21 income shall be available at affordable housing cost to, and  
22 occupied by, very low income households.

23 (2) (A) (i) Prior to the time limit on the effectiveness of the  
24 revitalization plan established pursuant to subdivision (f) of Section  
25 62003 at least 15 percent of all new and substantially rehabilitated  
26 dwelling units developed within a plan area under the jurisdiction  
27 of an authority by public or private entities or persons other than  
28 the ~~agency~~ *authority* shall be available at affordable housing cost  
29 to, and occupied by, persons and families of low or moderate  
30 income. Not less than 40 percent of the dwelling units required to  
31 be available at affordable housing cost to, and occupied by, persons  
32 and families of low or moderate income shall be available at  
33 affordable housing cost to, and occupied by, very low income  
34 households.

35 (ii) To satisfy this paragraph, in whole or in part, the authority  
36 may cause, by regulation or agreement, to be available, at an  
37 affordable housing cost, to, and occupied by, persons and families  
38 of low or moderate income or to very low income households, as  
39 applicable, two units outside a project area for each unit that

1 otherwise would have been required to be available inside a project  
2 area.

3 (iii) “Substantially rehabilitated dwelling units” means all units  
4 substantially rehabilitated, with authority assistance.

5 (iv) As used in this paragraph and in paragraph (1), “substantial  
6 rehabilitation” means rehabilitation, the value of which constitutes  
7 25 percent of the after rehabilitation value of the dwelling, inclusive  
8 of the land value.

9 ~~(v) To satisfy this paragraph, the authority may aggregate new  
10 or substantially rehabilitated dwelling units in one or more project  
11 areas, if the authority finds, based on substantial evidence, after a  
12 public hearing, that the aggregation will not cause or exacerbate  
13 racial, ethnic, or economic segregation.~~

14 (B) To satisfy the requirements of paragraph (1) and  
15 subparagraph (A), the authority may purchase, or otherwise acquire  
16 or cause by regulation or agreement the purchase or other  
17 acquisition of, long-term affordability covenants on multifamily  
18 units that restrict the cost of renting or purchasing those units that  
19 either: (i) are not presently available at affordable housing cost to  
20 persons and families of low- or very low income households, as  
21 applicable; or (ii) are units that are presently available at affordable  
22 housing cost to this same group of persons or families, but are  
23 units that the authority finds, based upon substantial evidence,  
24 after a public hearing, cannot reasonably be expected to remain  
25 affordable to this same group of persons or families.

26 (C) To satisfy the requirements of paragraph (1) and  
27 subparagraph (A), the long-term affordability covenants purchased  
28 or otherwise acquired pursuant to subparagraph (B) shall be  
29 required to be maintained on dwelling units at affordable housing  
30 cost to, and occupied by, persons and families of low or very low  
31 income, for the longest feasible time but not less than 55 years for  
32 rental units and 45 years for owner-occupied units. Not more than  
33 50 percent of the units made available pursuant to paragraph (1)  
34 and subparagraph (A) may be assisted through the purchase or  
35 acquisition of long-term affordability covenants pursuant to  
36 subparagraph (B). Not less than 50 percent of the units made  
37 available through the purchase or acquisition of long-term  
38 affordability covenants pursuant to subparagraph (B) shall be  
39 available at affordable housing cost to, and occupied by, very low  
40 income households.

1 (D) To satisfy the requirements of paragraph (1) and  
2 subparagraph (A), each mutual self-help housing unit, as defined  
3 in subparagraph (C) of paragraph (1) of subdivision (f) of Section  
4 62101, that is subject to a 15-year deed restriction shall count as  
5 one-third of a unit.

6 (3) The requirements of this subdivision shall apply  
7 independently of the requirements of subdivision (a). The  
8 requirements of this subdivision shall apply, in the aggregate, to  
9 housing made available pursuant to paragraphs (1) and (2),  
10 respectively, and not to each individual case of rehabilitation,  
11 development, or construction of dwelling units, unless an agency  
12 determines otherwise.

