

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 974**

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**Introduced by Assembly Member Bloom**

February 26, 2015

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An act to amend ~~Section 7150.35~~ *Sections 34176 and 34191.4* of the Health and Safety Code, relating to ~~anatomical gifts~~. *community redevelopment.*

LEGISLATIVE COUNSEL'S DIGEST

AB 974, as amended, Bloom. ~~Uniform Anatomical Gift Act. Redevelopment dissolution: housing projects: bond proceeds.~~

*Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law provides for the transfer of housing assets and functions previously performed by the dissolved redevelopment agency to one of several specified public entities. Existing law authorizes the successor housing entity to designate the use of, and commit, proceeds from indebtedness that was issued for affordable housing purposes prior to January 1, 2011, and was backed by the Low and Moderate Income Housing Fund.*

*This bill would instead authorize a successor housing entity to designate the use of, and commit, proceeds from indebtedness that was issued for affordable housing purposes prior to June 28, 2011, and would require the proceeds from bonds issued between January 1, 2011, and June 28, 2011, to be used only for projects meeting certain*

requirements established in this bill for projects, to be funded by successor agencies generally, from proceeds of bonds issued during the same period.

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

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

~~Existing law, the Uniform Anatomical Gift Act, regulates the making of anatomical gifts and the disposition of donated bodies and body parts. Existing law authorizes an individual who is between 15 and 18 years of age to, among other things, make an anatomical gift for any specified purpose only upon the written consent of his or her parent or guardian.~~

~~This bill would make technical, nonsubstantive changes to that provision.~~

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

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

- 1     SECTION 1. Section 34176 of the Health and Safety Code is
- 2     amended to read:
- 3     34176. (a) (1) The city, county, or city and county that
- 4     authorized the creation of a redevelopment agency may elect to
- 5     retain the housing assets and functions previously performed by
- 6     the redevelopment agency. If a city, county, or city and county
- 7     elects to retain the authority to perform housing functions
- 8     previously performed by a redevelopment agency, all rights,
- 9     powers, duties, obligations, and housing assets, as defined in
- 10    subdivision (e), excluding any amounts on deposit in the Low and
- 11    Moderate Income Housing Fund and enforceable obligations

1 retained by the successor agency, shall be transferred to the city,  
2 county, or city and county.

3 (2) The housing successor shall submit to the Department of  
4 Finance by August 1, 2012, a list of all housing assets that contains  
5 an explanation of how the assets meet the criteria specified in  
6 subdivision (e). The Department of Finance shall prescribe the  
7 format for the submission of the list. The list shall include assets  
8 transferred between February 1, 2012, and the date upon which  
9 the list is created. The department shall have up to 30 days from  
10 the date of receipt of the list to object to any of the assets or  
11 transfers of assets identified on the list. If the Department of  
12 Finance objects to assets on the list, the housing successor may  
13 request a meet and confer process within five business days of  
14 receiving the department objection. If the transferred asset is  
15 deemed not to be a housing asset as defined in subdivision (e), it  
16 shall be returned to the successor agency. If a housing asset has  
17 been previously pledged to pay for bonded indebtedness, the  
18 successor agency shall maintain control of the asset in order to  
19 pay for the bond debt.

20 (3) For purposes of this section and Section 34176.1, “housing  
21 successor” means the entity assuming the housing function of a  
22 former redevelopment agency pursuant to this section.

23 (b) If a city, county, or city and county does not elect to retain  
24 the responsibility for performing housing functions previously  
25 performed by a redevelopment agency, all rights, powers, assets,  
26 duties, and obligations associated with the housing activities of  
27 the agency, excluding enforceable obligations retained by the  
28 successor agency and any amounts in the Low and Moderate  
29 Income Housing Fund, shall be transferred as follows:

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

33 (2) If there is one local housing authority in the territorial  
34 jurisdiction of the former redevelopment agency, to that local  
35 housing authority.

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

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

6 (d) Except as specifically provided in Section 34191.4, any  
7 funds transferred to the housing successor, together with any funds  
8 generated from housing assets, as defined in subdivision (e), shall  
9 be maintained in a separate Low and Moderate Income Housing  
10 Asset Fund which is hereby created in the accounts of the housing  
11 successor.

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

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

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

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

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

39 (5) A stream of rents or other payments from housing tenants  
40 or operators of low- and moderate-income housing financed with

1 any source of funds that are used to maintain, operate, and enforce  
2 the affordability of housing or for enforceable obligations  
3 associated with low- and moderate-income housing.

