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AMENDED IN SENATE JULY 7, 2015

AMENDED IN SENATE JUNE 16, 2015

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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2

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

December 1, 2014

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.

1 (b) It is in the interest of the state to support the economic
2 revitalization of these communities through tax increment
3 financing.

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

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

12
13 DIVISION 4. COMMUNITY REVITALIZATION AND
14 INVESTMENT AUTHORITIES

15
16 PART 1. GENERAL PROVISIONS

17
18 62000. As used in this division, the following terms have the
19 following meanings:

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

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

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

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

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

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

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

4 (B) A city, county, city and county, and special district, as
5 special district is defined in subdivision (m) of Section 95 of the
6 Revenue and Taxation Code, or any combination thereof, may
7 create an authority by entering into a joint powers agreement
8 pursuant to Chapter 5 (commencing with Section 6500) of Division
9 7 of Title 1.

10 (2) (A) A school entity, as defined in subdivision (f) of Section
11 95 of the Revenue and Taxation Code, may not participate in an
12 authority created pursuant to this part.

13 (B) A successor agency, as defined in subdivision (j) of Section
14 34171 of the Health and Safety Code, may not participate in an
15 authority created pursuant to this part, and an entity created
16 pursuant to this part shall not receive any portion of the property
17 tax revenues or other moneys distributed pursuant to Section 34188
18 of the Health and Safety Code.

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

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

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

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

37 (c) (1) The governing board of an authority created pursuant
38 to subparagraph (A) of paragraph (1) of subdivision (b) shall be
39 appointed by the legislative body of the city, county, or city and
40 county that created the authority and shall include three members

1 of the legislative body of the city, county, or city and county that
2 created the authority and two public members. The appointment
3 of the two public members shall be subject to the provisions of
4 Section 54974. The two public members shall live or work within
5 the community revitalization and investment area.

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

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

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

23 (2) Three of the following four conditions:

24 (A) Nonseasonal unemployment that is at least 3 percent higher
25 than statewide median unemployment, as defined by the report on
26 labor market information published by the Employment
27 Development Department in January of the year in which the
28 community revitalization plan is prepared.

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

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

36 (D) Deteriorated commercial or residential structures.

37 (e) As an alternative to subdivision (d), an authority may also
38 carry out a community revitalization plan within a community
39 revitalization and investment area established within a former
40 military base that is principally characterized by deteriorated or

1 inadequate infrastructure and structures. Notwithstanding
2 subdivision (c), the governing board of an authority established
3 within a former military base shall include a member of the military
4 base closure commission as a public member.

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

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

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

26 62002. An authority may do all of the following:

27 (a) Provide funding to rehabilitate, repair, upgrade, or construct
28 infrastructure.

29 (b) *Provide for low- and moderate-income housing in*
30 *accordance with Part 2 (commencing with Section 62100).*

31 ~~(b)~~

32 (c) Remedy or remove a release of hazardous substances
33 pursuant to the Polanco Redevelopment Act (Article 12.5
34 (commencing with Section 33459) of Part 1 of Chapter 4 of
35 Division 24) or Chapter 6.10 (commencing with Section 25403)
36 of Division 20 of the Health and Safety Code.

37 ~~(e)~~

38 (d) Provide for seismic retrofits of existing buildings in
39 accordance with all applicable laws and regulations.

40 ~~(d)~~

1 (e) Acquire and transfer real property in accordance with Part
2 3 (commencing with Section 62200). The authority shall retain
3 controls and establish restrictions or covenants running with the
4 land sold or leased for private use for such periods of time and
5 under such conditions as are provided in the plan. The
6 establishment of such controls is a public purpose under the
7 provisions of this part.

8 ~~(e)~~

9 (f) Issue bonds in conformity with Article 4.5 (commencing
10 with Section 53506) and Article 5 (commencing with Section
11 53510) of Chapter 3 of Part 1 of Division 2 of Title 5.

12 ~~(f)~~

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

27 ~~(g)~~

28 (h) Adopt a community revitalization and investment plan
29 pursuant to Sections 62003 and 62004.

30 ~~(h)~~

31 (i) Make loans or grants for owners or tenants to improve,
32 rehabilitate, or retrofit buildings or structures within the plan area.

33 ~~(i)~~

34 (j) Construct foundations, platforms, and other like structural
35 forms necessary for the provision or utilization of air rights sites
36 for buildings to be used for residential, commercial industrial, or
37 other uses contemplated by the revitalization plan.

38 ~~(j)~~

1 (k) Provide direct assistance to businesses within the plan area
2 in connection with new or existing facilities for industrial or
3 manufacturing uses, except as specified in this division.

4 62003. An authority shall adopt a community revitalization
5 and investment plan that may include a provision for the receipt
6 of tax increment funds generated within the area according to
7 Section 62005, provided the plan includes each of the following
8 elements:

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

11 (b) A description of the deteriorated or inadequate infrastructure
12 within the area and a program for construction of adequate
13 infrastructure or repair or upgrading of existing infrastructure.

14 (c) A housing program that describes how the authority will
15 comply with Part 2 (commencing with Section 62100). The
16 program shall include the following information:

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

20 (2) Estimates of the number of new, rehabilitated, or price
21 restricted residential units to be assisted during each of the five
22 years and estimates of the expenditures of moneys from the Low
23 and Moderate Income Housing Fund during each of the five years.

24 (3) A description of how the program will implement the
25 requirements for expenditures of funds in the Low and Moderate
26 Income Housing Fund over a 10-year period for various groups
27 as required by Chapter 2 (commencing with Section 62115) of
28 Part 2.

29 (4) Estimates of the number of units, if any, developed by the
30 authority for very low, low-, and moderate-income households
31 during the next five years.

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

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

36 (f) A fiscal analysis setting forth the projected receipt of revenue
37 and projected expenses over a five-year planning horizon, including
38 the potential issuance of bonds backed by tax increment during
39 the term of the plan. Bonds shall be issued in conformity with
40 Article 4.5 (commencing with Section 53506) and Article 5

(commencing with Section 53510) of Chapter 3 of Part 1 of Division 2 of Title 5. An authority shall not spend revenue for any purpose that is not identified as part of a program described in subdivisions (b), (c), (d), and (e).

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

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

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

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

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

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

(c) (1) Notice of the meeting required by subdivision (b) and the public hearings required by this subdivision shall be given in accordance with subdivision (k). The notice shall do all of the following, as applicable:

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

1 (B) Describe the purpose of the plan.

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

5 (D) Notice of second public hearing shall include a summary
6 of the changes made to the plan as a result of the oral and written
7 testimony received at or before the public hearing and shall identify
8 a location accessible to the public where the plan proposed to be
9 presented and adopted at the second public hearing can be
10 reviewed.

11 (E) Notice of the third public hearing to consider any written
12 or oral protests shall contain a copy of the final plan adopted
13 pursuant to subdivision (a), and shall inform the property owner
14 and resident of his or her right to submit an oral or written protest
15 before the close of the public hearing. The protest may state that
16 the property owner or resident objects to the authority taking action
17 to implement the plan.

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

29 (d) An election required pursuant to paragraph (2) of subdivision
30 (c) shall be held within 90 days of the public hearing and may be
31 held by mail-in ballot. The authority shall adopt, at a duly noticed
32 public hearing, procedures for this election.

33 (e) If a majority of the property owners and residents vote
34 against the plan, then the authority shall not take any further action
35 to implement the proposed plan. The authority shall not propose
36 a new or revised plan to the affected property owners and residents
37 for at least one year following the date of an election in which the
38 plan was rejected.

1 ~~(f) The authority may provide notice of the public hearings to~~
2 ~~tenants of properties within the proposed area of the plan in a~~
3 ~~manner of its choosing.~~

4 ~~(g)~~

5 (f) At the hour set in the notice required by subdivision (a), the
6 authority shall consider all written and oral comments.

7 ~~(h)~~

8 (g) If less than 25 percent of the combined number of property
9 owners and residents in the area who are at least 18 years of age
10 file a protest, the authority may adopt the plan at the conclusion
11 of the third public hearing by ordinance. The ordinance adopting
12 the plan shall be subject to referendum as prescribed by law.

13 ~~(i)~~

14 (h) For the purposes of Section 62005, the plan shall be the plan
15 adopted pursuant to this section.

16 ~~(j)~~

17 (i) The authority shall consider and adopt an amendment or
18 amendments to a plan in accordance with the provisions of this
19 section.

20 ~~(k)~~

21 (j) The authority shall post notice of each meeting or public
22 hearing required by this section in an easily identifiable and
23 accessible location on the authority's Internet Web site and shall
24 mail a written notice of the meeting or public hearing to each owner
25 of land and each resident at least 10 days prior to the meeting or
26 public hearing.