13 (4) Each authority, as part of the ~~implementation~~ *community*  
14 *revitalization and investment* plan required by Section 62003, shall  
15 adopt a plan to comply with the requirements of this subdivision.  
16 The plan shall be consistent ~~with, and may be included within,~~  
17 *with* the community's housing element. The plan shall be reviewed  
18 and, if necessary, amended at least in conjunction with ~~either the~~  
19 ~~housing element cycle or the plan implementation cycle.~~ The plan  
20 shall ensure that the requirements of this subdivision are met every  
21 10 years. If the requirements of this subdivision are not met by the  
22 end of each 10-year period, the agency shall meet these goals on  
23 an annual basis until the requirements for the 10-year period are  
24 met. If the agency has exceeded the requirements within the 10-year  
25 period, the agency may count the units that exceed the requirement  
26 in order to meet the requirements during the next 10-year period.

27 (c) (1) The authority shall require ~~that the aggregate number~~  
28 ~~of~~ *all* replacement dwelling units and other dwelling units  
29 rehabilitated, developed, constructed, or price restricted pursuant  
30 to subdivision (a) or (b) remain available at affordable housing  
31 cost to, and occupied by, persons and families of *extremely low*  
32 *income*, low-income, moderate-income, and very low income  
33 households, respectively, for the longest feasible time, but for not  
34 less than 55 years for rental units, 45 years for home ownership  
35 units, and 15 years for mutual self-help housing units, as defined  
36 in subparagraph (C) of paragraph (1) of subdivision (f) of Section  
37 62101, except as set forth in paragraph (2). Nothing in this  
38 paragraph precludes the agency and the developer of the mutual  
39 self-help housing units from agreeing to 45-year deed restrictions.

1 (2) Notwithstanding paragraph (1), the authority may permit  
2 sales of owner-occupied units prior to the expiration of the 45-year  
3 period, and mutual self-help housing units prior to the expiration  
4 of the 15-year period, established by the ~~agency~~ *authority* for a  
5 price in excess of that otherwise permitted under this subdivision  
6 pursuant to an adopted program that protects the ~~agency's~~  
7 *authority's* investment of moneys from the Low and Moderate  
8 Income Housing Fund, including, but not limited to, an equity  
9 sharing program that establishes a schedule of equity sharing that  
10 permits retention by the seller of a portion of those excess proceeds,  
11 based on the length of occupancy. The remainder of the excess  
12 proceeds of the sale shall be allocated to the ~~agency,~~ *authority,*  
13 and deposited into the Low and Moderate Income Housing Fund.  
14 The ~~agency~~ *authority* shall, within three years from the date of  
15 sale pursuant to this paragraph of each home ownership or mutual  
16 self-help housing unit subject to a 45-year deed restriction, and  
17 every third mutual self-help housing unit subject to a 15-year deed  
18 restriction, expend funds to make affordable an equal number of  
19 units at the same or lowest income level as the unit or units sold  
20 pursuant to this paragraph, for a period not less than the duration  
21 of the original deed restrictions. Only the units originally assisted  
22 by the ~~agency~~ *authority* shall be counted towards the authority's  
23 obligations under Section 62120.

24 (3) The requirements of this section shall be made enforceable  
25 in the same manner as provided in paragraph (7) of subdivision  
26 (f) of Section 62101.

27 (4) If land on which the dwelling units required by this section  
28 are located is deleted from the plan area, the ~~agency~~ *authority* shall  
29 continue to require that those units remain affordable as specified  
30 in this subdivision.

31 (5) For each unit counted towards the requirements of  
32 subdivisions (a) and (b), the authority shall require the recording  
33 in the office of the county recorder of covenants or restrictions  
34 that ensure compliance with this subdivision and shall comply  
35 with the requirements of paragraphs (3) and (4) of subdivision (f)  
36 of Section 62101.

37 (d) Except as otherwise authorized by law, this section does not  
38 authorize an authority to operate a rental housing development  
39 beyond the period reasonably necessary to sell or lease the housing  
40 development.

1 (e) Notwithstanding subdivision (a), the authority may replace  
2 destroy or remove dwelling units with a fewer number of  
3 replacement dwelling units if the replacement dwelling units meet  
4 both of the following criteria:

5 (1) The total number of bedrooms in the replacement dwelling  
6 units equals or exceeds the number of bedrooms in the destroyed  
7 or removed units. Destroyed or removed units having one or no  
8 bedroom are deemed for this purpose to have one bedroom.

9 (2) The replacement units are affordable to, and occupied by,  
10 the same income level of households as the destroyed or removed  
11 units.

