

AMENDED IN SENATE AUGUST 19, 2016

AMENDED IN SENATE AUGUST 2, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2031

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

February 16, 2016

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 to reject its allocations of property tax revenues 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 *distributions of* property tax revenues to an affordable housing special beneficiary district, established as a temporary and distinct local governmental entity for the *express* purposes of receiving a rejected ~~distribution~~ *distributions* of property tax ~~proceeds~~ *revenues* and ~~promoting~~ *providing financing assistance* to promote 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 *automatically* 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,~~ *on a specifically calculated date* 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 its* property tax revenues *that were* thereafter directed to that *beneficiary* 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, very low income
 12 households, as defined in Section 50105, or extremely low income
 13 households, as defined in Section 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 *express* purposes of receiving rejected distributions of property
5 tax revenues and providing financing assistance to promote
6 affordable housing 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 (commencing with Section 34170).

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

16 (b) (1) A beneficiary district ~~ceases~~ *shall cease* to exist on the
17 *earlier of the 90th calendar day after the date the* ~~county~~
18 ~~auditor-controller makes the final transfer of distributed property~~
19 ~~tax revenues to the beneficiary district.~~ *Department of Finance*
20 *approves a request to dissolve the successor entity pursuant to*
21 *Section 34187, or the 20th anniversary of the date that the*
22 *successor entity received a finding of completion pursuant to*
23 *Section 34179.7. On and after the date a beneficiary district ceases*
24 *to exist, the beneficiary district shall not have the authority to*
25 *conduct any business, including, but not limited to, taking any*
26 *action or making any payment, and any funds of the beneficiary*
27 *district shall automatically transfer to the city or county that*
28 *rejected its distributions of property tax revenues pursuant to*
29 *Section 34191.45 that were thereafter directed to the* *beneficiary*
30 *district.*

31 (2) Notwithstanding Section 34191.40, the terms of the members
32 of the board of a beneficiary district shall expire on the date the
33 beneficiary district ceases to exist.

34 (3) Any legal right of the beneficiary district on or after the date
35 the beneficiary district ceases to exist, including, but not limited
36 to, the right to repayment pursuant to a loan made by the
37 beneficiary district, is the right of the city or county that rejected
38 its distributions of property tax revenues pursuant to Section
39 34191.45 that was thereafter directed to the *beneficiary* district.

1 34191.40. (a) A beneficiary district shall be governed by a
 2 board composed of the following five members:

3 (1) Three members of the city council, if a city formed the
 4 redevelopment agency, or three members of the board of
 5 supervisors, if a county formed the redevelopment agency. The
 6 three members shall be appointed by the city council or board of
 7 supervisors, as applicable.

8 (2) The treasurer of the city or county that formed the
 9 redevelopment agency.

10 (3) One member of the public who lives within the boundaries
 11 of the beneficiary district who is appointed by the city council or
 12 county board of supervisors of the city or county that formed the
 13 redevelopment agency.

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

32 (b) This section shall not apply to any city, county, or city and
 33 county that formed a redevelopment agency if either of the
 34 following apply:

35 (1) The city, county, or city and county became the successor
 36 agency to the redevelopment agency and did not receive a finding
 37 of completion pursuant to Section 34179.7.

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

1 34191.50. (a) A beneficiary district shall ~~only promote~~ *use*
2 *any funds provided to it for the express purpose of promoting* the
3 development of affordable housing within its boundaries.

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

6 (1) Issuing bonds to be repaid from the *distributions of* property
7 tax revenues directed to the *beneficiary* district.

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

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

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

19 34191.55. (a) A beneficiary district shall comply with the
20 Ralph M. Brown Act (Chapter 9 (commencing with Section 54950)
21 of Part 1 of Division 2 of Title 5 of the Government Code) and the
22 California Public Records Act (Chapter 3.5 (commencing with
23 Section 6250) of Division 7 of Title 1 of the Government Code).

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