

**Introduced by Senator Kopp**

February 5, 1997

---

---

An act to amend Section 33080.1 of, and to add Section 33763.5 to, the Health and Safety Code, and to amend Section 97.4 of the Revenue and Taxation Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 275, as introduced, Kopp. Redevelopment.

(1) The existing Community Redevelopment Law requires each redevelopment agency to present an annual report to its legislative body containing specified information including an independent financial audit, a fiscal statement for the previous fiscal year, a description of the agency's activities affecting housing and displacement, and any other information the agency believes useful to explain its programs.

This bill would impose a state-mandated local program by requiring each redevelopment agency to include in its annual report a description of the agency's progress in alleviating blight, as specified, a list of, and status report on, all loans made by the redevelopment agency that are \$50,000 or more, that are in default, or not in compliance with the terms of the loan approved by the redevelopment agency, and a description of the number and nature of the properties that the agency has acquired.

(2) Under existing law, a redevelopment agency is authorized to make mortgage or construction loans to finance residential construction.

This bill would require that all loans made by a redevelopment agency to be made according to a regulation that contains standards, qualifications, and criteria for the making and approval of loans and that has been adopted by the redevelopment agency at a public meeting. These requirements would constitute a state-mandated local program.

Existing law provides that for the 1992–93 fiscal year and each fiscal year thereafter, in any county in which property tax increment revenues are allocated to a redevelopment agency pursuant to the Community Redevelopment Law, the county auditor is required to deposit in the Educational Revenue Augmentation Fund an amount that is equal to the total amount of revenues that would be so deposited pursuant to specified provisions of the Revenue and Taxation Code if no reduction were made in that amount of revenues for purposes of allocations to a redevelopment agency pursuant to specified provisions of the Community Redevelopment Law.

This bill would restrict the applicability of these provisions to the amounts initially established for the Educational Revenue Augmentation Fund in the 1992–93 and 1993–94 fiscal years.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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



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

1 SECTION 1. Section 33080.1 of the Health and Safety  
2 Code is amended to read:

3 33080.1. Every redevelopment agency shall present  
4 an annual report to its legislative body within six months  
5 of the end of the agency's fiscal year. The annual report  
6 shall contain all of the following:

7 (a) (1) An independent financial audit report for the  
8 previous fiscal year. "Audit report" means an  
9 examination of, and opinion on, the financial statements  
10 of the agency which present the results of the operations  
11 and financial position of the agency, including all  
12 financial activities with moneys required to be held in a  
13 separate Low and Moderate Income Housing Fund  
14 pursuant to Section 33334.3, and including an opinion  
15 with respect to the accuracy of the statement of the  
16 information contained in the resolution adopted pursuant  
17 to Section 33682 and the existence of other funds to make  
18 the payments required by Section 33681. This audit shall  
19 be conducted in accordance with generally accepted  
20 auditing standards and the rules governing audit reports  
21 promulgated by the State Board of Accountancy. The  
22 audit report shall also include an opinion of the agency's  
23 compliance with laws, regulations, and administrative  
24 requirements governing activities of the agency.

25 (2) However, the legislative body may elect to omit  
26 from inclusion in the audit report any distinct activity of  
27 the agency that is funded exclusively by the federal  
28 government and that is subject to audit by the federal  
29 government.

30 (b) A fiscal statement for the previous fiscal year that  
31 contains the information required pursuant to Section  
32 33080.5.

33 (c) A description of the agency's activities affecting  
34 housing and displacement ~~which~~ *that* contains the  
35 information required by Sections 33080.4 and 33080.7.

36 (d) *A description of the agency's progress in*  
37 *alleviating blight pursuant to Article 2 (commencing*  
38 *with Section 33020).*



1 (e) A list of, and status report on, all loans made by the  
2 redevelopment agency that are fifty thousand dollars  
3 (\$50,000) or more, that are in default, or not in  
4 compliance with the terms of the loan approved by the  
5 redevelopment agency.

6 (f) A description of the number and nature of the  
7 properties that the agency has acquired.

8 (g) Any other information ~~which~~ that the agency  
9 believes useful to explain its programs, including, but not  
10 limited to, the number of jobs created as a result of its  
11 activities.

