

ASSEMBLY BILL

No. 806

**Introduced by Assembly Member Dodd
(Coauthor: Assembly Member Atkins)**

February 26, 2015

An act to amend Sections 34171, 34179, 34191.4, and 34191.5 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 806, as introduced, Dodd. Redevelopment: successor agencies to redevelopment agencies.

(1) Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies, subject to review by oversight boards, and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law requires the Department of Finance to issue a finding of completion to a successor agency upon confirmation by the county auditor-controller that specified payments have been fully made by the successor agency. Existing law prohibits a successor agency from entering into contracts with, incurring obligations or making commitments to, any entity, as specified; or from amending or modifying existing agreements, obligations, or commitments with any entity, for any purpose. Existing law defines “enforceable obligation” for these purposes to generally exclude any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

This bill would authorize a successor agency, if the successor agency has received a finding of completion, to enter into, or amend existing, contracts and agreements, or otherwise administer projects in connection with enforceable obligations, if the contract, agreement, or project will not commit new property tax funds or otherwise adversely affect the flow of specified tax revenues or payments to the taxing agencies, as specified.

The bill would specifically include within the definition of “enforceable obligation” an agreement entered into by the redevelopment agency prior to June 30, 2011, if the agreement relates to state highway infrastructure improvements to which the redevelopment agency committed funds pursuant to specified law.

(2) Existing law requires each successor agency to have an oversight board composed of 7 members and requires each member to be appointed by a specified authority.

This bill would allow each appointing authority to appoint an alternate representative to serve on the oversight board as may be necessary. This bill would provide that the alternative representative has the same participatory and voting rights as all other attending members of the oversight board, and would require the successor agency to promptly notify the Department of Finance regarding the appointment of any alternate representative.

(3) Existing law requires the disposition of assets and properties of the former redevelopment agency as directed by the oversight board, as specified, and suspends these requirements until the Department of Finance has approved a long-range property management plan, as specified. Upon approval of a long-range property management plan, the plan governs and supersedes all other provisions relating to the disposition and use of the real property assets of the former redevelopment agency. Existing law requires the property of a former redevelopment agency to be disposed of according to law if the department has not approved a long-range property management plan by January 1, 2016.

This bill would authorize the department to require a compensation agreement or agreements, but would prohibit the department from requiring approval of the compensation agreement or agreements as part of the approval of a long-range property management plan. The bill would describe the criteria and standard to be applied by the department in approving a long-range property management plan. The bill would require the department to approve long-range property

management plans as expeditiously as possible. This bill would also provide that actions relating to the disposition of property after approval of a long-range property management plan do not require review by the department.

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

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

1 SECTION 1. Section 34171 of the Health and Safety Code is
2 amended to read:

3 34171. The following terms shall have the following meanings:

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

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

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

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

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

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

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

36 (D) Judgments or settlements entered by a competent court of
37 law or binding arbitration decisions against the former
38 redevelopment agency, other than passthrough payments that are
39 made by the county auditor-controller pursuant to Section 34183.
40 Along with the successor agency, the oversight board shall have

1 the authority and standing to appeal any judgment or to set aside
2 any settlement or arbitration decision.

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

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

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

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

1 of the date of creation of the redevelopment agency, may be
2 deemed to be enforceable obligations. *Notwithstanding this*
3 *paragraph, an agreement entered into by the redevelopment agency*
4 *prior to June 30, 2011, is an enforceable obligation if the*
5 *agreement relates to state highway infrastructure improvements*
6 *to which the redevelopment agency committed funds pursuant to*
7 *Section 33445.*

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

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

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

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

30 (h) “Recognized Obligation Payment Schedule” means the
31 document setting forth the minimum payment amounts and due
32 dates of payments required by enforceable obligations for each
33 six-month fiscal period as provided in subdivision (m) of Section
34 34177.

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

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

39 (k) “Taxing entities” means cities, counties, a city and county,
40 special districts, and school entities, as defined in subdivision (f)

1 of Section 95 of the Revenue and Taxation Code, that receive
2 passthrough payments and distributions of property taxes pursuant
3 to the provisions of this part.