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

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

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

33 (g) (1) (A) The housing successor may designate the use of  
34 and commit indebtedness obligation proceeds that remain after the  
35 satisfaction of enforceable obligations that have been approved in  
36 a Recognized Obligation Payment Schedule and that are consistent  
37 with the indebtedness obligation covenants. The proceeds shall be  
38 derived from indebtedness obligations that were issued for the  
39 purposes of affordable housing prior to ~~January 1, 2011, and were~~  
40 ~~backed by the Low and Moderate Income Housing Fund June 28,~~

1 2011. Bond proceeds from bonds issued between January 1, 2011,  
 2 and June 28, 2011, shall only be used for projects that meet the  
 3 criteria set forth in subparagraphs (A) and (B) of paragraph (3)  
 4 of subdivision (c) of Section 34191.4. Enforceable obligations may  
 5 be satisfied by the creation of reserves for the projects that are the  
 6 subject of the enforceable obligation that are consistent with the  
 7 contractual obligations for those projects, or by expending funds  
 8 to complete the projects.

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

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

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

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

1 34191.4. The following provisions shall apply to any successor  
2 agency that has been issued a finding of completion by the  
3 Department of Finance:

4 (a) All real property and interests in real property identified in  
5 subparagraph (C) of paragraph (5) of subdivision (c) of Section  
6 34179.5 shall be transferred to the Community Redevelopment  
7 Property Trust Fund of the successor agency upon approval by the  
8 Department of Finance of the long-range property management  
9 plan submitted by the successor agency pursuant to subdivision  
10 (b) of Section 34191.5 unless that property is subject to the  
11 requirements of any existing enforceable obligation.

12 (b) (1) Notwithstanding subdivision (d) of Section 34171, upon  
13 application by the successor agency and approval by the oversight  
14 board, loan agreements entered into between the redevelopment  
15 agency and the city, county, or city and county that created the  
16 redevelopment agency shall be deemed to be enforceable  
17 obligations provided that the oversight board makes a finding that  
18 the loan was for legitimate redevelopment purposes.

19 (2) If the oversight board finds that the loan is an enforceable  
20 obligation, the accumulated interest on the remaining principal  
21 amount of the loan shall be recalculated from origination at the  
22 interest rate earned by funds deposited into the Local Agency  
23 Investment Fund. The loan shall be repaid to the city, county, or  
24 city and county in accordance with a defined schedule over a  
25 reasonable term of years at an interest rate not to exceed the interest  
26 rate earned by funds deposited into the Local Agency Investment  
27 Fund. The annual loan repayments provided for in the recognized  
28 obligation payment schedules shall be subject to all of the following  
29 limitations:

30 (A) Loan repayments shall not be made prior to the 2013–14  
31 fiscal year. Beginning in the 2013–14 fiscal year, the maximum  
32 repayment amount authorized each fiscal year for repayments  
33 made pursuant to this subdivision and paragraph ~~(7)~~ (6) of  
34 subdivision (e) of Section 34176 combined shall be equal to  
35 one-half of the increase between the amount distributed to the  
36 taxing entities pursuant to paragraph (4) of subdivision (a) of  
37 Section 34183 in that fiscal year and the amount distributed to  
38 taxing entities pursuant to that paragraph in the 2012–13 base year,  
39 provided, however, that calculation of the amount distributed to  
40 taxing entities during the 2012–13 base year shall not include any

1 amounts distributed to taxing entities pursuant to the due diligence  
2 review process established in Sections 34179.5 to 34179.8,  
3 inclusive. Loan or deferral repayments made pursuant to this  
4 subdivision shall be second in priority to amounts to be repaid  
5 pursuant to paragraph ~~(7)~~ (6) of subdivision (e) of Section 34176.

6 (B) Repayments received by the city, county, or city and county  
7 that formed the redevelopment agency shall first be used to retire  
8 any outstanding amounts borrowed and owed to the Low and  
9 Moderate Income Housing Fund of the former redevelopment  
10 agency for purposes of the Supplemental Educational Revenue  
11 Augmentation Fund and shall be distributed to the Low and  
12 Moderate Income Housing Asset Fund established by subdivision  
13 (d) of Section 34176.

14 (C) Twenty percent of any loan repayment shall be deducted  
15 from the loan repayment amount and shall be transferred to the  
16 Low and Moderate Income Housing Asset Fund, after all  
17 outstanding loans from the Low and Moderate Income Housing  
18 Fund for purposes of the Supplemental Educational Revenue  
19 Augmentation Fund have been paid.

