

AMENDED IN SENATE APRIL 14, 1997

AMENDED IN SENATE APRIL 1, 1997

AMENDED IN SENATE MARCH 12, 1997

**SENATE BILL**

**No. 275**

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**Introduced by Senator Kopp**

February 5, 1997

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

LEGISLATIVE COUNSEL'S DIGEST

SB 275, as amended, 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 *in the previous fiscal year*, as specified, a list of, and status report on, all loans made by the redevelopment agency that are \$50,000 or more that ~~are~~ *were* in default *in the previous fiscal year*, 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 *in the previous fiscal year*.

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

This bill would require 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.

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



1 separate Low and Moderate Income Housing Fund  
2 pursuant to Section 33334.3, and including an opinion  
3 with respect to the accuracy of the statement of the  
4 information contained in the resolution adopted pursuant  
5 to Section 33682 and the existence of other funds to make  
6 the payments required by Section 33681. This audit shall  
7 be conducted in accordance with generally accepted  
8 auditing standards and the rules governing audit reports  
9 promulgated by the State Board of Accountancy. The  
10 audit report shall also include an opinion of the agency's  
11 compliance with laws, regulations, and administrative  
12 requirements governing activities of the agency.

13 (2) However, the legislative body may elect to omit  
14 from inclusion in the audit report any distinct activity of  
15 the agency that is funded exclusively by the federal  
16 government and that is subject to audit by the federal  
17 government.

18 (b) A fiscal statement for the previous fiscal year that  
19 contains the information required pursuant to Section  
20 33080.5.

21 (c) A description of the agency's activities *in the*  
22 *previous fiscal year* affecting housing and displacement  
23 that contains the information required by Sections  
24 33080.4 and 33080.7.

25 (d) A description of the agency's progress ~~in~~  
26 ~~alleviating blight pursuant to Article 2 (commencing~~  
27 ~~with Section 33020)~~, *including specific actions and*  
28 *expenditures, in alleviating blight in the previous fiscal*  
29 *year.*

30 (e) A list of, and status report on, all loans made by the  
31 redevelopment agency that are fifty thousand dollars  
32 (\$50,000) or more, that ~~are~~ *in the previous fiscal year*  
33 *were* in default, or not in compliance with the terms of  
34 the loan approved by the redevelopment agency.

35 (f) A description of the number and nature of the  
36 properties that the agency has acquired *in the previous*  
37 *fiscal year.*

38 (g) Any other information that the agency believes  
39 useful to explain its programs, including, but not limited



1 to, the number of jobs created *in the previous fiscal year*  
2 as a result of its activities.

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

5 33763.5. All loans made by a redevelopment agency  
6 shall be made according to a regulation that contains  
7 standards, qualifications, and criteria for the making and  
8 approval of loans and that has been adopted by the  
9 redevelopment agency at a public meeting.

10 SEC. 3. Notwithstanding Section 17610 of the  
11 Government Code, if the Commission on State Mandates  
12 determines that this act contains costs mandated by the  
13 state, reimbursement to local agencies and school  
14 districts for those costs shall be made pursuant to Part 7  
15 (commencing with Section 17500) of Division 4 of Title  
16 2 of the Government Code. If the statewide cost of the  
17 claim for reimbursement does not exceed one million  
18 dollars (\$1,000,000), reimbursement shall be made from  
19 the State Mandates Claims Fund.

20 Notwithstanding Section 17580 of the Government  
21 Code, unless otherwise specified, the provisions of this act  
22 shall become operative on the same date that the act  
23 takes effect pursuant to the California Constitution.