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

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

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

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

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

22 (1) If a local housing authority assumed the housing functions
23 of the former redevelopment agency pursuant to paragraph (2) or
24 (3) of subdivision (b) of Section 34176, then the housing entity
25 administrative cost allowance shall be listed by the successor
26 agency on the Recognized Obligation Payment Schedule. Upon
27 approval of the Recognized Obligation Payment Schedule by the
28 oversight board and the department, the housing entity
29 administrative cost allowance shall be remitted by the successor
30 agency on each January 2 and July 1 to the local housing authority
31 that assumed the housing functions of the former redevelopment
32 agency pursuant to paragraph (2) or (3) of subdivision (b) of
33 Section 34176.

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

1 SEC. 2. Section 34179 of the Health and Safety Code is
 2 amended to read:
 3 34179. (a) Each successor agency shall have an oversight
 4 board composed of seven members. The members shall elect one
 5 of their members as the chairperson and shall report the name of
 6 the chairperson and other members to the Department of Finance
 7 on or before May 1, 2012. Members shall be selected as follows:
 8 (1) One member appointed by the county board of supervisors.
 9 (2) One member appointed by the mayor for the city that formed
 10 the redevelopment agency.
 11 (3) (A) One member appointed by the largest special district,
 12 by property tax share, with territory in the territorial jurisdiction
 13 of the former redevelopment agency, which is of the type of special
 14 district that is eligible to receive property tax revenues pursuant
 15 to Section 34188.
 16 (B) On or after the effective date of this subparagraph, the
 17 county auditor-controller may determine which is the largest special
 18 district for purposes of this section.
 19 (4) One member appointed by the county superintendent of
 20 education to represent schools if the superintendent is elected. If
 21 the county superintendent of education is appointed, then the
 22 appointment made pursuant to this paragraph shall be made by the
 23 county board of education.
 24 (5) One member appointed by the Chancellor of the California
 25 Community Colleges to represent community college districts in
 26 the county.
 27 (6) One member of the public appointed by the county board
 28 of supervisors.
 29 (7) One member representing the employees of the former
 30 redevelopment agency appointed by the mayor or chair of the
 31 board of supervisors, as the case may be, from the recognized
 32 employee organization representing the largest number of former
 33 redevelopment agency employees employed by the successor
 34 agency at that time. In the case where city or county employees
 35 performed administrative duties of the former redevelopment
 36 agency, the appointment shall be made from the recognized
 37 employee organization representing those employees. If a
 38 recognized employee organization does not exist for either the
 39 employees of the former redevelopment agency or the city or
 40 county employees performing administrative duties of the former

1 redevelopment agency, the appointment shall be made from among
2 the employees of the successor agency. In voting to approve a
3 contract as an enforceable obligation, a member appointed pursuant
4 to this paragraph shall not be deemed to be interested in the contract
5 by virtue of being an employee of the successor agency or
6 community for purposes of Section 1090 of the Government Code.

7 (8) If the county or a joint powers agency formed the
8 redevelopment agency, then the largest city by acreage in the
9 territorial jurisdiction of the former redevelopment agency may
10 select one member. If there are no cities with territory in a project
11 area of the redevelopment agency, the county superintendent of
12 education may appoint an additional member to represent the
13 public.

14 (9) If there are no special districts of the type that are eligible
15 to receive property tax pursuant to Section 34188, within the
16 territorial jurisdiction of the former redevelopment agency, then
17 the county may appoint one member to represent the public.

18 (10) If a redevelopment agency was formed by an entity that is
19 both a charter city and a county, the oversight board shall be
20 composed of seven members selected as follows: three members
21 appointed by the mayor of the city, if that appointment is subject
22 to confirmation by the county board of supervisors, one member
23 appointed by the largest special district, by property tax share, with
24 territory in the territorial jurisdiction of the former redevelopment
25 agency, which is the type of special district that is eligible to
26 receive property tax revenues pursuant to Section 34188, one
27 member appointed by the county superintendent of education to
28 represent schools, one member appointed by the Chancellor of the
29 California Community Colleges to represent community college
30 districts, and one member representing employees of the former
31 redevelopment agency appointed by the mayor of the city if that
32 appointment is subject to confirmation by the county board of
33 supervisors, to represent the largest number of former
34 redevelopment agency employees employed by the successor
35 agency at that time.