27 (1) Notice of the first public hearing shall also be published not
28 less than once a week for four successive weeks prior to the first
29 public hearing in a newspaper of general circulation published in
30 the county in which the area lies.

31 (2) Notice of the second public hearing shall also be published
32 not less than 10 days prior to the second public hearing in a
33 newspaper of general circulation in the county in which the area
34 lies.

35 (3) Notice of the third public hearing shall also be published
36 not less than 10 days prior to the third public hearing in a
37 newspaper of general circulation in the county in which the area
38 lies.

39 62005. (a) (1) The plan adopted pursuant to Section 62004
40 may include a provision that taxes levied and collected upon

1 taxable property in the area included within the territory each year
2 by or for the benefit the taxing agencies that have adopted a
3 resolution pursuant to subdivision (d), shall be divided as follows:

4 (A) That portion of the taxes that would have been produced
5 by the rate upon which the tax is levied each year by or for each
6 of the consenting local agencies upon the total sum of the assessed
7 value of the taxable property in the territory as shown upon the
8 assessment roll used in connection with the taxation of the property
9 by the consenting local agency, last equalized prior to the effective
10 date of the certification of completion, and that portion of taxes
11 by or for each school entity, shall be allocated to, and when
12 collected shall be paid to, the respective consenting local agencies
13 and school entities as taxes by or for the consenting local agencies
14 and school entities on all property are paid.

15 (B) That portion of the levied taxes each year specified in the
16 community revitalization plan adopted pursuant to Section 62004
17 for each consenting local agency that has agreed to participate
18 pursuant a resolution adopted pursuant to subdivision (d), in excess
19 of the amount specified in subparagraph (A), shall be allocated to,
20 and when collected shall be paid into a special fund of the authority
21 to finance the improvements specified in the community
22 revitalization plan.

23 (2) A consenting local agency may advance funds to the
24 authority. The authority shall use those advanced funds solely for
25 the purposes specified in the community revitalization plan and
26 shall repay the consenting local agency with revenue from the
27 taxes received pursuant to this subdivision.

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

29 (1) "Taxing agency" means a local agency as defined by
30 subdivision (a) of Section 95 of the Revenue and Taxation Code,
31 and does not include any school entity as defined in subdivision
32 (f) of Section 95 of the Revenue and Taxation Code.

33 (2) "Consenting local agency" means a local agency that has
34 adopted a resolution of its governing body consenting to the
35 community revitalization and investment plan.

36 (3) "Territory" means the land that is contained within the
37 community revitalization plan.

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

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

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

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

(2) If the authority was formed pursuant to subparagraph (B) of paragraph (1) of subdivision (b) of Section 62001, the authority shall be allocated each year specified in the plan that portion of

1 the taxes levied for each jurisdiction as provided in the joint powers
2 agreement in excess of the amount specified in paragraph (1) of
3 subdivision (a).

4 (f) If an area includes, in whole or in part, land formerly or
5 currently designated as a part of a redevelopment project area, as
6 defined in Section 33320.1 of the Health and Safety Code, any
7 plan adopted pursuant to this part that includes a provision for the
8 receipt of tax increment revenues according to subdivision (a) shall
9 include a provision that tax increment amounts payable to an
10 authority are subject and subordinate to any preexisting enforceable
11 obligation as that term is defined by Section 34171 of the Health
12 and Safety Code.

13 62006. (a) The authority shall review the plan at least annually
14 and make any amendments that are necessary and appropriate in
15 accordance with the procedures set forth in Section 62004 and
16 shall require the preparation of an annual independent financial
17 audit paid for from revenues of the authority.

18 (b) An authority shall adopt an annual report on or before June
19 30 of each year after holding a public hearing. Written copies of
20 the draft report shall be made available to the public 30 days prior
21 to the public hearing. The authority shall cause the draft report to
22 be posted in an easily identifiable and accessible location on the
23 authority's Internet Web site and shall mail a written notice of the
24 availability of the draft report on the Internet Web site to each
25 owner of land and each resident within the area covered by the
26 plan and to each taxing entity that has adopted a resolution pursuant
27 to subdivision (d) of Section 62005. The notice shall be mailed by
28 first-class mail, but may be addressed to "occupant."

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

30 (1) A description of the projects undertaken in the fiscal year,
31 including any rehabilitation of structures, and a comparison of the
32 progress expected to be made on those projects compared to the
33 actual progress.

34 (2) A chart comparing the actual revenues and expenses,
35 including administrative costs, of the authority to the budgeted
36 revenues and expenses.

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

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

1 (5) An assessment of the status regarding completion of the
2 authority's projects.

3 (6) The amount of revenues expended to assist private
4 businesses.

5 (d) If the authority fails to provide the annual report required
6 by subdivision (a), the authority shall not spend any funds received
7 pursuant to a resolution adopted pursuant to subdivision (d) of
8 ~~Section 62005~~. *62005 until the authority has provided the report,*
9 *except for funds necessary to carry out its obligation under Part*
10 *2 (commencing with Section 62100).*

11 (e) Every 10 years, at the public hearing held pursuant to
12 subdivision (b), the authority shall conduct a protest proceeding
13 to consider whether the property owners and residents within the
14 plan area wish to present oral or written protests against the
15 authority. Notice of this protest proceeding shall be included in
16 the written notice of the hearing on the annual report and shall
17 inform the property owner and resident of his or her right to submit
18 an oral or written protest before the close of the public hearing.
19 The protest may state that the property owner or resident objects
20 to the authority taking action to implement the plan on and after
21 the date of the election described in subdivision (f). The authority
22 shall consider all written and oral protests received prior to the
23 close of the public hearing.

24 (f) If there is a majority protest, the authority shall not take any
25 further action to implement the plan on and after the date the
26 existence of a majority protest is determined. If between 25 percent
27 and 50 percent of the property owners and residents file protests,
28 then the authority shall call an election of the property owners and
29 residents in the area covered by the plan, and shall not initiate or
30 authorize any new projects until the election is held. A majority
31 protest exists if protests have been filed representing over 50
32 percent of the combined number of property owners and residents,
33 at least 18 years of age or older, in the area.

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

38 (h) If a majority of the property owners and residents vote
39 against the ~~authority~~, *plan*, then the authority shall not take any
40 further action to implement the plan on and after the date of the

1 election held pursuant to subdivision (e). This section shall not
2 prevent the authority from taking any and all actions and
3 appropriating and expending funds, including, but not limited to,
4 any and all payments on bonded or contractual indebtedness, to
5 carry out and complete projects for which expenditures of any kind
6 had been made prior to the date of the election and any
7 expenditures *for obligations* required by *Part 2 (commencing with*
8 *Section ~~62100~~ 62100)* that were incurred prior to the date of the
9 election.

10 62007. (a) Every five years, beginning in the calendar year in
11 which the authority has allocated a cumulative total of more than
12 one million dollars (\$1,000,000) in tax increment revenues,
13 including any proceeds of a debt issuance, for the purposes of
14 subdivision (c) of Section 62003, the authority shall contract for
15 an independent audit to determine compliance with the affordable
16 housing requirements of Chapter 1 (commencing with Section
17 62100) and Chapter 2 (commencing with Section 62115) of Part
18 2, including provisions to ensure that the requirements are met
19 within each five-year period covered by the ~~audit~~. *audit and*
20 *completed no later than the time limit established pursuant to*
21 *subdivision (g) of Section 62003.* The audit shall be conducted
22 according to guidelines established by the Controller, which shall
23 be established on or before December 31, 2021. A copy of the
24 completed audit shall be provided to the Controller. The Controller
25 shall not be required to review and approve the completed audits.

26 (b) Where the audit demonstrates a failure to comply with the
27 requirements of Chapter 1 (commencing with Section 62100) and
28 Chapter 2 (commencing with Section 62115) of Part 2, the
29 authority shall adopt and submit to the Controller, as part of the
30 audit, a plan to achieve compliance with those provisions as soon
31 as feasible, but in not less than two years following the audit
32 findings. The Controller shall review and approve the compliance
33 plan, and require the compliance plan to stay in effect until
34 compliance is achieved. The Controller shall ensure that the
35 compliance plan includes one or more of the following means of
36 achieving compliance:

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

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

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

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

11 62008. (a) If an authority fails to provide a copy of the
12 completed audit to the Controller as required by paragraph (2) of
13 subdivision (c) within 20 days following receipt of a written notice
14 of the failure from the Controller, the authority shall forfeit to the
15 state:

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

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

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

29 (b) If an authority fails to provide a copy of the completed audit
30 to the Controller as required by paragraph (2) of subdivision (c)
31 within 20 days after receipt of a written notice pursuant to
32 subdivision (a) for two consecutive years, the authority shall forfeit
33 an amount that is double the amount of the forfeiture assessed
34 pursuant to subdivision (a).