12 (f) “Longest feasible time,” as used in this section, includes,  
13 but is not limited to, unlimited duration.

14 62120.5. (a) Not less than 30 days prior to the execution of  
15 an agreement for acquisition of real property, or the execution of  
16 an agreement for the disposition and development of property, or  
17 the execution of an owner participation agreement, which  
18 agreement would lead to the destruction or removal of dwelling  
19 units from the low- and moderate-income housing market, the  
20 authority shall adopt by resolution a replacement housing plan.  
21 ~~For a reasonable time~~ *Not less than 30 days* prior to adopting a  
22 replacement housing plan by resolution, the authority shall make  
23 available a draft of the proposed replacement housing plan for  
24 review and comment by property owners and residents within the  
25 plan area, any persons who have requested notice of that  
26 replacement housing plan, other public agencies, and the general  
27 public.

28 The replacement housing plan shall ~~include: (1) the general~~  
29 ~~location of housing to be rehabilitated, developed, or constructed~~  
30 ~~pursuant to Section 62120; (2) an adequate means of financing~~  
31 ~~such as rehabilitation, development, or construction; (3) a~~ *include*  
32 *all of the following:*

33 (1) *A description of the housing to be destroyed or removed,*  
34 *including the address, parcel number, number and size of units,*  
35 *whether the units are occupied, and if so, the income categories*  
36 *of the occupants, if that information is available, whether the units*  
37 *are rental or ownership, the rent levels or sale price of the units,*  
38 *and if the units have existing affordable covenants, the nature and*  
39 *source of the subsidy and duration of the covenants.*

1 (2) *A description of the housing to be rehabilitated, developed,*  
2 *or constructed pursuant to Section 62120 to replace the units*  
3 *described in paragraph (1), including the general location of the*  
4 *replacement units, the number and size of the replacement units,*  
5 *the affordability levels of the replacement units, whether the*  
6 *replacement units will be rental or ownership, and duration of the*  
7 *affordability covenants applicable to the units.*

8 (3) *An analysis of the cost of producing the replacement units*  
9 *and a description of the source and adequacy of funds or financing,*  
10 *or both, available for the rehabilitation, development, or*  
11 *construction.*

12 (4) *A finding that the replacement housing does not require the*  
13 *approval of the voters pursuant to Article XXXIV of the California*  
14 *Constitution, or that such approval has been obtained; ~~(4) the~~*  
15 *number of dwelling units housing persons and families of low or*  
16 *moderate income planned for construction or rehabilitation; and*  
17 *~~(5) the obtained.~~*

18 (5) *The timetable for meeting the plan's relocation,*  
19 *rehabilitation, and replacement housing objectives. A dwelling*  
20 *unit whose replacement is required by Section 62120 but for which*  
21 *no replacement housing plan has been prepared, shall not be*  
22 *destroyed or removed from the low- and moderate-income housing*  
23 *market until the agency has by resolution adopted a replacement*  
24 *housing plan.*

25 ~~Nothing~~

26 (b) *Nothing* in this section shall prevent an authority from  
27 destroying or removing from the low- and moderate-income  
28 housing market a dwelling unit which the authority owns and which  
29 is an immediate danger to health and safety. The authority shall,  
30 as soon as practicable, adopt by resolution a replacement housing  
31 plan with respect to that dwelling-unit. *unit pursuant to this part.*

32 62120.7. An authority causing the rehabilitation, development,  
33 or construction of replacement dwelling units, other than  
34 single-family residences, pursuant to Section 62120, or pursuant  
35 to a replacement housing plan as required by Section 62120.5, or  
36 pursuant to provisions of a revitalization plan required by Section  
37 62103, primarily for persons of low income, as defined in Section  
38 50093 of the Health and Safety Code, shall give preference to those  
39 developments that are proposed to be organized as limited-equity  
40 housing cooperatives, when so requested as part of the public

1 review, provided the project is achievable in an efficient and timely  
2 manner.

3 The limited-equity housing cooperatives shall, in addition to the  
4 provisions of Section 817 of the Civil Code, be organized so that  
5 the consideration paid for memberships or shares by the first  
6 occupants following construction or acquisition by the corporation,  
7 including the principal amount of obligations incurred to finance  
8 the share or membership purchase, does not exceed 3 percent of  
9 the development cost or acquisition cost, or of the fair market value  
10 appraisal by the permanent lender, whichever is greater.

