

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2031**

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**Introduced by Assembly Members Bonta and Atkins  
(Coauthors: Assembly Members Low and Mullin)**

February 16, 2016

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An act to *add Part 1.87 (commencing with Section 34191.30) to Division 24 of the Health and Safety Code*, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2031, as amended, Bonta. Local government: affordable housing: financing.

*Existing law requires, from February 1, 2012, to July 1, 2012, inclusive, and for each fiscal year thereafter, the county auditor-controller in each county to allocate property tax revenues in the county's Redevelopment Property Tax Trust Fund, established to receive revenues equivalent to those that would have been allocated to former redevelopment agencies had those agencies not been dissolved, towards the payment of enforceable obligations and among entities that include, among others, a city and the county or the city and county.*

*This bill would authorize a city or county that formed a redevelopment agency and became the successor agency that received a finding of completion from the Department of Finance to reject its allocations of property tax revenues from the trust fund. The bill would direct those rejected property tax revenues to an affordable housing special beneficiary district, established as a temporary and distinct local governmental entity for the purposes of receiving a rejected distribution of property tax proceeds and promoting affordable housing by providing financing assistance within its boundaries. The bill would require a*

*beneficiary district to be governed by a 5-member board and comply with specified open meeting and public record laws. The bill would require a beneficiary district to cease to exist on the 90th calendar day after the date the county auditor-controller makes the final transfer of the distribution of property tax revenues to the beneficiary district, and prohibit a beneficiary district from undertaking any obligation that requires its action past that date. The bill would transfer any funds and public records of a beneficiary district remaining after the date the beneficiary district ceases to exist to the city or county that rejected the of property tax revenues thereafter directed to that district, as specified.*

~~Existing law establishes various programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, veteran housing, home ownership for very low and low-income households, and downpayments for first-time homebuyers. Additionally, the Housing Authorities Law establishes public corporations known as housing authorities within each city and county in this state, and authorizes these housing authorities to undertake various actions for the purpose of increasing the availability of housing.~~

~~This bill would state the intent of the Legislature to enact legislation that would allow local governments to provide additional funding for affordable housing.~~

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

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

1 SECTION 1. Part 1.87 (commencing with Section 34191.30)  
2 is added to Division 24 of the Health and Safety Code, to read:

3  
4 PART 1.87. AFFORDABLE HOUSING SPECIAL BENEFICIARY  
5 DISTRICT

6  
7 34191.30 For purposes of this part, the following definitions  
8 shall apply:

9 (a) "Affordable housing" means a dwelling available for  
10 purchase or lease by persons and families who qualify as low or  
11 moderate income, as defined in Section 50093 of the Health and  
12 Safety Code, very low income households, as defined in Section  
13 50105 of the Health and Safety Code, or extremely low income

1 households, as defined in Section 50106 of the Health and Safety  
2 Code.

3 (b) “Beneficiary district” is an affordable housing special  
4 beneficiary district established pursuant to this part that exists for  
5 a limited duration as a distinct local governmental entity for the  
6 purposes of receiving rejected distributions of property tax  
7 revenues and providing financing assistance to promote affordable  
8 housing within its boundaries.

9 (c) “Distributions of property tax revenues” means all property  
10 tax revenues a city or county would be entitled to receive pursuant  
11 to Part 1.85.

12 34191.35. (a) Commencing when a successor entity receives  
13 a finding of completion pursuant to Section 34179.7, there exists,  
14 within the same geographical boundaries of the jurisdiction of  
15 that successor agency, an affordable housing special beneficiary  
16 district.

17 (b) (1) A beneficiary district ceases to exist on the 90th calendar  
18 day after the date the county auditor-controller makes the final  
19 transfer of distributed property tax revenues to the beneficiary  
20 district. On and after the date a beneficiary district ceases to exist,  
21 the beneficiary district shall not have the authority to conduct any  
22 business, including, but not limited to, taking any action or making  
23 any payment, and any funds of the beneficiary district shall  
24 automatically transfer to the city or county that rejected its  
25 distributions of property tax revenues pursuant to Section 34191.45  
26 that were thereafter directed to the district.