35 (c) (1) If an authority fails to provide a copy of the completed
36 audit to the Controller as required by paragraph (2) of subdivision
37 (c) within 20 days after receipt of a written notice pursuant to
38 subdivision (a) for three or more consecutive years, the authority
39 shall forfeit an amount that is triple the amount of the forfeiture
40 assessed pursuant to subdivision (a).

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

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

5 (d) Upon the request of the Controller, the Attorney General
6 shall bring an action for the forfeiture in the name of the people
7 of the State of California. If the Attorney General fails to respond
8 to the request within 90 days of its receipt, then any other available
9 remedies may be exercised. *An action filed pursuant to this section*
10 *to compel an agency to comply with this section is in addition to*
11 *any other remedy and is not an exclusive means to compel*
12 *compliance.*

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

15 PART 2. HOUSING

16 CHAPTER 1. HOUSING FOR PERSONS OF LOW AND MODERATE 17 INCOME

18 62100. (a) Not less than 25 percent of all taxes that are
19 allocated to the authority from any participating entity pursuant
20 to Section 62005 shall be deposited into a separate Low and
21 Moderate Income Housing Fund pursuant to Section 62101 and
22 used by the authority for the purposes of increasing, improving,
23 and preserving the community's supply of low- and
24 moderate-income housing available at affordable housing cost, as
25 defined by the following sections of the Health and Safety Code:
26 Section 50052.5, to persons and families of low or moderate
27 income, as defined in Section 50093, lower income households,
28 as defined by Section 50079.5, very low income households, as
29 defined in Section 50105, and extremely low income households,
30 as defined by Section 50106, that is occupied by these persons and
31 families unless the authority makes a finding that combining
32 funding received under this program with other funding for the
33 same purpose shall reduce administrative costs or expedite the
34 construction of affordable housing. If the authority makes such a
35 finding, then (1) an authority may transfer funding from the
36 program adopted pursuant to subdivision (c) of Section 62003 to
37 the housing authority within the territorial jurisdiction of the local
38
39
40

1 jurisdiction that created the authority or to the entity that received
2 the housing assets of the former redevelopment agency pursuant
3 to Section 34176 of the Health and Safety Code or to a private
4 nonprofit housing developer, and (2) Section 34176.1 of the Health
5 and Safety Code shall not apply to funds transferred. Funding shall
6 be spent within the plan area in which the funds were generated.
7 Any recipient of funds transferred pursuant to this subdivision
8 shall comply with all applicable provisions of this part.

9 (b) In carrying out the purposes of this section, the authority
10 may exercise any or all of its powers for the construction,
11 rehabilitation, or preservation of affordable housing for extremely
12 low, very low, low- and moderate-income persons or families,
13 including the following:

14 (1) Acquire real property or building sites subject to Section
15 62112.

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

27 (B) If the newly constructed or rehabilitated housing units are
28 part of a larger project and the agency improves or pays for onsite
29 or offsite improvements pursuant to the authority in this
30 subdivision, the authority shall pay only a portion of the total cost
31 of the onsite or offsite improvement. The maximum percentage
32 of the total cost of the improvement paid for by the authority shall
33 be determined by dividing the number of housing units that are
34 affordable to low- or moderate-income persons by the total number
35 of housing units, if the project is a housing project, or by dividing
36 the cost of the affordable housing units by the total cost of the
37 project, if the project is not a housing project.

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

39 (4) Finance insurance premiums necessary for the provision of
40 insurance during the construction or rehabilitation of properties

1 that are administered by governmental entities or nonprofit
2 organizations to provide housing for lower income households, as
3 defined in Section 50079.5 of the Health and Safety Code,
4 including rental properties, emergency shelters, transitional
5 housing, or special residential care facilities.

6 (5) Construct buildings or structures.

7 (6) Acquire buildings or structures.

8 (7) Rehabilitate buildings or structures.

9 (8) Provide subsidies to, or for the benefit of, extremely low
10 income households, as defined by Section 50106 of the Health and
11 Safety Code, very low income households, as defined by Section
12 50105 of the Health and Safety Code, lower income households,
13 as defined by Section 50079.5 of the Health and Safety Code, or
14 persons and families of low or moderate income, as defined by
15 Section 50093 of the Health and Safety Code, to the extent those
16 households cannot obtain housing at affordable costs on the open
17 market. Housing units available on the open market are those units
18 developed without direct government subsidies.

19 (9) Develop plans, pay principal and interest on bonds, loans,
20 advances, or other indebtedness, or pay financing or carrying
21 charges.

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

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

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

31 (d) The authority shall use these funds inside the plan area.

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

35 (f) (1) (A) An action to compel compliance with the
36 requirement of this section to deposit not less than 25 percent of
37 all taxes that are allocated to the authority pursuant to Section
38 62005 in the Low and Moderate Income Housing Fund shall be
39 commenced within 10 years of the alleged violation. A cause of
40 action for a violation accrues on the last day of the fiscal year in

1 which the funds were required to be deposited in the Low and
2 Moderate Income Housing Fund.

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

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

19 (i) Petition the court under Section 970.6 for repayment in
20 installments.

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

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

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

31 (4) Except as otherwise provided in this subdivision, Chapter
32 2 (commencing with Section 970) of Part 5 of Division 3.6 of Title
33 1 for the enforcement of a judgment against a local public entity
34 applies to a judgment against a local public entity that violates this
35 section.

36 (5) This subdivision applies to actions filed on and after January
37 1, 2016.

38 (6) The limitations period specified in subparagraphs (A) and
39 (B) of paragraph (1) does not apply to a cause of action brought

1 pursuant to Chapter 9 (commencing with Section 860) of Title 10
2 of Part 2 of the Code of Civil Procedure.

3 62101. (a) The funds that are required by Section 62100 or
4 62103 to be used for the purposes of increasing, improving, and
5 preserving the community's supply of low- and moderate-income
6 housing shall be held in a separate Low and Moderate Income
7 Housing Fund until used.

8 (b) Any interest earned by the Low and Moderate Income
9 Housing Fund and any repayments or other income to the authority
10 for loans, advances, or grants, of any kind from the Low and
11 Moderate Income Housing Fund, shall accrue to and be deposited
12 in, the fund and may only be used in the manner prescribed for the
13 Low and Moderate Income Housing Fund.

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

18 (d) It is the intent of the Legislature that the Low and Moderate
19 Income Housing Fund be used to the maximum extent possible to
20 defray the costs of production, improvement, and preservation of
21 low- and moderate-income housing and that the amount of money
22 spent for planning and general administrative activities associated
23 with the development, improvement, and preservation of that
24 housing not be disproportionate to the amount actually spent for
25 the costs of production, improvement, or preservation of that
26 housing. The authority shall determine annually that the planning
27 and administrative expenses are necessary for the production,
28 improvement, or preservation of low- and moderate-income
29 housing.

30 (e) (1) Planning and general administrative costs that may be
31 paid with moneys from the Low and Moderate Income Housing
32 Fund are those expenses incurred by the authority that are directly
33 related to the programs and activities authorized under subdivision
34 (e) of Section 62100 and are limited to the following:

35 (A) Costs incurred for salaries, wages, and related costs of the
36 authority's staff or for services provided through interagency
37 agreements, and agreements with contractors, including usual
38 indirect costs related thereto.

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

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

7 (f) (1) The requirements of this subdivision apply to all new or
8 substantially rehabilitated housing units developed or otherwise
9 assisted with moneys from the Low and Moderate Income Housing
10 Fund. Except to the extent that a longer period of time may be
11 required by other provisions of law, the authority shall require that
12 housing units subject to this subdivision shall remain available at
13 affordable housing cost to, and occupied by, persons and families
14 of low or moderate income and very low income and extremely
15 low income households for the longest feasible time, but for not
16 less than the following periods of time:

17 (A) Fifty-five years for rental units. However, the authority may
18 replace rental units with equally affordable and comparable rental
19 units in another location within the community if (i) the
20 replacement units are available for occupancy prior to the
21 displacement of any persons and families of low or moderate
22 income residing in the units to be replaced, and (ii) the comparable
23 replacement units are not developed with moneys from the Low
24 and Moderate Income Housing Fund.