11 62121. An authority shall provide relocation assistance and  
12 shall make all of the payments required by Chapter 16  
13 (commencing with Section 7260) of Division 7 of Title 1, including  
14 the making of those payments financed by the federal government.

15 This section shall not be construed to limit any other authority  
16 which an authority may have to make other relocation assistance  
17 payments, or to make any relocation assistance payment in an  
18 amount which exceeds the maximum amount for that payment  
19 authorized by Chapter 16 (commencing with Section 7260) of  
20 Division 7 of Title 1.

21 62122. In order to facilitate the rehousing of families and single  
22 persons displaced by any governmental action, an authority, at the  
23 request of the city council or board of supervisors that created the  
24 authority, may dispose of the real property acquired under the  
25 provisions of subdivision (b) of section 62201, by sale or long-term  
26 lease, for use as, or development of, housing for those displaced  
27 persons.

28 62123. (a) An authority shall monitor, on an ongoing basis,  
29 any housing affordable to persons and families of low or moderate  
30 income developed or otherwise made available pursuant to any  
31 provisions of this part. As part of this monitoring, an authority  
32 shall require owners or managers of the housing to submit an  
33 annual report to the authority. The annual reports shall include for  
34 each rental unit the rental rate and the income and family size of  
35 the occupants, and for each owner-occupied unit whether there  
36 was a change in ownership from the prior year and, if so, the  
37 income and family size of the new owners. The income information  
38 required by this section shall be supplied by the tenant in a certified  
39 statement on a form provided by the ~~agency~~ *authority*.

1 (b) The data specified in subdivision (a) shall be obtained by  
2 the authority from owners and managers of the housing specified  
3 therein and current data shall be included in any reports required  
4 by law to be submitted to the Department of Housing and  
5 Community Development or the Controller. The information on  
6 income and family size that is required to be reported by the owner  
7 or manager shall be supplied by the tenant and shall be the only  
8 information on income or family size that the owner or manager  
9 shall be required to submit on his or her annual report to the  
10 agency.

11 (c) (1) The authority shall compile and maintain a database of  
12 existing, new, and substantially rehabilitated, housing units  
13 developed or otherwise assisted with moneys from the Low and  
14 Moderate Income Housing Fund, or otherwise counted towards  
15 the requirements of subdivision (a) or (b) of Section 62120. The  
16 database shall be ~~made available to the public~~ *posted in an easily*  
17 *identifiable and accessible location* on the *authority's* Internet  
18 *Web site* and updated on an annual basis and shall include the date  
19 the database was last updated. The database shall require all of the  
20 following information for each owner-occupied unit or rental unit,  
21 or for each group of units, if more than one unit is subject to the  
22 same covenant:

23 (A) The street address and the assessor's parcel number of the  
24 property.

25 (B) The size of each unit, measured by the number of bedrooms.

26 (C) The year in which the construction or substantial  
27 rehabilitation of the unit was completed.

28 (D) The date of recordation and document number of the  
29 affordability covenants or restrictions required under subdivision  
30 (f) of Section 33334.3 of the Health and Safety Code.

31 (E) The date on which the covenants or restrictions expire.

32 (F) For owner-occupied units that have changed ownership  
33 during the reporting year, as described in subdivision (a), the date  
34 and document number of the new affordability covenants or other  
35 documents recorded to assure that the affordability restriction is  
36 enforceable and continues to run with the land.

37 (G) Whether occupancy in the unit or units is restricted to any  
38 special population, ~~including~~ *including, but not limited to,* senior  
39 ~~citizens.~~ *citizens and persons with disabilities.*

1 (H) *Whether occupancy in the unit or units is restricted to an*  
2 *extremely low, very low, low-, or moderate-income household.*

3 (2) Notwithstanding subparagraphs (A) and (D) of paragraph  
4 (1), the database shall omit any property used to confidentially  
5 house victims of domestic violence.

6 (3) Upon establishment of a database under this section, the  
7 authority shall provide reasonable notice to the community  
8 regarding the existence of the database.