12 SEC. 2. Section 33763.5 is added to the Health and  
13 Safety Code, to read:

14 33763.5. All loans made by a redevelopment agency  
15 shall be made according to a regulation that contains  
16 standards, qualifications, and criteria for the making and  
17 approval of loans and that has been adopted by the  
18 redevelopment agency at a public meeting.

19 SEC. 3. Section 97.4 of the Revenue and Taxation  
20 Code is amended to read:

21 97.4. (a) Notwithstanding Section 97.2 or 97.3 or any  
22 other provision of this chapter, in implementing the  
23 changes in allocations of property tax revenues required  
24 by Sections 97, 97.1, 97.2, and 97.3, the county auditor may  
25 elect to determine and give effect to the changes in  
26 allocations of property tax revenues required by Sections  
27 97, 97.1, 97.2, and 97.3 on a countywide, rather than tax  
28 rate area, basis. If the county auditor so elects, he or she  
29 shall ensure adequate recognition of year-to-year  
30 revenue growth so that the results of changes  
31 implemented on a countywide basis do not differ  
32 materially from the results which would be obtained from  
33 the use of a tax rate area basis.

34 (b) (1) Notwithstanding any other provision of law,  
35 for the 1992–93 fiscal year and each fiscal year thereafter,  
36 *for the amounts initially established for the Educational*  
37 *Revenue Augmentation Fund in the 1992–93 and 1993–94*  
38 *fiscal years*, in any county in which property tax  
39 increment revenues are allocated to a redevelopment  
40 agency pursuant to Section 33670 of the Health and Safety



1 Code, the county auditor shall deposit in the Educational  
2 Revenue Augmentation Fund an amount that is equal to  
3 the total amount of revenues that would be so deposited  
4 pursuant to Sections 97, 97.1, 97.2, and 97.3 if no reduction  
5 were made in that amount of revenues for purposes of  
6 allocations to a redevelopment agency pursuant to  
7 Section 33670 of the Health and Safety Code. Those  
8 revenues deposited in the Educational Revenue  
9 Augmentation Fund in accordance with this paragraph  
10 shall be allocated or transferred only to school districts,  
11 county offices of education, or community college  
12 districts, in accordance with subdivision (d) of either  
13 Section 97.2 or 97.3.

14 (2) The deposit of property tax revenue in the  
15 Educational Revenue Augmentation Fund in accordance  
16 with paragraph (1) shall not reduce or otherwise affect  
17 the amount of property tax revenue to be allocated to a  
18 redevelopment agency pursuant to subdivision (b) of  
19 Section 33670 of the Health and Safety Code, and any  
20 additional amount required to be allocated to the  
21 Educational Revenue Augmentation Fund pursuant to  
22 paragraph (1) shall be deducted from those amounts  
23 allocated to the county, cities, and special districts with  
24 respect to each tax rate area in which property tax  
25 increment revenues are allocated to a redevelopment  
26 agency. These reductions shall be made in proportion to  
27 the total amount of the reductions required with respect  
28 to the county and each city and special district in each of  
29 these redevelopment agency tax rate areas under  
30 Sections 97, 97.1, 97.2, and 97.3.

31 (3) This subdivision shall not require the modification  
32 of any property tax revenue allocation that was made by  
33 the county auditor for the 1992–93 fiscal year in a manner  
34 inconsistent with paragraph (1) or (2), if that allocation  
35 was implemented on or before June 30, 1993. However,  
36 property tax revenue allocations made in the 1993–94  
37 fiscal year and any fiscal year thereafter shall be  
38 determined by the county auditor as if the allocations  
39 made for the 1992–93 fiscal year had been made in a  
40 manner consistent with paragraph (1).



1 SEC. 4. Notwithstanding Section 17610 of the  
2 Government Code, if the Commission on State Mandates  
3 determines that this act contains costs mandated by the  
4 state, reimbursement to local agencies and school  
5 districts for those costs shall be made pursuant to Part 7  
6 (commencing with Section 17500) of Division 4 of Title  
7 2 of the Government Code. If the statewide cost of the  
8 claim for reimbursement does not exceed one million  
9 dollars (\$1,000,000), reimbursement shall be made from  
10 the State Mandates Claims Fund.

11 Notwithstanding Section 17580 of the Government  
12 Code, unless otherwise specified, the provisions of this act  
13 shall become operative on the same date that the act  
14 takes effect pursuant to the California Constitution.