27 (2) Notwithstanding Section 34191.40, the terms of the members  
28 of the board of a beneficiary district shall expire on the date the  
29 beneficiary district ceases to exist.

30 (3) Any legal right of the beneficiary district on or after the date  
31 the beneficiary district ceases to exist, including, but not limited  
32 to, the right to repayment pursuant to a loan made by the  
33 beneficiary district, is the right of the city or county that rejected  
34 its distributions of property tax revenues pursuant to Section  
35 34191.45 that was thereafter directed to the district.

36 34191.40. (a) A beneficiary district shall be governed by a  
37 board composed of the following five members:

38 (1) Three members of the city council, if a city formed the  
39 redevelopment agency and became the successor agency that  
40 received the finding of completion pursuant to Section 34179.7,

1 or three members of the board of supervisors, if a county formed  
 2 the redevelopment agency and became the successor agency that  
 3 received the finding of completion pursuant to Section 34179.7.  
 4 The three members shall be appointed by the city council or board  
 5 of supervisors, as applicable.

6 (2) The treasurer of the city or county that formed the  
 7 redevelopment agency and became the successor agency that  
 8 received the finding of completion pursuant to Section 34179.7.

9 (3) One member of the public who lives within the boundaries  
 10 of the beneficiary district who is appointed by the city council or  
 11 county board of supervisors of the city or county that formed the  
 12 redevelopment agency and became the successor agency that has  
 13 received a finding of completion pursuant to Section 34179.7.

14 (b) The board shall elect one of its members as the chairperson.

15 (c) Each member shall serve a term of four years from the date  
 16 of his or her appointment. Vacancies on the board shall be filled  
 17 by the appointing authority for a new four-year term. A member  
 18 may be reappointed.

19 (d) Each member shall serve without compensation.

20 34191.45. Notwithstanding any other law, a city or county that  
 21 formed a redevelopment agency and became the successor agency  
 22 that received the finding of completion pursuant to Section 34179.7,  
 23 may by ordinance or resolution reject its distributions of property  
 24 tax revenues from the trust fund. Except as provided in subdivision  
 25 (b) of Section 34191.35, on and after the date that a city or county  
 26 rejects its distributions of property tax revenues, the city or county  
 27 shall not have any claim to, or control over, the distributions of  
 28 property tax revenues it may have otherwise received pursuant to  
 29 Part 1.85, and the county auditor-controller shall transfer all of  
 30 that distribution of property tax revenues to the beneficiary district.

31 34191.50. (a) A beneficiary district shall only promote the  
 32 development of affordable housing within its boundaries.

33 (b) A beneficiary district may promote the development of  
 34 affordable housing by doing any of the following:

35 (1) Issuing bonds to be repaid from the property tax revenues  
 36 directed to the district.

37 (2) Providing financial assistance for the development of  
 38 affordable housing, including, but not limited to, providing loans,  
 39 grants, and other financial incentives and support.

1 (3) Taking other actions the board determines will promote the  
2 financing of the development of affordable housing within its  
3 boundaries.

4 (c) A beneficiary district shall not undertake any obligation that  
5 requires an action after the date it will cease to exist, including,  
6 but not limited to, issuing a bond that requires any repayment of  
7 the bond obligation after the date the beneficiary district will cease  
8 to exist.

9 34191.55. (1) A beneficiary district shall comply with the  
10 Ralph M. Brown Act (Chapter 9 (commencing with Section 54950)  
11 of Part 1 of Division 2 of Title 5 of the Government Code) and the  
12 California Public Records Act (Chapter 3.5 (commencing with  
13 Section 6250) of Division 7 of Title 1 of the Government Code).

14 (2) When a beneficiary district ceases to exist pursuant to  
15 subdivision (b) of Section 34191.35, a public record of the  
16 beneficiary district shall be the property of the city or county that  
17 rejected its distribution of property tax proceeds pursuant to  
18 Section 34191.45.

19 ~~SECTION 1. It is the intent of the Legislature to enact~~  
20 ~~legislation that would allow local governments to provide~~  
21 ~~additional funding for affordable housing.~~