9 (d) The authority shall adequately fund its monitoring activities  
10 as needed to insure compliance of applicable laws and agreements  
11 in relation to affordable units. For purposes of defraying the cost  
12 of complying with the requirements of this section and the changes  
13 in reporting requirements enacted by the act enacting this section,  
14 an authority may establish and impose fees upon owners of  
15 properties monitored pursuant to this section.

16  
17 PART 3. PROPERTY ACQUISITION  
18

19 62200. “Real property” means any of the following:

20 (a) Land, including land under water and waterfront property.

21 (b) Buildings, structures, fixtures, and improvements on the  
22 land.

23 (c) Any property appurtenant to or used in connection with the  
24 land.

25 (d) Every estate, interest, privilege, easement, franchise, and  
26 right in land, including rights-of-way, terms for years, and liens,  
27 charges, or encumbrances by way of judgment, mortgage, or  
28 otherwise and the indebtedness secured by those liens.

29 62201. Within the plan area or for purposes of revitalization  
30 an authority may:

31 (a) Purchase, lease, obtain option upon, acquire by gift, grant,  
32 bequest, devise, or otherwise, any real or personal property, any  
33 interest in property, and any improvements on it, including  
34 repurchase of developed property previously owned by the  
35 authority. An authority shall obtain an appraisal from a qualified  
36 independent appraiser to determine the fair market value of  
37 property before the authority acquires or purchases real property.

38 (b) Accept, at the request of the legislative body of the  
39 community, a conveyance of real property (located either within  
40 or outside the plan area) owned by a public entity and declared

1 surplus by the public entity, or owned by a private entity. The  
2 authority may dispose of that property to private persons or to  
3 public or private entities, by sale or long-term lease for  
4 development. All or any part of the funds derived from the sale or  
5 lease of that property may, at the discretion of the legislative body  
6 of the community, be paid to the community, or to the public entity  
7 from which any of that property was acquired.

8 (c) Sell, lease, grant, or donate real property owned or acquired  
9 by the ~~agency authority~~ in a ~~survey~~ *plan* area to a housing authority  
10 or to any public agency for public housing projects.

11 (d) Offer for resale property acquired by an authority for  
12 rehabilitation and resale within one year after completion of  
13 rehabilitation. Properties held by the authority in excess of one-year  
14 period shall be listed in the authority's annual report with  
15 information conveying the reasons that property remains unsold  
16 and indicating plans for its disposition.

17 (e) Acquire real property by eminent domain, provided that  
18 authority is exercised within 12 years from the adoption of the  
19 plan.

20 (1) Every plan adopted by an authority which contemplates  
21 property owner participation in the revitalization of the *plan* area  
22 shall contain alternative provisions for revitalization of the property  
23 if the owners fail to participate in the revitalization as agreed. Prior  
24 to the adoption of a plan, each property owner whose property  
25 would be subject to acquisition by purchase or condemnation under  
26 the plan shall be sent a statement in nontechnical language and in  
27 a clear and coherent manner using words with common and  
28 everyday meaning to that effect attached to the notice of the  
29 ~~hearing~~: *hearing as required by subdivision (b) of Section 62004*.  
30 Alternatively, a list or map of all properties which would be subject  
31 to acquisition by purchase or condemnation under the plan may  
32 be mailed to affected property owners with the notices of hearing  
33 pursuant to Section 62004.

34 (2) Without the consent of an owner, an authority shall not  
35 acquire any real property on which an existing building is to be  
36 continued on its present site and in its present form and use unless  
37 that building requires structural alteration, improvement,  
38 modernization, or rehabilitation, or the site or lot on which the  
39 building is situated requires modification in size, shape, or use, or  
40 it is necessary to impose upon that property any of the standards,

1 restrictions, and controls of the plan and the owner fails or refuses  
2 to agree to participate in the plan.

3 (3) Property already devoted to a public use may be acquired  
4 by the agency through eminent domain, but property of a public  
5 body shall not be acquired without its consent.

6 (4) An authority shall not acquire from any of its members or  
7 officers any property or interest in property except through eminent  
8 domain proceedings.

9 62202. An authority shall not provide any form of direct  
10 assistance to:

11 (a) An automobile dealership that will be or is on a parcel of  
12 land which has not previously been developed for urban use.