20 (c) (1) Bond proceeds derived from bonds issued on or before  
21 ~~December 31, 2010~~ June 28, 2011, shall be used for the purposes  
22 for which the bonds were sold.

23 (2) ~~(A)~~ Notwithstanding Section 34177.3 or any other  
24 conflicting provision of law, bond proceeds in excess of the  
25 amounts needed to satisfy approved enforceable obligations shall  
26 thereafter be expended in a manner consistent with the original  
27 bond covenants. Enforceable obligations may be satisfied by the  
28 creation of reserves for projects that are the subject of the  
29 enforceable obligation and that are consistent with the contractual  
30 obligations for those projects, or by expending funds to complete  
31 the projects. An expenditure made pursuant to this paragraph shall  
32 constitute the creation of excess bond proceeds obligations to be  
33 paid from the excess proceeds. Excess bond proceeds obligations  
34 shall be listed separately on the Recognized Obligation Payment  
35 Schedule submitted by the successor agency.

36 (3) (A) *Bond proceeds derived from bonds issued between*  
37 *January 1, 2011, and June 28, 2011, shall only be used for projects*  
38 *which meet the following criteria, as determined by a resolution*  
39 *issued by the oversight board:*



1 (i) *The project shall be consistent with the applicable regional*  
2 *sustainable communities strategy or alternative planning strategy*  
3 *adopted pursuant to Section 65080 of the Government Code that*  
4 *the State Air Resources Board has determined would, if*  
5 *implemented, achieve the greenhouse gas emission reduction*  
6 *targets established by the board or, if a sustainable communities*  
7 *strategy is not required for a region by law, a regional*  
8 *transportation plan that includes programs and policies to reduce*  
9 *greenhouse gas emissions.*

10 (ii) *Two or more significant planning or implementation actions*  
11 *shall have occurred on or before December 31, 2010. The term*  
12 *“significant planning and implementation actions” means any of*  
13 *the following:*

14 (I) *An action approved by the governing body of the city, county,*  
15 *city and county, the board of the former redevelopment agency,*  
16 *or the planning commission directly related to the planning or*  
17 *implementation of the project.*

18 (II) *The project is included within an approved city, county, city*  
19 *and county, or redevelopment agency planning document,*  
20 *including, but not limited to, a redevelopment agency five-year*  
21 *implementation plan, capital improvement plan, master plan, or*  
22 *other planning document.*

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

28 (iii) *Documentation dated on or before December 31, 2010,*  
29 *shall be provided indicating the intention to finance all or a portion*  
30 *of the project with the future issuance of long-term debt, or*  
31 *documentation showing that the issuance of long-term*  
32 *redevelopment agency debt was being planned on or before*  
33 *December 31, 2010.*

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

38 (v) *For each construction contract over two hundred fifty*  
39 *thousand dollars (\$250,000), the successor agency shall require*  
40 *prospective contractors to submit a standardized questionnaire*

1 *and financial statements as part of their bid package, to establish*  
 2 *the contractor’s financial ability and experience in performing*  
 3 *large construction projects.*

4 (B) *Any city, county, or city and county that funded an eligible*  
 5 *project, meeting the criteria listed in clauses (i) to (iii), inclusive,*  
 6 *of subparagraph (A) with funds other than redevelopment funds,*  
 7 *between June 28, 2011, and the effective date of the act adding*  
 8 *this paragraph, shall be eligible to be reimbursed utilizing 2011*  
 9 *bond proceeds, if the project meets the purpose for which the bonds*  
 10 *were issued.*

11 (C) *Any successor agency requesting the use of bond proceeds*  
 12 *derived from bonds issued between January 1, 2011, and June 28,*  
 13 *2011, in accordance with subparagraphs (A) and (B), shall place*  
 14 *that request on its Recognized Obligation Payment Schedule. The*  
 15 *successor agency shall place each project on a separate*  
 16 *Recognized Obligation Payment Schedule line item. The successor*  
 17 *agency shall detail in the resolution adopting the Recognized*  
 18 *Obligation Payment Schedule how each project will meet the*  
 19 *requirements in subparagraphs (A) and (B), and all documentation*  
 20 *showing how the project meets those shall be attached to the*  
 21 *resolution. The resolution adopting the Recognized Obligation*  
 22 *Payment Schedule, including the supporting documentation, shall*  
 23 *be forwarded to the Department of Finance for review and*  
 24 *approval or denial. Pursuant to subdivision (h) of Section 34179,*  
 25 *the Department of Finance may review and deny any action by*  
 26 *the oversight board.*