25 (B) Forty-five years for owner-occupied units. However, the
26 authority may permit sales of owner-occupied units prior to the
27 expiration of the 45-year period for a price in excess of that
28 otherwise permitted under this subdivision pursuant to an adopted
29 program which protects the agency's investment of moneys from
30 the Low and Moderate Income Housing Fund, including, but not
31 limited to, an equity sharing program which establishes a schedule
32 of equity sharing that permits retention by the seller of a portion
33 of those excess proceeds based on the length of occupancy. The
34 remainder of the excess proceeds of the sale shall be allocated to
35 the authority and deposited in the Low and Moderate Income
36 Housing Fund. Only the units originally assisted by the authority
37 shall be counted towards the agency's obligations under Section
38 62102.

39 (C) Fifteen years for mutual self-help housing units that are
40 occupied by and affordable to very low and low-income

1 households. However, the authority may permit sales of mutual
2 self-help housing units prior to expiration of the 15-year period
3 for a price in excess of that otherwise permitted under this
4 subdivision pursuant to an adopted program that (i) protects the
5 agency's investment of moneys from the Low and Moderate
6 Income Housing Fund, including, but not limited to, an equity
7 sharing program that establishes a schedule of equity sharing that
8 permits retention by the seller of a portion of those excess proceeds
9 based on the length of occupancy, and (ii) ensures through a
10 recorded regulatory agreement, deed of trust, or similar recorded
11 instrument that if a mutual self-help housing unit is sold at any
12 time after expiration of the 15-year period and prior to 45 years
13 after the date of recording of the covenants or restrictions required
14 pursuant to paragraph (2), the authority recovers, at a minimum,
15 its original principal from the Low and Moderate Income Housing
16 Fund from the proceeds of the sale and deposits those funds into
17 the Low and Moderate Income Housing Fund. The remainder of
18 the excess proceeds of the sale not retained by the seller shall be
19 allocated to the agency and deposited in the Low and Moderate
20 Income Housing Fund. For the purposes of this subparagraph,
21 "mutual self-help housing unit" means an owner-occupied housing
22 unit for which persons and families of very low and low income
23 contribute no fewer than 500 hours of their own labor in individual
24 or group efforts to provide a decent, safe, and sanitary ownership
25 housing unit for themselves, their families, and others authorized
26 to occupy that unit. This subparagraph shall not preclude the
27 authority and the developer of the mutual self-help housing units
28 from agreeing to 45-year deed restrictions.

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

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

34 (A) The covenants or restrictions implementing this subdivision
35 for each parcel or unit of real property subject to this subdivision.
36 The authority shall obtain and maintain a copy of the recorded
37 covenants or restrictions for not less than the life of the covenant
38 or restriction.

39 (B) For all new or substantially rehabilitated units developed
40 or otherwise assisted with moneys from the Low and Moderate

1 Income Housing Fund, a separate document called “Notice of
2 Affordability Restrictions on Transfer of Property,” set forth in
3 14-point type or larger. This document shall contain all of the
4 following information:

5 (i) A recitation of the affordability covenants or restrictions.
6 The document recorded under this subparagraph shall be recorded
7 concurrently with the covenants or restrictions recorded under
8 subparagraph (A), the recitation of the affordability covenants or
9 restrictions shall also reference the concurrently recorded
10 document.

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

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

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

16 (v) The legal description of the property.

17 (4) The authority shall require the recording of the document
18 required under subparagraph (B) of paragraph (3) not more than
19 30 days after the date of recordation of the covenants or restrictions
20 required under subparagraph (A) of paragraph (3).

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

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

27 (7) Notwithstanding any other law, the covenants or restrictions
28 implementing this subdivision shall run with the land and shall be
29 enforceable against any owner who violates a covenant or
30 restriction and each successor in interest who continues the
31 violation, by any of the following:

32 (A) The authority.

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

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

35 (D) A residents’ association with members who reside in units
36 subject to this subdivision.

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

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

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

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

7 (iii) Was denied occupancy of that particular unit due to an
8 alleged breach of a covenant or restriction implementing this
9 subdivision.

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

13 (8) A dwelling unit shall not be counted as satisfying the
14 affordable housing requirements of this part, unless covenants for
15 that dwelling unit are recorded in compliance with subparagraph
16 (A) of paragraph (3).

17 (9) Failure to comply with the requirements of subparagraph
18 (B) of paragraph (3) shall not invalidate any covenants or
19 restrictions recorded pursuant to subparagraph (A) of paragraph
20 (3).

21 (g) “Housing,” as used in this section, includes residential hotels,
22 as defined in subdivision (k) of Section 37912 of the Health and
23 Safety Code. The definitions of “lower income households,” “very
24 low income households,” and “extremely low income households”
25 in Sections 50079.5, 50105, and 50106 of the Health and Safety
26 Code shall apply to this section. “Longest feasible time,” as used
27 in this section, includes, but is not limited to, unlimited duration.

28 (h) “Increasing, improving, and preserving the community’s
29 supply of low- and moderate-income housing,” as used in this
30 section and in Section 62100, includes the preservation of rental
31 housing units assisted by federal, state, or local government on the
32 condition that units remain affordable to, and occupied by, low-
33 and moderate-income households, including extremely low and
34 very low income households, for the longest feasible time, but not
35 less than 55 years, beyond the date the subsidies and use restrictions
36 could be terminated and the assisted housing units converted to
37 market rate rentals. In preserving these units the authority shall
38 require that the units remain affordable to, and occupied by, persons
39 and families of low- and moderate-income and extremely low and

1 very low income households for the longest feasible time, but not
2 less than 55 years.

3 (i) Funds from the Low and Moderate Income Housing Fund
4 shall not be used to the extent that other reasonable means of
5 private or commercial financing of the new or substantially
6 rehabilitated units at the same level of affordability and quantity
7 are reasonably available to the agency or to the owner of the units.
8 Prior to the expenditure of funds from the Low and Moderate
9 Income Housing Fund for new or substantially rehabilitated
10 housing units, where those funds will exceed 50 percent of the
11 cost of producing the units, the authority shall find, based on
12 substantial evidence, that the use of the funds is necessary because
13 the authority or owner of the units has made a good faith attempt
14 but has been unable to obtain commercial or private means of
15 financing the units at the same level of affordability and quantity.

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

37 (b) Each authority shall expend over the duration of each plan,
38 the moneys in the Low and Moderate Income Housing Fund to
39 assist housing that is available to all persons regardless of age in
40 at least the same proportion as the number of low-income

1 households with a member under 65 years of age bears to the total
2 number of low-income households of the community as reported
3 in the most recent census of the United States Census Bureau.

4 (c) An authority that has deposited in the Low and Moderate
5 Income Housing Fund over the first five years of the period of a
6 plan an aggregate that is less than two million dollars (\$2,000,000)
7 shall have an extra five years to meet the requirements of this
8 section.

9 (d) For the purposes of this section, “locally controlled” means
10 government assistance where the city or county that created the
11 authority or other local government entity has the discretion and
12 the authority to determine the recipient and the amount of the
13 assistance, whether or not the source of the funds or other
14 assistance is from the state or federal government. Examples of
15 locally controlled government assistance include, but are not
16 limited to, the Community Development Block Grant Program
17 (42 U.S.C. Sec. 5301 et seq.) funds allocated to a city or county,
18 the Home Investment Partnership Program (42 U.S.C. Sec. 12721
19 et seq.) funds allocated to a city or county, fees or funds received
20 by a city or county pursuant to a city or county authorized program,
21 and the waiver or deferral of city or other charges.

22 62103. Every community revitalization plan shall contain both
23 of the following:

24 ~~(1)~~

25 (a) A provision that requires, whenever dwelling units housing
26 persons and families of low or moderate income are destroyed or
27 removed from the low- and moderate-income housing market as
28 part of a revitalization project, the authority to, within two years
29 of such destruction or removal, rehabilitate, develop, or construct,
30 or cause to be rehabilitated, developed, or constructed, for rental
31 or sale to persons and families of low or moderate income an equal
32 number of replacement dwelling units at affordable housing costs,
33 as defined by Section 50052.5 of the Health and Safety Code,
34 within the territorial jurisdiction of the authority, in accordance
35 with all of the provisions of Sections 62120 and 62120.5.

36 ~~(2)~~

37 (b) A provision that prohibits the number of housing units
38 occupied by extremely low, very low-, and low-income households,
39 including the number of bedrooms in those units, at the time the

1 plan is adopted, from being reduced in the plan area during the
2 effective period of the plan.

3 62104. Programs to assist or develop low- and
4 moderate-income housing pursuant to this part shall be entitled to
5 priority consideration after a program implemented by a housing
6 successor pursuant to Section 34176.1 of the Health and Safety
7 Code for assistance in housing programs administered by the
8 California Housing Finance Agency, the Department of Housing
9 and Community Development, and other state agencies and
10 departments, if those agencies or departments determine that the
11 housing is otherwise eligible for assistance under a particular
12 program.