13 (b) A development that will be or is on a parcel of land of five  
14 acres or more which has not previously been developed for urban  
15 use and that will, when developed, generate sales or use tax  
16 pursuant to Part 1.5 (commencing with Section 7200) of Division  
17 2 of the Revenue and Taxation Code, unless the principal permitted  
18 use of the development is office, hotel, manufacturing, or industrial.  
19 For the purposes of this subdivision, a parcel shall include land on  
20 an adjacent or nearby parcel on which a use exists that is necessary  
21 for the legal development of the parcel.

22 (c) A development or business, either directly or indirectly, for  
23 the acquisition, construction, improvement, rehabilitation, or  
24 replacement of property that is or would be used for gambling or  
25 gaming of any kind whatsoever, including, but not limited to,  
26 casinos, gaming clubs, bingo operations, or any facility wherein  
27 banked or percentage games, any form of gambling device, or  
28 lotteries, other than the California State Lottery, are or will be  
29 played.

30 (d) The prohibition in subdivision (c) is not intended to prohibit  
31 an authority from acquiring property on or in which an existing  
32 gambling enterprise is located, for the purpose of selling or leasing  
33 the property for uses other than gambling, provided that the agency  
34 acquires the property for fair market value.

35 (e) This section shall not be construed to apply to an authority's  
36 assistance in the construction of public improvements that serve  
37 all or a portion of a project area and that are not required to be  
38 constructed as a condition of approval of a development described  
39 in subdivision (a), (b), or (c), or to prohibit assistance in the  
40 construction of public improvements that are being constructed

1 for a development that is not described in subdivision (a), (b), or  
2 (c).

3 62203. (a) Any covenants, conditions, or restrictions existing  
4 on any real property within a plan area prior to the time the  
5 authority acquires title to that property, which covenants,  
6 conditions, or restrictions restrict or purport to restrict the use of,  
7 or building upon, that real property, shall be void and unenforceable  
8 as to the authority and any other subsequent owners, tenants,  
9 lessees, easement holders, mortgagees, trustees, beneficiaries under  
10 a deed of trust, or any other persons or entities acquiring an interest  
11 in that real property from that time as title to the real property is  
12 acquired by an authority whether acquisition is by gift, purchase,  
13 eminent domain, or otherwise.

14 (b) Thirty days prior to the acquisition of real property other  
15 than by eminent domain, the authority shall provide notice of that  
16 acquisition and the provisions of this section to holders of interests  
17 which would be made void and unenforceable pursuant to this  
18 section, as follows:

19 (1) The authority shall publish notice once in a newspaper of  
20 general circulation in the community in which the agency is  
21 functioning.

22 (2) The authority shall mail notice to holders of those interests  
23 if those holders appear of record 60 days prior to the date of  
24 acquisition.

25 The authority may accept any release by written instrument from  
26 the holder of any interest or may commence action to acquire that  
27 interest after the date of acquisition of the real property.

28 (c) This section shall not apply to covenants, conditions, or  
29 restrictions imposed by an authority pursuant to a plan. This section  
30 also shall not apply to covenants, conditions, or restrictions where  
31 an authority in writing expressly acquires or holds property subject  
32 to those covenants, conditions, or restrictions.

33 This section shall not limit or preclude any rights of reversion  
34 of owners, assignees, or beneficiaries of those covenants,  
35 conditions, or restrictions limiting the use of land in gifts of land  
36 to cities, counties, or other governmental entities. This section  
37 shall not limit or preclude the rights of owners or assignees of any  
38 land benefited by any covenants, conditions, or restrictions to  
39 recover damages against the agency if under law that owner or  
40 assignee has any right to damages. No right to damages shall exist

1 against any purchaser from the authority or his or her successors  
2 or assignees, or any other persons or entities.

3 62204. (a) If an authority has adopted a plan but has not  
4 commenced an eminent domain proceeding to acquire any  
5 particular parcel of property subject to eminent domain thereunder  
6 within three years after the date of adoption of the plan, the owner  
7 or owners of the entire fee at any time thereafter may offer in  
8 writing to sell the property to the authority for its fair market value.  
9 If the authority does not, within 18 months from the date of receipt  
10 of the original offer, acquire or institute eminent domain  
11 proceedings to acquire the property, the property owner or owners  
12 may file an action against the authority in inverse condemnation  
13 to recover damages from the authority for any interference with  
14 the possession and use of the real property resulting from the plan,  
15 provided that this section shall not be construed as establishing or  
16 creating a presumption to any right to damages or relief solely by  
17 reason of the failure of the authority to acquire the property within  
18 the time set forth in this section.