27 ~~(B)~~

28 (4) *If remaining bond proceeds derived from bonds issued on*  
 29 *or before December 31, 2010, cannot be spent in a manner*  
 30 *consistent with the bond covenants pursuant to ~~subparagraph (A)~~*  
 31 *paragraph (2), or if bond proceeds derived from bonds issued*  
 32 *between January 1, 2011, and June 28, 2011, cannot be used for*  
 33 *projects that met the requirements in subparagraphs (A) and (B)*  
 34 *of paragraph (3), the proceeds shall be used to defease the bonds*  
 35 *or to purchase those same outstanding bonds on the open market*  
 36 *for cancellation. If only a portion of the bonds proceeds will be*  
 37 *used, the successor agency shall defease or purchase bonds for*  
 38 *cancellation in a manner that maximizes fiscal savings.*

39 (5) *If bond proceeds derived from bonds issued between January*  
 40 *1, 2011, and June 28, 2011, can be used for projects that met the*

1 *requirements in subparagraphs (A) and (B) of paragraph (3), the*  
2 *corresponding bonds shall be refinanced, when refinancing is*  
3 *allowed according to the bond's indenture, to reduce debt service*  
4 *costs by lowering interest rates according to the provisions set*  
5 *forth in subdivision (a) of Section 34117.5.*

6 ~~SECTION 1. Section 7150.35 of the Health and Safety Code~~  
7 ~~is amended to read:~~

8 ~~7150.35. (a) Except as otherwise provided in subdivision (g)~~  
9 ~~and subject to subdivision (f), in the absence of an express, contrary~~  
10 ~~indication by the donor, a person other than the donor is barred~~  
11 ~~from making, amending, or revoking an anatomical gift of a~~  
12 ~~donor's body or part if the donor made an anatomical gift of the~~  
13 ~~donor's body or part under Section 7150.20 or an amendment to~~  
14 ~~an anatomical gift of the donor's body or part under Section~~  
15 ~~7150.25.~~

16 ~~(b) A donor's revocation of an anatomical gift of the donor's~~  
17 ~~body or part under Section 7150.25 is not a refusal and does not~~  
18 ~~bar another person specified in Section 7150.15 or 7150.40 from~~  
19 ~~making an anatomical gift of the donor's body or part under Section~~  
20 ~~7150.20 or 7150.45.~~

21 ~~(c) If a person other than the donor makes an unrevoked~~  
22 ~~anatomical gift of the donor's body or part under Section 7150.20~~  
23 ~~or an amendment to an anatomical gift of the donor's body or part~~  
24 ~~under Section 7150.25, another person may not make, amend, or~~  
25 ~~revoke the gift of the donor's body or part under Section 7150.45.~~

26 ~~(d) A revocation of an anatomical gift of a donor's body or part~~  
27 ~~under Section 7150.25 by a person other than the donor does not~~  
28 ~~bar another person from making an anatomical gift of the body or~~  
29 ~~part under Section 7150.20 or 7150.45.~~

30 ~~(e) In the absence of an express, contrary indication by the donor~~  
31 ~~or other person authorized to make an anatomical gift under Section~~  
32 ~~7150.15, an anatomical gift of a part is neither a refusal to give~~  
33 ~~another part nor a limitation on the making of an anatomical gift~~  
34 ~~of another part at a later time by the donor or another person.~~

35 ~~(f) In the absence of an express, contrary indication by the donor~~  
36 ~~or other person authorized to make an anatomical gift under Section~~  
37 ~~7150.15, an anatomical gift of a part for one or more of the~~  
38 ~~purposes set forth in Section 7150.15 is not a limitation on the~~  
39 ~~making of an anatomical gift of the part for any of the other~~

1 purposes by the donor or any other person under Section 7150.20  
2 or 7150.45.  
3 ~~(g) Notwithstanding subdivision (a), an individual who is~~  
4 ~~between 15 and 18 years of age may make an anatomical gift for~~  
5 ~~any purpose authorized in this chapter, limit an anatomical gift to~~  
6 ~~one or more of those purposes, refuse to make an anatomical gift,~~  
7 ~~or amend or revoke an anatomical gift, only upon the written~~  
8 ~~consent of the parent or guardian. If a donor who is an~~  
9 ~~unemancipated minor dies, a parent of the donor who is reasonably~~  
10 ~~available may revoke or amend an anatomical gift of the donor's~~  
11 ~~body or part.~~