13 62105. The same notice requirements as specified in Section
14 65863.10 shall apply to multifamily rental housing that receives
15 financial assistance pursuant to Sections 62100 and 62101.

16 62106. Notwithstanding Sections 62100 and 62101, assistance
17 provided by an authority to preserve the availability to lower
18 income households of affordable housing units *within the plan*
19 *area* which are assisted or subsidized by public entities and which
20 are threatened with imminent conversion to market rates may be
21 credited and offset against an agency's obligations under Section
22 62100.

23 62107. (a) Except as otherwise provided in this subdivision,
24 not later than six months following the close of any fiscal year of
25 an authority in which excess surplus accumulates in the authority's
26 Low and Moderate Income Housing Fund, the authority may adopt
27 a plan pursuant to this section for expenditure of all moneys in the
28 Low and Moderate Income Housing Fund within five years from
29 the end of that fiscal year. The plan may be general and need not
30 be site-specific, but shall include objectives respecting the number
31 and type of housing to be assisted, identification of the entities,
32 which will administer the plan, alternative means of ensuring the
33 affordability of housing units for the longest feasible time, as
34 specified in subdivision (e) of Section 62101 the income groups
35 to be assisted, and a schedule by fiscal year for expenditure of the
36 excess surplus.

37 (b) The authority shall separately account for any excess surplus
38 accumulated each year either as part of or in addition to a Low
39 and Moderate Income Housing Fund.

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

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

(A) Disburse voluntarily its excess surplus to the county housing authority, a private nonprofit housing developer, or to another public agency exercising housing development powers within the territorial jurisdiction of the agency in accordance with subdivision (b).

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

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

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

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

1 (d) The amount of excess surplus that shall be transferred to the
2 housing authority or other public agency because of a failure of
3 the authority to expend or encumber excess surplus within one
4 year shall be the amount of the excess surplus that is not so
5 expended or encumbered. The housing authority or other public
6 agency to which the moneys are transferred shall expend or
7 encumber these moneys for authorized purposes not later than
8 three years after the date these moneys were transferred from the
9 Low and Moderate Income Housing Fund.

10 (e) (1) Until a time when the authority has expended or
11 encumbered excess surplus moneys pursuant to subdivision (a),
12 the authority shall be prohibited from encumbering any funds or
13 expending any moneys derived from any source, except that the
14 authority may encumber funds and expend moneys to pay the
15 following obligations, if any, that were incurred by the authority
16 prior to three years from the date the moneys became excess
17 surplus:

18 (A) Bonds, notes, interim certificates, debentures, or other
19 obligations issued by an authority, whether funded, refunded,
20 assumed, or otherwise, pursuant to subdivision (f) of Section
21 62003.

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

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

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

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

31 (2) This subdivision shall not be construed to prohibit the
32 expenditure of excess surplus funds or other funds to meet the
33 requirement in paragraph (2) of subdivision (a) that the agency
34 spend or encumber excess surplus funds, plus an amount equal to
35 50 percent of excess surplus, prior to spending or encumbering
36 funds for any other purpose.

37 (f) This section shall not be construed to limit any authority that
38 an authority may have under other provisions of this part to contract
39 with a housing authority, private nonprofit housing developer, or
40 other public agency exercising housing developer powers, for

1 increasing or improving the community's supply of low- and
2 moderate-income housing.

3 (g) For purposes of this section:

4 (1) "Excess surplus" means any unexpended and unencumbered
5 amount in an authority's Low and Moderate Income Housing Fund
6 that exceeds the greater of one million dollars (\$1,000,000) or the
7 aggregate amount deposited into the Low and Moderate Income
8 Housing Fund pursuant to Sections 62100 and 62104 during the
9 authority's preceding four fiscal years. The first fiscal year to be
10 included in this computation is the 2016–17 fiscal year, and the
11 first date on which an excess surplus may exist is July 1, 2021.

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

15 (3) (A) For purposes of determining whether an excess surplus
16 exists, it is the intent of the Legislature to give credit to authorities
17 which convey land for less than fair market value, on which low-
18 and moderate-income housing is built or is to be built if at least
19 49 percent of the units developed on the land are available at an
20 affordable housing cost to lower income households for at least
21 the time specified in subdivision (e) of Section 62101, and
22 otherwise comply with all of the provisions of this division
23 applicable to expenditures of moneys from a low- and
24 moderate-income housing fund established pursuant to Section
25 62101. Therefore, for the sole purpose of determining the amount,
26 if any, of an excess surplus, an authority may make the following
27 calculation: if an authority sells, leases, or grants land acquired
28 with moneys from the Low and Moderate Income Housing Fund,
29 established pursuant to Section 62101, for an amount which is
30 below fair market value, and if at least 49 percent of the units
31 constructed or rehabilitated on the land are affordable to lower
32 income households, as defined in Section 50079.5 of the Health
33 and Safety Code, the difference between the fair market value of
34 the land and the amount the authority receives may be subtracted
35 from the amount of moneys in an agency's Low and Moderate
36 Income Housing Fund.

37 (B) If taxes that are deposited in the Low and Moderate Income
38 Housing Fund are used as security for bonds or other indebtedness,
39 the proceeds of the bonds or other indebtedness, and income and
40 expenditures related to those proceeds, shall not be counted in

1 determining whether an excess surplus exists. The unspent portion
2 of the proceeds of bonds or other indebtedness, and income related
3 thereto, shall be excluded from the calculation of the unexpended
4 and unencumbered amount in the Low and Moderate Income
5 Housing Fund when determining whether an excess surplus exists.

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

10 (D) The Department of Housing and Community Development
11 shall develop and periodically revise the methodology to be used
12 in the calculation of excess surplus as required by this section. The
13 director shall appoint an advisory committee to advise in the
14 development of this methodology. The advisory committee shall
15 include department staff, affordable housing advocates, and
16 representatives of the housing successors of former redevelopment
17 agencies, the League of California Cities, the California Society
18 of Certified Public Accountants, the Controller, and any other
19 authorities or persons interested in the field that the director deems
20 necessary and appropriate.

21 (h) Communities in which an agency has disbursed excess
22 surplus funds pursuant to this section shall not disapprove a low-
23 or moderate-income housing project funded in whole or in part by
24 the excess surplus funds if the project is consistent with applicable
25 building codes and the land use designation specified in any
26 element of the general plan as it existed on the date the application
27 was deemed complete. A local agency may require compliance
28 with local development standards and policies appropriate to and
29 consistent with meeting the quantified objectives relative to the
30 development of housing, as required in housing elements of the
31 community pursuant to subdivision (b) of Section 65583.

32 62109. (a) Notwithstanding Sections 50079.5, 50093, and
33 50105 of the Health and Safety Code, for purposes of providing
34 assistance to mortgagors participating in a homeownership
35 residential mortgage revenue bond program pursuant to Section
36 33750 of the Health and Safety Code, or a home financing program
37 pursuant to Section 52020 of the Health and Safety Code, or a
38 California Housing Finance Agency home financing program,
39 “area median income” means the highest of the following:

40 (1) Statewide median household income.

1 (2) Countywide median household income.

2 (3) Median family income for the area, as determined by the
3 United States Department of Housing and Urban Development
4 with respect to either a standard metropolitan statistical area or an
5 area outside of a standard metropolitan statistical area.

6 ~~Nothing in Section 50093 of the Health and Safety Code shall~~
7 ~~prevent the agency from adopting separate family size adjustment~~
8 ~~factors or programmatic definitions of income to qualify~~
9 ~~households, persons, and families for the programs of the agency.~~

10 (b) To the extent that any portion of the Low and Moderate
11 Income Housing Fund is expended to provide assistance to
12 mortgagors participating in programs whose income exceeds that
13 of persons and families of low or moderate income, as defined in
14 Section 50093 of the Health and Safety Code, the authority shall,
15 within two years, expend or enter into a legally enforceable
16 agreement to expend twice that sum exclusively to increase and
17 improve the community's supply of housing available at an
18 affordable housing cost, as defined in Section 50052.5, to lower
19 income households, as defined in Section 50079.5 of the Health
20 and Safety Code, of which at least 50 percent shall be very low
21 income households, as defined in Section 50105 of the Health and
22 Safety Code.

23 (c) In addition to the requirements of subdivision (c) of Section
24 33413 of the Health and Safety Code, the authority shall require
25 that the lower and very low income dwelling units developed
26 pursuant to this subdivision remain available at an affordable
27 housing cost to lower and very low income households for at least
28 45 years, except as to dwelling units developed with the assistance
29 of federal or state subsidy programs which terminate in a shorter
30 period and cannot be extended or renewed.

