

AMENDED IN SENATE AUGUST 2, 2016

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.~~ *that it would otherwise receive pursuant to specified statutory provisions governing the dissolution of redevelopment agencies. The bill would except from this authorization a city, county, or city and county that became the successor agency to*

*the redevelopment agency and did not receive a finding of completion from the Department of Finance, as specified, and any designated local authority of a redevelopment agency, formed as specified, that did not receive the finding of completion from the Department of Finance.* 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.

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  
 5 BENEFICIARY 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, 50093~~, very low income households, as defined in  
 13 Section ~~50105 of the Health and Safety Code, 50105~~, or extremely  
 14 low income households, as defined in Section ~~50106 of the Health~~  
 15 ~~and Safety Code. 50106.~~

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

7 (c) “Distributions of property tax revenues” means all property  
8 tax revenues a city or county would be entitled to receive pursuant  
9 to ~~Part 1.85~~. *1.85 (commencing with Section 34170)*.

10 34191.35. (a) Commencing when a successor ~~entity~~ *entity*,  
11 *including a designated local authority established pursuant to*  
12 *subdivision (d) of Section 34173*, receives a finding of completion  
13 pursuant to Section 34179.7, there exists, within the same  
14 geographical boundaries of the jurisdiction of that successor  
15 ~~agency~~; *entity*, an affordable housing special beneficiary district.

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

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

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

35 34191.40. (a) A beneficiary district shall be governed by a  
36 board composed of the following five members:

37 (1) Three members of the city council, if a city formed the  
38 redevelopment ~~agency~~ and ~~became the successor agency that~~  
39 ~~received the finding of completion pursuant to Section 34179.7~~,  
40 *agency*, or three members of the board of supervisors, if a county

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

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

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 agency.

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

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

20 (d) Each member shall serve without compensation.

21 34191.45. (a) Notwithstanding any other law, a city or county  
 22 that formed a redevelopment agency and became the successor  
 23 agency that received the finding of completion pursuant to Section  
 24 34179.7, may by ordinance or resolution reject its distributions of  
 25 property tax revenues from the trust fund. *that it would otherwise*  
 26 *receive pursuant to Part 1.85 (commencing with Section 34170).*  
 27 Except as provided in subdivision (b) of Section 34191.35, on and  
 28 after the date that a city or county rejects its distributions of  
 29 property tax revenues, the city or county shall not have any claim  
 30 to, or control over, the distributions of property tax revenues it  
 31 may have otherwise received pursuant to Part 1.85, 1.85  
 32 (commencing with Section 34170), and the county  
 33 auditor-controller shall transfer all of that distribution of property  
 34 tax revenues to the beneficiary district.

35 (b) *This section shall not apply to any city, county, or city and*  
 36 *county that formed a redevelopment agency if either of the*  
 37 *following apply:*

38 (1) *The city, county, or city and county became the successor*  
 39 *agency to the redevelopment agency and did not receive a finding*  
 40 *of completion pursuant to Section 34179.7.*

1 (2) *The designated local authority of the redevelopment agency,*  
2 *formed pursuant to subdivision (d) of Section 34173, did not*  
3 *receive the finding of completion pursuant to Section 34179.7.*

4 34191.50. (a) A beneficiary district shall only promote the  
5 development of affordable housing within its boundaries.

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

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

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

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

16 (c) A beneficiary district shall not undertake any obligation that  
17 requires an action after the date it will cease to exist, including,  
18 but not limited to, issuing a bond that requires any repayment of  
19 the bond obligation after the date the beneficiary district will cease  
20 to exist.

21 34191.55. ~~(1)-(a)~~ A beneficiary district shall comply with the  
22 Ralph M. Brown Act (Chapter 9 (commencing with Section 54950)  
23 of Part 1 of Division 2 of Title 5 of the Government Code) and the  
24 California Public Records Act (Chapter 3.5 (commencing with  
25 Section 6250) of Division 7 of Title 1 of the Government Code).

26 ~~(2)~~

27 (b) When a beneficiary district ceases to exist pursuant to  
28 subdivision (b) of Section 34191.35, a public record of the  
29 beneficiary district shall be the property of the city or county that  
30 rejected its distribution of property tax ~~proceeds~~ *revenues* pursuant  
31 to Section 34191.45.