19 (b) No claim need be presented against an authority under Part  
20 3 (commencing with Section 900) of Division 3.6 of Title 1 as a  
21 prerequisite to commencement or maintenance of an action under  
22 subdivision (a), but any action shall be commenced within one  
23 year and six months after the expiration of the 18 months period.

24 (c) An authority may commence an eminent domain proceeding  
25 or designate the property to be exempt from eminent domain under  
26 the plan at any time before the property owner commences an  
27 action under this section. If the authority commences an eminent  
28 domain proceeding or designates the property to be exempt from  
29 acquisition by eminent domain before the property owner  
30 commences an action under this section, the property owner may  
31 not thereafter bring an action under this section.

32 (d) After a property owner has commenced an action under this  
33 section, the authority may declare the property to be exempt from  
34 acquisition by eminent domain and abandon the taking of the  
35 property only under the same circumstances and subject to the  
36 same conditions and consequences as abandonment of an eminent  
37 domain proceeding.

38 (e) Commencement of an action under this section does not  
39 affect any authority an authority may have to commence an eminent  
40 domain proceeding, take possession of the property pursuant to

1 Article 3 (commencing with Section 1255.410) of Chapter 6 of  
2 Title 7 of the Code of Civil Procedure, or abandon the eminent  
3 domain proceeding.

4 (f) In lieu of bringing an action under subdivision (a) or if the  
5 limitations period provided in subdivision (b) has run, the property  
6 owner may obtain a writ of mandate to compel the authority, within  
7 that time as the court deems appropriate, to declare the property  
8 acquisition exempt or to commence an eminent domain proceeding  
9 to acquire the property.

10 (g) A declaration that the property is exempt from acquisition  
11 by eminent domain shall be by resolution and shall be recordable.  
12 It shall exempt the property from eminent domain under the plan,  
13 and the authority shall have no power of eminent domain as to the  
14 property.

15 62205. Section 1245.260 of the Code of Civil Procedure shall  
16 not apply to any resolution or ordinance adopting, approving, or  
17 amending the amendment of plan. Section 1245.260 of the Code  
18 of Civil Procedure shall apply to a resolution adopted by an  
19 authority pursuant to Section 1245.220 of the Code of Civil  
20 Procedure with respect to a particular parcel or parcels of real  
21 property.

22 62206. (a) The authority shall obligate lessees and purchasers  
23 of real property acquired in revitalization projects undertaken or  
24 assisted by the authority and owners of property improved as a  
25 part of a revitalization project to refrain from restricting the rental,  
26 sale, or lease of the property on any basis listed in subdivision (a)  
27 or (d) of Section 12955, as those basis are defined in Sections  
28 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision  
29 (p) of Section 12955, and Section 12955.2. All deeds, leases, or  
30 contracts for the sale, lease, sublease, or other transfer of any land  
31 in a revitalization project shall contain or be subject to the  
32 nondiscrimination or nonsegregation clauses hereafter prescribed.

33 (b) Notwithstanding subdivision (a), with respect to familial  
34 status, subdivision (a) shall not be construed to apply to housing  
35 for older persons, as defined in Section 12955.9. With respect to  
36 familial status, nothing in subdivision (a) shall be construed to  
37 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the  
38 Civil Code, relating to housing for senior citizens. Subdivision (d)  
39 of Section 51, Section 4760, and Section 6714 of the Civil Code,

1 and subdivisions (n), (o), and (p) of Section 12955 shall apply to  
2 subdivision (a).