36 *(11) Each appointing authority identified in this subdivision*
37 *may, but is not required to, appoint an alternate representative to*
38 *serve on the oversight board as may be necessary to attend any*
39 *meeting of the oversight board in the event that the appointing*
40 *authority's primary representative is unable to attend any meeting*

1 *for any reason. If the alternate representative attends any meeting*
2 *in place of the primary representative, the alternative*
3 *representative shall have the same participatory and voting rights*
4 *as all other attending members of the oversight board. The*
5 *successor agency shall promptly notify the department regarding*
6 *the appointment of any alternate representative to the oversight*
7 *board.*

8 (b) The Governor may appoint individuals to fill any oversight
9 board member position described in subdivision (a) that has not
10 been filled by May 15, 2012, or any member position that remains
11 vacant for more than 60 days.

12 (c) The oversight board may direct the staff of the successor
13 agency to perform work in furtherance of the oversight board's
14 duties and responsibilities under this part. The successor agency
15 shall pay for all of the costs of meetings of the oversight board
16 and may include such costs in its administrative budget. Oversight
17 board members shall serve without compensation or reimbursement
18 for expenses.

19 (d) Oversight board members are protected by the immunities
20 applicable to public entities and public employees governed by
21 Part 1 (commencing with Section 810) and Part 2 (commencing
22 with Section 814) of Division 3.6 of Title 1 of the Government
23 Code.

24 (e) A majority of the total membership of the oversight board
25 shall constitute a quorum for the transaction of business. A majority
26 vote of the total membership of the oversight board is required for
27 the oversight board to take action. The oversight board shall be
28 deemed to be a local entity for purposes of the Ralph M. Brown
29 Act, the California Public Records Act, and the Political Reform
30 Act of 1974. All actions taken by the oversight board shall be
31 adopted by resolution.

32 (f) All notices required by law for proposed oversight board
33 actions shall also be posted on the successor agency's Internet
34 Web site or the oversight board's Internet Web site.

35 (g) Each member of an oversight board shall serve at the
36 pleasure of the entity that appointed such member.

37 (h) The Department of Finance may review an oversight board
38 action taken pursuant to this part. Written notice and information
39 about all actions taken by an oversight board shall be provided to
40 the department by electronic means and in a manner of the

1 department's choosing. An action shall become effective five
2 business days after notice in the manner specified by the
3 department is provided unless the department requests a review.
4 Each oversight board shall designate an official to whom the
5 department may make those requests and who shall provide the
6 department with the telephone number and ~~e-mail~~ *email* contact
7 information for the purpose of communicating with the department
8 pursuant to this subdivision. Except as otherwise provided in this
9 part, in the event that the department requests a review of a given
10 oversight board action, it shall have 40 days from the date of its
11 request to approve the oversight board action or return it to the
12 oversight board for reconsideration and the oversight board action
13 shall not be effective until approved by the department. In the
14 event that the department returns the oversight board action to the
15 oversight board for reconsideration, the oversight board shall
16 resubmit the modified action for department approval and the
17 modified oversight board action shall not become effective until
18 approved by the department. If the department reviews a
19 Recognized Obligation Payment Schedule, the department may
20 eliminate or modify any item on that schedule prior to its approval.
21 The county auditor-controller shall reflect the actions of the
22 department in determining the amount of property tax revenues to
23 allocate to the successor agency. The department shall provide
24 notice to the successor agency and the county auditor-controller
25 as to the reasons for its actions. To the extent that an oversight
26 board continues to dispute a determination with the department,
27 one or more future recognized obligation schedules may reflect
28 any resolution of that dispute. The department may also agree to
29 an amendment to a Recognized Obligation Payment Schedule to
30 reflect a resolution of a disputed item; however, this shall not affect
31 a past allocation of property tax or create a liability for any affected
32 taxing entity.

33 (i) Oversight boards shall have fiduciary responsibilities to
34 holders of enforceable obligations and the taxing entities that
35 benefit from distributions of property tax and other revenues
36 pursuant to Section 34188. Further, the provisions of Division 4
37 (commencing with Section 1000) of the Government Code shall
38 apply to oversight boards. Notwithstanding Section 1099 of the
39 Government Code, or any other law, any individual may
40 simultaneously be appointed to up to five oversight boards and

1 may hold an office in a city, county, city and county, special
 2 district, school district, or community college district.

