

## Assembly Bill No. 2031

### CHAPTER 453

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.

[Approved by Governor September 22, 2016. Filed with  
Secretary of State September 22, 2016.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2031, 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, county, or 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 rejected distributions of property tax revenues and providing financing assistance to promote affordable housing 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 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 its distributions of property tax revenues that were thereafter directed to that beneficiary district, as specified.

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

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

PART 1.87. AFFORDABLE HOUSING SPECIAL BENEFICIARY DISTRICT

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

(a) "Affordable housing" means a dwelling available for purchase or lease by persons and families who qualify as low or moderate income, as defined in Section 50093, very low income households, as defined in Section 50105, or extremely low income households, as defined in Section 50106.

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

(c) "Distributions of property tax revenues" means all property tax revenues a city or county would be entitled to receive pursuant to Part 1.85 (commencing with Section 34170).

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

(b) (1) A beneficiary district shall cease to exist on the earlier of the 90th calendar day after the date the Department of Finance approves a request to dissolve the successor entity pursuant to Section 34187, or the 20th anniversary of the date that the successor entity received a finding of completion pursuant to Section 34179.7. On and after the date a beneficiary district ceases to exist, the beneficiary district shall not have the authority to conduct any business, including, but not limited to, taking any action or making any payment, and any funds of the beneficiary district shall automatically transfer to the city or county that rejected its distributions of property tax revenues pursuant to Section 34191.45 that were thereafter directed to the beneficiary district.

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

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

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

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

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

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

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

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

(d) Each member shall serve without compensation.

34191.45. (a) Notwithstanding any other law, a city or county may by ordinance or resolution reject its distributions of property tax revenues that it would otherwise receive pursuant to Part 1.85 (commencing with Section 34170). Except as provided in subdivision (b) of Section 34191.35, on and after the date that a city or county rejects its distributions of property tax revenues, the city or county shall not have any claim to, or control over, the distributions of property tax revenues it may have otherwise received pursuant to Part 1.85 (commencing with Section 34170), and the county auditor-controller shall transfer all of the distributions of property tax revenues to the beneficiary district.

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

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

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

34191.50. (a) A beneficiary district shall use any funds provided to it for the express purpose of promoting the development of affordable housing within its boundaries.

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

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

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

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

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

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

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