3 62207. Express provisions shall be included in all deeds, leases,  
4 and contracts that the authority proposes to enter into with respect  
5 to the sale, lease, sublease, transfer, use, occupancy, tenure, or  
6 enjoyment of any land in a revitalization project in substantially  
7 the following form:

8 (a) (1) In deeds the following language shall appear:

9  
10 “The grantee herein covenants by and for himself or herself, his  
11 or her heirs, executors, administrators, and assigns, and all persons  
12 claiming under or through them, that there shall be no  
13 discrimination against or segregation of, any person or group of  
14 persons on account of any basis listed in subdivision (a) or (d) of  
15 Section 12955 of the Government Code, as those basis are defined  
16 in Sections 12926, 12926.1 of, subdivision (m) and paragraph (1)  
17 of subdivision (p) of Section 12955 of, and Section 12955.2 of,  
18 the Government Code, in the sale, lease, sublease, transfer, use,  
19 occupancy, tenure, or enjoyment of the premises herein conveyed,  
20 nor shall the grantee or any person claiming under or through him  
21 or her, establish or permit any practice or practices of  
22 discrimination or segregation with reference to the selection,  
23 location, number, use, or occupancy of tenants, lessees, subtenants,  
24 sublessees, or vendees in the premises herein conveyed. The  
25 foregoing covenants shall run with the land.”

26  
27 (2) Notwithstanding paragraph (1), with respect to familial  
28 status, paragraph (1) shall not be construed to apply to housing for  
29 older persons, as defined in Section 12955.9. With respect to  
30 familial status, nothing in paragraph (1) shall be construed to affect  
31 Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil  
32 Code, relating to housing for senior citizens. Subdivision (d) of  
33 Section 51 of, and Sections 4760 and 6714 of, the Civil Code, and  
34 subdivisions (n), (o), and (p) of Section 12955 shall apply to  
35 paragraph (1).

36 (b) (1) In leases the following language shall appear:

37  
38 “The lessee herein covenants by and for himself or herself, his  
39 or her heirs, executors, administrators, and assigns, and all persons

1 claiming under or through him or her, and this lease is made and  
2 accepted upon and subject to the following conditions:

3 That there shall be no discrimination against or segregation of  
4 any person or group of persons, on account of any basis listed in  
5 subdivision (a) or (d) of Section 12955 of the Government Code,  
6 as those basis are defined in Sections 12926, 12926.1 of,  
7 subdivision (m) and paragraph (1) of subdivision (p) of Section  
8 12955 of, and Section 12955.2 of, the Government Code, in the  
9 leasing, subleasing, transferring, use, occupancy, tenure, or  
10 enjoyment of the premises herein leased nor shall the lessee himself  
11 or herself, or any person claiming under or through him or her,  
12 establish or permit any such practice or practices of discrimination  
13 or segregation with reference to the selection, location, number,  
14 use, or occupancy, of tenants, lessees, sublessees, subtenants, or  
15 vendees in the premises herein leased.”

16  
17 (2) Notwithstanding paragraph (1), with respect to familial  
18 status, paragraph (1) shall not be construed to apply to housing for  
19 older persons, as defined in Section 12955.9. With respect to  
20 familial status, nothing in paragraph (1) shall be construed to affect  
21 Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil  
22 Code, relating to housing for senior citizens. Subdivision (d) of  
23 Section 51 of, and Sections 4760 and 6714 of, the Civil Code, and  
24 subdivisions (n), (o), and (p) of Section 12955 shall apply to  
25 paragraph (1).

26 (c) In contracts entered into by the agency relating to the sale,  
27 transfer, or leasing of land or any interest therein acquired by the  
28 agency within any survey area or redevelopment project the  
29 foregoing provisions in substantially the forms set forth shall be  
30 included and the contracts shall further provide that the foregoing  
31 provisions shall be binding upon and shall obligate the contracting  
32 party or parties and any subcontracting party or parties, or other  
33 transferees under the instrument.

34 62208. (a) The authority shall retain controls and establish  
35 restrictions or covenants running with land sold or leased for  
36 private use for those periods of time and under those conditions  
37 as are provided in the plan. The establishment of those controls is  
38 a public purpose under this division.

39 (b) An authority shall obligate lessees or purchasers of property  
40 acquired in a revitalization project to:

- 1 (1) Use the property for the purpose designated in the  
2 revitalization plans.
- 3 (2) Begin the revitalization of the project area within a period  
4 of time which the authority fixes as reasonable.
- 5 (3) Comply with the covenants, conditions, or restrictions that  
6 the authority deems necessary to prevent speculation or excess  
7 profittaking in undeveloped land, including right of reverter to the  
8 agency. Covenants, conditions, and restrictions imposed by an  
9 authority may provide for the reasonable protection of lenders.
- 10 (4) Comply with other conditions which the authority deems  
11 necessary to carry out the purposes of this part.

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