3 (j) Commencing on and after July 1, 2016, in each county where
 4 more than one oversight board was created by operation of the act
 5 adding this part, there shall be only one oversight board appointed
 6 as follows:

7 (1) One member may be appointed by the county board of
 8 supervisors.

9 (2) One member may be appointed by the city selection
 10 committee established pursuant to Section 50270 of the
 11 Government Code. In a city and county, the mayor may appoint
 12 one member.

13 (3) One member may be appointed by the independent special
 14 district selection committee established pursuant to Section 56332
 15 of the Government Code, for the types of special districts that are
 16 eligible to receive property tax revenues pursuant to Section 34188.

17 (4) One member may be appointed by the county superintendent
 18 of education to represent schools if the superintendent is elected.
 19 If the county superintendent of education is appointed, then the
 20 appointment made pursuant to this paragraph shall be made by the
 21 county board of education.

22 (5) One member may be appointed by the Chancellor of the
 23 California Community Colleges to represent community college
 24 districts in the county.

25 (6) One member of the public may be appointed by the county
 26 board of supervisors.

27 (7) One member may be appointed by the recognized employee
 28 organization representing the largest number of successor agency
 29 employees in the county.

30 (k) The Governor may appoint individuals to fill any oversight
 31 board member position described in subdivision (j) that has not
 32 been filled by July 15, 2016, or any member position that remains
 33 vacant for more than 60 days.

34 (l) Commencing on and after July 1, 2016, in each county where
 35 only one oversight board was created by operation of the act adding
 36 this part, then there will be no change to the composition of that
 37 oversight board as a result of the operation of subdivision (b).

38 (m) Any oversight board for a given successor agency shall
 39 cease to exist when all of the indebtedness of the dissolved
 40 redevelopment agency has been repaid.

1 (n) An oversight board may direct a successor agency to provide
2 additional legal or financial advice than what was given by agency
3 staff.

4 (o) An oversight board is authorized to contract with the county
5 or other public or private agencies for administrative support.

6 (p) On matters within the purview of the oversight board,
7 decisions made by the oversight board supersede those made by
8 the successor agency or the staff of the successor agency.

9 SEC. 3. Section 34191.4 of the Health and Safety Code is
10 amended to read:

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

14 (a) All real property and interests in real property identified in
15 subparagraph (C) of paragraph (5) of subdivision (c) of Section
16 34179.5 shall be transferred to the Community Redevelopment
17 Property Trust Fund of the successor agency upon approval by the
18 Department of Finance of the long-range property management
19 plan submitted by the successor agency pursuant to subdivision
20 (b) of Section 34191.5 unless that property is subject to the
21 requirements of any existing enforceable obligation.

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

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

1 (A) Loan repayments shall not be made prior to the 2013–14
2 fiscal year. Beginning in the 2013–14 fiscal year, the maximum
3 repayment amount authorized each fiscal year for repayments
4 made pursuant to this subdivision and paragraph (7) of subdivision
5 (e) of Section 34176 combined shall be equal to one-half of the
6 increase between the amount distributed to the taxing entities
7 pursuant to paragraph (4) of subdivision (a) of Section 34183 in
8 that fiscal year and the amount distributed to taxing entities
9 pursuant to that paragraph in the 2012–13 base year, provided,
10 however, that calculation of the amount distributed to taxing
11 entities during the 2012–13 base year shall not include any amounts
12 distributed to taxing entities pursuant to the due diligence review
13 process established in Sections 34179.5 to 34179.8, inclusive.
14 Loan or deferral repayments made pursuant to this subdivision
15 shall be second in priority to amounts to be repaid pursuant to
16 paragraph (7) of subdivision (e) of Section 34176.

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

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

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

34 (2) (A) Notwithstanding Section 34177.3 or any other
35 conflicting provision of law, bond proceeds in excess of the
36 amounts needed to satisfy approved enforceable obligations shall
37 thereafter be expended in a manner consistent with the original
38 bond covenants. Enforceable obligations may be satisfied by the
39 creation of reserves for projects that are the subject of the
40 enforceable obligation and that are consistent with the contractual

1 obligations for those projects, or by expending funds to complete
2 the projects. An expenditure made pursuant to this paragraph shall
3 constitute the creation of excess bond proceeds obligations to be
4 paid from the excess proceeds. Excess bond proceeds obligations
5 shall be listed separately on the Recognized Obligation Payment
6 Schedule submitted by the successor agency.