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

34 62110. The covenants or restrictions imposed by the authority
35 pursuant to subdivision (f) of Section 62101 may be subordinated
36 under any of the following alternatives:

37 (a) To a lien, encumbrance, or regulatory agreement under a
38 federal or state program when a federal or state agency is providing
39 financing, refinancing, or other assistance to the housing units or
40 parcels, if the federal or state agency refuses to consent to the

1 seniority of the authority's covenant or restriction on the basis that
2 it is required to maintain its lien, encumbrance, or regulatory
3 agreement or restrictions due to statutory or regulatory
4 requirements, adopted or approved policies, or other guidelines
5 pertaining to the financing, refinancing, or other assistance of the
6 housing units or parcels.

7 (b) To a lien, encumbrance, or regulatory agreement of a lender
8 other than the authority or from a bond issuance providing
9 financing, refinancing, or other assistance of owner-occupied units
10 or parcels where the authority makes a finding that an economically
11 feasible alternative method of financing, refinancing, or assisting
12 the units or parcels on substantially comparable terms and
13 conditions, but without subordination, is not reasonably available.

14 (c) To an existing lien, encumbrance, or regulatory agreement
15 of a lender other than the authority or from a bond issuance
16 providing financing, refinancing, or other assistance of rental units,
17 where the agency's funds are utilized for rehabilitation of the rental
18 units.

19 (d) To a lien, encumbrance, or regulatory agreement of a lender
20 other than the authority or from a bond issuance providing
21 financing, refinancing, or other assistance of rental units or parcels
22 where the authority makes a finding that an economically feasible
23 alternative method of financing, refinancing, or assisting the units
24 or parcels on substantially comparable terms and conditions, but
25 without subordination, is not reasonably available, and where the
26 authority obtains written commitments reasonably designed to
27 protect the authority's investment in the event of default, including,
28 but not limited to, any of the following:

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

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

32 (3) An agreement that if prior to foreclosure of the loan, the
33 authority takes title to the property and cures the default on the
34 loan, the lender will not exercise any right it may have to accelerate
35 the loan by reason of the transfer of title to the authority.

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

38 62111. Subsidies provided pursuant to subdivision (e) of
39 Section 62100 may include payment of a portion of the principal
40 and interest on bonds issued by a public agency to finance housing

1 for persons and families specified in that paragraph if the authority
2 ensures by contract that the benefit of the subsidy will be passed
3 on to those persons and families in the form of lower housing costs.

4 62112. For each interest in real property acquired using moneys
5 from the Low and Moderate Income Housing Fund, the authority
6 shall, within five years from the date it first acquires the property
7 interest for the development of housing affordable to persons and
8 families of low and moderate income, initiate activities consistent
9 with the development of the property for that purpose. These
10 activities may include, but are not limited to, zoning changes or
11 agreements entered into for the development and disposition of
12 the property. If these activities have not been initiated within this
13 period, the city or county that created the authority may, by
14 resolution, extend the period during which the authority may retain
15 the property for one additional period not to exceed five years.
16 The resolution of extension shall affirm the intention of the city
17 or county that the property be used for the development of housing
18 affordable to persons and families of low and moderate income.
19 In the event that physical development of the property for this
20 purpose has not begun by the end of the extended period, or if the
21 authority does not comply with this requirement, the property shall
22 be sold and the moneys from the sale, less reimbursement to the
23 agency for the cost of the sale, shall be deposited in the authority's
24 Low and Moderate Income Housing Fund.

25 26 CHAPTER 2. REPLACEMENT AND LOCATION

27
28 62115. The authority shall prepare a feasible method or plan
29 for relocation of all of the following:

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

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

35 (c) The relocation plan required by this section shall comply
36 with the relocation plan *and assistance* requirements of Chapter
37 16 (commencing with Section 7260) of Division 7 of Title 1.

38 62116. The city, county, or city and county that created the
39 authority shall insure that the method or plan of the authority for
40 the relocation of families or single persons to be displaced by a

1 revitalization project shall provide that no persons or families of
2 low and moderate income shall be displaced unless and until there
3 is a suitable housing unit available and ready for occupancy by
4 the displaced person or family at rents comparable to those at the
5 time of their ~~displacement~~. *displacement and that all other*
6 *requirements of Chapter 16 (commencing with Section 7260) of*
7 *Division 7 of Title 1 of the Government Code are met.* The housing
8 units shall be suitable to the needs of those displaced persons or
9 families and must be decent, safe, sanitary, and otherwise standard
10 dwellings. The authority shall not displace the person or family
11 until the housing units are available and ready for occupancy.

12 62117. Whenever all or any portion of a revitalization plan
13 area is developed with low- or moderate-income housing units and
14 whenever any low- or moderate-income housing units are
15 developed with any authority assistance or pursuant to Section
16 62120, the authority shall require in the recorded covenants for
17 those units that the housing be made available for rent or purchase
18 to the persons and families of low or moderate income displaced
19 by the revitalization project. Those persons and families shall be
20 given priority in renting or buying that in advance of marketing
21 the units to the general public. Failure to give that priority shall
22 not affect the validity of title to real property; however, a unit may
23 not be counted as a replacement or production unit in the event of
24 noncompliance with this provision. The authority shall keep a list
25 of persons and families of low and moderate income displaced by
26 the revitalization project who are to be given priority, and may
27 establish reasonable rules for determining the order or priority on
28 the list. The list shall be provided to the owner of those properties
29 at or before any certificate of occupancy is issued.

30 62118. If insufficient suitable housing units are available in
31 the plan area for low- and moderate-income persons and families
32 to be displaced from a community revitalization area, the city
33 council or board of supervisors that created the authority shall
34 assure that sufficient land be made available ~~in the community~~
35 *within its territorial jurisdiction* for suitable housing for rental or
36 purchase by low- and moderate-income persons and families. If
37 insufficient suitable housing units are available in the community
38 for use by persons and families of low and moderate income
39 displaced by the revitalization project, the authority may, to the
40 extent of that deficiency, direct or cause the development,

1 rehabilitation, or construction of housing units within the
2 community, both inside and outside of revitalization plan areas.

3 62119. Permanent housing facilities shall be made available
4 within two years from the time occupants are displaced and that
5 pending the development of such facilities there will be available
6 to such displaced occupants adequate temporary housing facilities
7 at rents comparable to ~~those in the community at the time of their~~
8 ~~displacement.~~ *the units from which the displaced occupants were*
9 *displaced.*

10 62120. (a) Whenever dwelling units housing persons and
11 families of low or moderate income are destroyed or removed from
12 the low- and moderate-income housing market as part of a
13 revitalization project that is subject to a written agreement with
14 the authority or where financial assistance has been provided by
15 the authority, the authority shall, within two years of the destruction
16 or removal, rehabilitate, develop, or construct, or cause to be
17 rehabilitated, developed, or constructed, for rental or sale to persons
18 and families of low or moderate income, an equal number of
19 replacement dwelling units that have an equal or greater number
20 of bedrooms as those destroyed or removed units at affordable
21 housing costs within the territorial jurisdiction of the authority.
22 One hundred percent of the replacement dwelling units shall be
23 available at an affordable housing cost to persons in the same or
24 a lower income category (extremely low, low, very low, or
25 moderate), as the persons displaced from those destroyed or
26 removed units.

27 (b) (1) Prior to the time limit on the effectiveness of the
28 community revitalization plan established pursuant to subdivision
29 ~~(f) of Section 62004~~ *(g) of Section 62003* at least 30 percent of all
30 new and substantially rehabilitated dwelling units developed by
31 an authority shall be available at affordable housing cost to, and
32 occupied by, persons and families of low or moderate income. Not
33 less than 50 percent of the dwelling units required to be available
34 at affordable housing cost to, and occupied by, persons and families
35 of low or moderate income shall be available at affordable housing
36 cost to, and occupied by, very low income households.

37 (2) (A) (i) Prior to the time limit on the effectiveness of the
38 revitalization plan established pursuant to subdivision ~~(f) of Section~~
39 ~~62003~~ *(g) of Section 62003* at least 15 percent of all new and
40 substantially rehabilitated dwelling units developed within a plan

1 area under the jurisdiction of an authority by public or private
2 entities or persons other than the authority shall be available at
3 affordable housing cost to, and occupied by, persons and families
4 of low or moderate income. Not less than 40 percent of the
5 dwelling units required to be available at affordable housing cost
6 to, and occupied by, persons and families of low or moderate
7 income shall be available at affordable housing cost to, and
8 occupied by, very low income households.

9 (ii) To satisfy this paragraph, in whole or in part, the authority
10 may cause, by regulation or agreement, to be available, at an
11 affordable housing cost, to, and occupied by, persons and families
12 of low or moderate income or to very low income households, as
13 applicable, two units outside a project area for each unit that
14 otherwise would have been required to be available inside a project
15 area.

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

18 (iv) As used in this paragraph and in paragraph (1), “substantial
19 rehabilitation” means rehabilitation, the value of which constitutes
20 25 percent of the after rehabilitation value of the dwelling, inclusive
21 of the land value.

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

34 (C) To satisfy the requirements of paragraph (1) and
35 subparagraph (A), the long-term affordability covenants purchased
36 or otherwise acquired pursuant to subparagraph (B) shall be
37 required to be maintained on dwelling units at affordable housing
38 cost to, and occupied by, persons and families of low or very low
39 income, for the longest feasible time but not less than 55 years for
40 rental units and 45 years for owner-occupied units. Not more than

1 50 percent of the units made available pursuant to paragraph (1)
2 and subparagraph (A) may be assisted through the purchase or
3 acquisition of long-term affordability covenants pursuant to
4 subparagraph (B). Not less than 50 percent of the units made
5 available through the purchase or acquisition of long-term
6 affordability covenants pursuant to subparagraph (B) shall be
7 available at affordable housing cost to, and occupied by, very low
8 income households.

9 (D) To satisfy the requirements of paragraph (1) and
10 subparagraph (A), each mutual self-help housing unit, as defined
11 in subparagraph (C) of paragraph (1) of subdivision (f) of Section
12 62101, that is subject to a 15-year deed restriction shall count as
13 one-third of a unit.

14 (3) The requirements of this subdivision shall apply
15 independently of the requirements of subdivision (a). The
16 requirements of this subdivision shall apply, in the aggregate, to
17 housing made available pursuant to paragraphs (1) and (2),
18 respectively, and not to each individual case of rehabilitation,
19 development, or construction of dwelling units, unless an agency
20 determines otherwise.

21 (4) Each authority, as part of the community revitalization and
22 investment plan required by Section 62003, shall adopt a plan to
23 comply with the requirements of this subdivision. The plan shall
24 be consistent with the community's housing element. The plan
25 shall be reviewed and, if necessary, amended at least in conjunction
26 with the plan implementation cycle. The plan shall ensure that the
27 requirements of this subdivision are met every 10 years. If the
28 requirements of this subdivision are not met by the end of each
29 10-year period, the agency shall meet these goals on an annual
30 basis until the requirements for the 10-year period are met. If the
31 agency has exceeded the requirements within the 10-year period,
32 the agency may count the units that exceed the requirement in
33 order to meet the requirements during the next 10-year period.

34 (c) (1) The authority shall require all replacement dwelling
35 units and other dwelling units rehabilitated, developed, constructed,
36 or price restricted pursuant to subdivision (a) or (b) remain
37 available at affordable housing cost to, and occupied by, persons
38 and families of extremely low income, low-income,
39 moderate-income, and very low income households, respectively,
40 for the longest feasible time, but for not less than 55 years for

1 rental units, 45 years for home ownership units, and 15 years for
2 mutual self-help housing units, as defined in subparagraph (C) of
3 paragraph (1) of subdivision (f) of Section 62101, except as set
4 forth in paragraph (2). Nothing in this paragraph precludes the
5 agency and the developer of the mutual self-help housing units
6 from agreeing to 45-year deed restrictions.

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

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

32 (4) If land on which the dwelling units required by this section
33 are located is deleted from the plan area, the authority shall
34 continue to require that those units remain affordable as specified
35 in this subdivision.

36 (5) For each unit counted towards the requirements of
37 subdivisions (a) and (b), the authority shall require the recording
38 in the office of the county recorder of covenants or restrictions
39 that ensure compliance with this subdivision and shall comply

1 with the requirements of paragraphs (3) and (4) of subdivision (f)
2 of Section 62101.

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

7 (e) Notwithstanding subdivision (a), the authority may replace
8 destroy or remove dwelling units with a fewer number of
9 replacement dwelling units if the replacement dwelling units meet
10 both of the following criteria:

11 (1) The total number of bedrooms in the replacement dwelling
12 units equals or exceeds the number of bedrooms in the destroyed
13 or removed units. Destroyed or removed units having one or no
14 bedroom are deemed for this purpose to have one bedroom.

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

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

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

33 The replacement housing plan shall include all of the following:

34 (1) A description of the housing to be destroyed or removed,
35 including the address, parcel number, number and size of units,
36 whether the units are occupied, and if so, the income categories
37 of the occupants, if that information is available, whether the units
38 are rental or ownership, the rent levels or sale price of the units,
39 and if the units have existing affordable covenants, the nature and
40 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.

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

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

28 62120.7. An authority causing the rehabilitation, development,
29 or construction of replacement dwelling units, other than
30 single-family residences, pursuant to Section 62120, or pursuant
31 to a replacement housing plan as required by Section 62120.5, or
32 pursuant to provisions of a revitalization plan required by Section
33 62103, primarily for persons of low income, as defined in Section
34 50093 of the Health and Safety Code, shall give preference to those
35 developments that are proposed to be organized as limited-equity
36 housing cooperatives, when so requested as part of the public
37 review, provided the project is achievable in an efficient and timely
38 manner.

39 The limited-equity housing cooperatives shall, in addition to the
40 provisions of Section 817 of the Civil Code, be organized so that

1 the consideration paid for memberships or shares by the first
2 occupants following construction or acquisition by the corporation,
3 including the principal amount of obligations incurred to finance
4 the share or membership purchase, does not exceed 3 percent of
5 the development cost or acquisition cost, or of the fair market value
6 appraisal by the permanent lender, whichever is greater.

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

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

17 62122. In order to facilitate the rehousing of families and single
18 persons displaced by any governmental action, an authority, at the
19 request of the city council or board of supervisors that created the
20 authority, may dispose of the real property acquired under the
21 provisions of subdivision (b) of section 62201, by sale or long-term
22 lease, for use as, or development of, housing for those displaced
23 persons.

24 62123. (a) An authority shall monitor, on an ongoing basis,
25 any housing affordable to persons and families of low or moderate
26 income developed or otherwise made available pursuant to any
27 provisions of this part. As part of this monitoring, an authority
28 shall require owners or managers of the housing to submit an
29 annual report to the authority. The annual reports shall include for
30 each rental unit the rental rate and the income and family size of
31 the occupants, and for each owner-occupied unit whether there
32 was a change in ownership from the prior year and, if so, the
33 income and family size of the new owners. The income information
34 required by this section shall be supplied by the tenant in a certified
35 statement on a form provided by the authority.

36 (b) The data specified in subdivision (a) shall be obtained by
37 the authority from owners and managers of the housing specified
38 therein and current data shall be included in any reports required
39 by law to be submitted to the Department of Housing and
40 Community Development or the Controller. The information on

1 income and family size that is required to be reported by the owner
2 or manager shall be supplied by the tenant and shall be the only
3 information on income or family size that the owner or manager
4 shall be required to submit on his or her annual report to the
5 agency.

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

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

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

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

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

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

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

31 (G) Whether occupancy in the unit or units is restricted to any
32 special population, including, but not limited to, senior citizens
33 and persons with disabilities.

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

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

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

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

11
12 PART 3. PROPERTY ACQUISITION
13

14 62200. "Real property" means any of the following:

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

16 (b) Buildings, structures, fixtures, and improvements on the
17 land.

18 (c) Any property appurtenant to or used in connection with the
19 land.

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

24 62201. Within the plan area or for purposes of revitalization
25 an authority may:

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

33 (b) Accept, at the request of the legislative body of the
34 community, a conveyance of real property (located either within
35 or outside the plan area) owned by a public entity and declared
36 surplus by the public entity, or owned by a private entity. The
37 authority may dispose of that property to private persons or to
38 public or private entities, by sale or long-term lease for
39 development. All or any part of the funds derived from the sale or
40 lease of that property may, at the discretion of the legislative body

1 of the community, be paid to the community, or to the public entity
2 from which any of that property was acquired.

3 (c) Sell, lease, grant, or donate real property owned or acquired
4 by the authority in a plan area to a housing authority or to any
5 public agency for public housing projects.

6 (d) Offer for resale property acquired by an authority for
7 rehabilitation and resale within one year after completion of
8 rehabilitation. Properties held by the authority in excess of *a*
9 one-year period shall be listed in the authority's annual report with
10 information conveying the reasons that property remains unsold
11 and indicating plans for its disposition.