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

11 *(d) Notwithstanding subdivision (b) of Section 34163, if a*
12 *successor agency has received a finding of completion, the*
13 *successor agency may enter into, or amend existing, contracts and*
14 *agreements, or otherwise administer projects in connection with*
15 *enforceable obligations approved pursuant to subdivision (m) of*
16 *Section 34177, including the substitution of private developer*
17 *capital in a disposition and development agreement that has been*
18 *deemed an enforceable obligation, if the contract, agreement, or*
19 *project will not commit new property tax funds, and will not*
20 *otherwise reduce property tax revenues or payments made pursuant*
21 *to paragraph (4) of subdivision (a) of Section 34183 to the taxing*
22 *agencies.*

23 SEC. 4. Section 34191.5 of the Health and Safety Code is
24 amended to read:

25 34191.5. (a) There is hereby established a Community
26 Redevelopment Property Trust Fund, administered by the successor
27 agency, to serve as the repository of the former redevelopment
28 agency's real properties identified in subparagraph (C) of paragraph
29 (5) of subdivision (c) of Section 34179.5.

30 (b) The successor agency shall prepare a long-range property
31 management plan that addresses the disposition and use of the real
32 properties of the former redevelopment agency. The report shall
33 be submitted to the oversight board and the Department of Finance
34 for approval no later than six months following the issuance to the
35 successor agency of the finding of completion.

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

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

- 1 (A) The date of the acquisition of the property and the value of
- 2 the property at that time, and an estimate of the current value of
- 3 the property.
- 4 (B) The purpose for which the property was acquired.
- 5 (C) Parcel data, including address, lot size, and current zoning
- 6 in the former agency redevelopment plan or specific, community,
- 7 or general plan.
- 8 (D) An estimate of the current value of the parcel including, if
- 9 available, any appraisal information.
- 10 (E) An estimate of any lease, rental, or any other revenues
- 11 generated by the property, and a description of the contractual
- 12 requirements for the disposition of those funds.
- 13 (F) The history of environmental contamination, including
- 14 designation as a brownfield site, any related environmental studies,
- 15 and history of any remediation efforts.
- 16 (G) A description of the property’s potential for transit-oriented
- 17 development and the advancement of the planning objectives of
- 18 the successor agency.
- 19 (H) A brief history of previous development proposals and
- 20 activity, including the rental or lease of property.
- 21 (2) Address the use or disposition of all of the properties in the
- 22 trust. Permissible uses include the retention of the property for
- 23 governmental use pursuant to subdivision (a) of Section 34181,
- 24 the retention of the property for future development, the sale of
- 25 the property, or the use of the property to fulfill an enforceable
- 26 obligation. The plan shall separately identify and list properties in
- 27 the trust dedicated to governmental use purposes and properties
- 28 retained for purposes of fulfilling an enforceable obligation. With
- 29 respect to the use or disposition of all other properties, all of the
- 30 following shall apply:
- 31 (A) (i) If the plan directs the use or liquidation of the property
- 32 for a project identified in an approved redevelopment plan, the
- 33 property shall transfer to the city, county, or city and county.
- 34 (ii) For purposes of this subparagraph, the term “identified in
- 35 an approved redevelopment plan” includes properties listed in a
- 36 community plan or a five-year implementation plan.
- 37 (B) If the plan directs the liquidation of the property or the use
- 38 of revenues generated from the property, such as lease or parking
- 39 revenues, for any purpose other than to fulfill an enforceable
- 40 obligation or other than that specified in subparagraph (A), the

1 proceeds from the sale shall be distributed as property tax to the
2 taxing entities.

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

7 *(d) The department may require approval of a compensation*
8 *agreement or agreements, as described in subdivision (f) of Section*
9 *34180, except that the department shall not require approval of a*
10 *compensation agreement or agreements as part of the approval*
11 *process of a long-range property management plan.*

12 *(e) The department shall only consider whether the long-range*
13 *property management plan makes a good faith effort to address*
14 *the requirements set forth in subdivision (c).*

15 *(f) The department shall approve long-range property*
16 *management plans as expeditiously as possible.*

17 *(g) Actions relating to the disposition of property after approval*
18 *of a long-range property management plan shall not require review*
19 *by the department.*