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

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

29 (2) Without the consent of an owner, an authority shall not
30 acquire any real property on which an existing building is to be
31 continued on its present site and in its present form and use unless
32 that building requires structural alteration, improvement,
33 modernization, or rehabilitation, or the site or lot on which the
34 building is situated requires modification in size, shape, or use, or
35 it is necessary to impose upon that property any of the standards,
36 restrictions, and controls of the plan and the owner fails or refuses
37 to agree to participate in the plan.

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

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

4 62202. An authority shall not provide any form of direct
5 assistance to:

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

8 (b) A development that will be or is on a parcel of land of five
9 acres or more which has not previously been developed for urban
10 use and that will, when developed, generate sales or use tax
11 pursuant to Part 1.5 (commencing with Section 7200) of Division
12 2 of the Revenue and Taxation Code, unless the principal permitted
13 use of the development is office, hotel, manufacturing, or industrial.
14 For the purposes of this subdivision, a parcel shall include land on
15 an adjacent or nearby parcel on which a use exists that is necessary
16 for the legal development of the parcel.

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

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

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

38 62203. (a) Any covenants, conditions, or restrictions existing
39 on any real property within a plan area prior to the time the
40 authority acquires title to that property, which covenants,

1 conditions, or restrictions restrict or purport to restrict the use of,
2 or building upon, that real property, shall be void and unenforceable
3 as to the authority and any other subsequent owners, tenants,
4 lessees, easement holders, mortgagees, trustees, beneficiaries under
5 a deed of trust, or any other persons or entities acquiring an interest
6 in that real property from that time as title to the real property is
7 acquired by an authority whether acquisition is by gift, purchase,
8 eminent domain, or otherwise.

9 (b) Thirty days prior to the acquisition of real property other
10 than by eminent domain, the authority shall provide notice of that
11 acquisition and the provisions of this section to holders of interests
12 which would be made void and unenforceable pursuant to this
13 section, as follows:

14 (1) The authority shall publish notice once in a newspaper of
15 general circulation in the community in which the agency is
16 functioning.

17 (2) The authority shall mail notice to holders of those interests
18 if those holders appear of record 60 days prior to the date of
19 acquisition.

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

23 (c) This section shall not apply to covenants, conditions, or
24 restrictions imposed by an authority pursuant to a plan. This section
25 also shall not apply to covenants, conditions, or restrictions where
26 an authority in writing expressly acquires or holds property subject
27 to those covenants, conditions, or restrictions.

28 This section shall not limit or preclude any rights of reversion
29 of owners, assignees, or beneficiaries of those covenants,
30 conditions, or restrictions limiting the use of land in gifts of land
31 to cities, counties, or other governmental entities. This section
32 shall not limit or preclude the rights of owners or assignees of any
33 land benefited by any covenants, conditions, or restrictions to
34 recover damages against the agency if under law that owner or
35 assignee has any right to damages. No right to damages shall exist
36 against any purchaser from the authority or his or her successors
37 or assignees, or any other persons or entities.

38 62204. (a) If an authority has adopted a plan but has not
39 commenced an eminent domain proceeding to acquire any
40 particular parcel of property subject to eminent domain thereunder

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

14 (b) No claim need be presented against an authority under Part
15 3 (commencing with Section 900) of Division 3.6 of Title 1 as a
16 prerequisite to commencement or maintenance of an action under
17 subdivision (a), but any action shall be commenced within one
18 year and six months after the expiration of the 18 months period.

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

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

33 (e) Commencement of an action under this section does not
34 affect any authority an authority may have to commence an eminent
35 domain proceeding, take possession of the property pursuant to
36 Article 3 (commencing with Section 1255.410) of Chapter 6 of
37 Title 7 of the Code of Civil Procedure, or abandon the eminent
38 domain proceeding.

39 (f) In lieu of bringing an action under subdivision (a) or if the
40 limitations period provided in subdivision (b) has run, the property

1 owner may obtain a writ of mandate to compel the authority, within
2 that time as the court deems appropriate, to declare the property
3 acquisition exempt or to commence an eminent domain proceeding
4 to acquire the property.

5 (g) A declaration that the property is exempt from acquisition
6 by eminent domain shall be by resolution and shall be recordable.
7 It shall exempt the property from eminent domain under the plan,
8 and the authority shall have no power of eminent domain as to the
9 property.

10 62205. Section 1245.260 of the Code of Civil Procedure shall
11 not apply to any resolution or ordinance adopting, approving, or
12 amending the amendment of plan. Section 1245.260 of the Code
13 of Civil Procedure shall apply to a resolution adopted by an
14 authority pursuant to Section 1245.220 of the Code of Civil
15 Procedure with respect to a particular parcel or parcels of real
16 property.

17 62206. (a) The authority shall obligate lessees and purchasers
18 of real property acquired in revitalization projects undertaken or
19 assisted by the authority and owners of property improved as a
20 part of a revitalization project to refrain from restricting the rental,
21 sale, or lease of the property on any basis listed in subdivision (a)
22 or (d) of Section 12955, as those basis are defined in Sections
23 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision
24 (p) of Section 12955, and Section 12955.2. All deeds, leases, or
25 contracts for the sale, lease, sublease, or other transfer of any land
26 in a revitalization project shall contain or be subject to the
27 nondiscrimination or nonsegregation clauses hereafter prescribed.

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

37 62207. Express provisions shall be included in all deeds, leases,
38 and contracts that the authority proposes to enter into with respect
39 to the sale, lease, sublease, transfer, use, occupancy, tenure, or

1 enjoyment of any land in a revitalization project in substantially
2 the following form:

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

4
5 “The grantee herein covenants by and for himself or herself, his
6 or her heirs, executors, administrators, and assigns, and all persons
7 claiming under or through them, that there shall be no
8 discrimination against or segregation of, any person or group of
9 persons on account of any basis listed in subdivision (a) or (d) of
10 Section 12955 of the Government Code, as those basis are defined
11 in Sections 12926, 12926.1 of, subdivision (m) and paragraph (1)
12 of subdivision (p) of Section 12955 of, and Section 12955.2 of,
13 the Government Code, in the sale, lease, sublease, transfer, use,
14 occupancy, tenure, or enjoyment of the premises herein conveyed,
15 nor shall the grantee or any person claiming under or through him
16 or her, establish or permit any practice or practices of
17 discrimination or segregation with reference to the selection,
18 location, number, use, or occupancy of tenants, lessees, subtenants,
19 sublessees, or vendees in the premises herein conveyed. The
20 foregoing covenants shall run with the land.”

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

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

32
33 “The lessee herein covenants by and for himself or herself, his
34 or her heirs, executors, administrators, and assigns, and all persons
35 claiming under or through him or her, and this lease is made and
36 accepted upon and subject to the following conditions:

37 That there shall be no discrimination against or segregation of
38 any person or group of persons, on account of any basis listed in
39 subdivision (a) or (d) of Section 12955 of the Government Code,
40 as those basis are defined in Sections 12926, 12926.1 of,

1 subdivision (m) and paragraph (1) of subdivision (p) of Section
2 12955 of, and Section 12955.2 of, the Government Code, in the
3 leasing, subleasing, transferring, use, occupancy, tenure, or
4 enjoyment of the premises herein leased nor shall the lessee himself
5 or herself, or any person claiming under or through him or her,
6 establish or permit any such practice or practices of discrimination
7 or segregation with reference to the selection, location, number,
8 use, or occupancy, of tenants, lessees, sublessees, subtenants, or
9 vendees in the premises herein leased.”

10
11 (2) Notwithstanding paragraph (1), with respect to familial
12 status, paragraph (1) shall not be construed to apply to housing for
13 older persons, as defined in Section 12955.9. With respect to
14 familial status, nothing in paragraph (1) shall be construed to affect
15 Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil
16 Code, relating to housing for senior citizens. Subdivision (d) of
17 Section 51 of, and Sections 4760 and 6714 of, the Civil Code, and
18 subdivisions (n), (o), and (p) of Section 12955 shall apply to
19 paragraph (1).

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

28 62208. (a) The authority shall retain controls and establish
29 restrictions or covenants running with land sold or leased for
30 private use for those periods of time and under those conditions
31 as are provided in the plan. The establishment of those controls is
32 a public purpose under this division.

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

35 (1) Use the property for the purpose designated in the
36 revitalization plans.

37 (2) Begin the revitalization of the project area within a period
38 of time which the authority fixes as reasonable.

39 (3) Comply with the covenants, conditions, or restrictions that
40 the authority deems necessary to prevent speculation or excess

- 1 profttaking in undeveloped land, including right of reverter to the
- 2 agency. Covenants, conditions, and restrictions imposed by an
- 3 authority may provide for the reasonable protection of lenders.
- 4 (4) Comply with other conditions which the authority deems
- 5 necessary to carry out the purposes of this part.