

AMENDED IN SENATE JUNE 29, 2004
AMENDED IN SENATE JUNE 21, 2004
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CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 269

Introduced by Assembly Member Mullin

February 4, 2003

An act to add and repeal Section 33334.30 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 269, as amended, Mullin. Redevelopment: San Mateo County.

The Community Redevelopment Law requires redevelopment agencies to use not less than 20% of taxes allocated to the agency for low- and moderate-income housing, as specified. These funds may be used outside of the project area upon a finding by the agency and the legislative body of the community that it will benefit the project area.

This bill would authorize a redevelopment agency of a community within San Mateo County that has a certified housing element and has met ~~an unspecified percent~~ 40% of its ~~low- and moderate-income~~ very low and low-income housing needs to create and participate in a joint powers authority in order to pool their low- and moderate-income housing funds ~~for affordable housing uses~~. The bill would authorize the joint powers authority to loan, grant, or advance transferred funds to a receiving entity for any eligible housing development on specified

property within 1/3 of a mile of the Peninsula Corridor Joint Powers Authority right-of-way.

The bill would also require that specified conditions be met and described in a mutually binding contract between the joint powers authority and each participating agency and a receiving entity for the use and transfer of pooled housing funds, and that the conditions include, among other things, a determination by the department that the community of each participating agency has adopted housing elements that are in *substantial* compliance with existing law and that the proposed use of pooled funds by the receiving entity for these purposes is in compliance with these provisions.

The bill would, on or after January 1, 2009, prohibit a participating agency from creating a new joint powers authority or transferring funds to an existing joint powers authority unless a later enacted statute deletes or extends that date.

This bill would repeal these provisions on January 1, 2010.

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

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

- 1 SECTION 1. Section 33334.30 is added to the Health and
- 2 Safety Code, to read:
- 3 33334.30. (a) The Legislature finds and declares all of the
- 4 following:
- 5 (1) The transfer of funds to a joint powers authority and the use
- 6 of pooled funds within the housing market area of the County of
- 7 San Mateo, within one-third of a mile of the ~~El Camino Real~~
- 8 ~~Corridor~~ *Peninsula Corridor Joint Powers Authority right-of-way*,
- 9 on property provided by the San Mateo County Transit Authority
- 10 for the purpose of providing affordable housing that is of benefit
- 11 to the project area producing the tax increment.
- 12 ~~(2) The cost and availability of land, geophysical and~~
- 13 ~~environmental limitations, community patterns, and the lack of~~
- 14 ~~financing make the availability of affordable housing more~~
- 15 ~~difficult in San Mateo County.~~
- 16 ~~(3)~~
- 17 (2) The cooperation of local agencies and the use of pooled
- 18 funds will result in more resources than would otherwise be
- 19 available for affordable housing.



1 (b) Notwithstanding any other provision of law, an agency of
2 a community within San Mateo County that has a ~~certified~~ housing
3 element *certified by the Department of Housing and Community*
4 *Development* and has met ~~40 percent of its low and moderate~~ *40*
5 *percent of its very low and low-income* housing needs may create
6 and participate in a joint powers authority for the purpose of
7 pooling low- and moderate-income housing funds for ~~affordable~~
8 ~~housing uses. Participating agencies may transfer not more than 25~~
9 ~~percent of their set aside funds to a joint powers affordable~~
10 *housing uses pursuant to this section. No participating agency may*
11 *transfer in any fiscal year more than 25 percent of the tax*
12 *increment that is deposited into the Low and Moderate Income*
13 *Housing Fund to a joint powers authority for use by the joint*
14 *powers authority pursuant to this section. The joint powers*
15 *authority may determine the kinds of housing projects or activities*
16 *to be assisted, consistent with this section. The joint powers*
17 *authority may loan, grant, or advance transferred housing funds*
18 *from participating agencies to a receiving entity for any eligible*
19 *housing development within the County of San Mateo within*
20 ~~*one-third of a mile of the El Camino Real Corridor, on property*~~
21 ~~*provided by the San Mateo County Transit Authority within the*~~
22 *territorial jurisdiction of a participating agency in San Mateo*
23 *County on property provided by the San Mateo County Transit*
24 *Authority and located within one-third of a mile of the Peninsula*
25 *Corridor Joint Powers Authority right-of-way, subject to the*
26 *requirements of this section. In addition, the agreement may*
27 *authorize the joint powers authority to issue bonds and to use the*
28 *pooled funds to leverage other funds to assist eligible*
29 *developments, including loans from private institutions and*
30 *assistance provided by other governmental agencies.*

31 (c) Each of the following conditions shall be met and described
32 in a mutually binding agreement between the joint powers
33 authority and each participating agency:

34 (1) The community of each participating agency shall have
35 adopted ~~up-to-date housing elements~~ *an up-to-date housing*
36 *element* pursuant to Article 10.6 (commencing with Section
37 65580) of Division 1 of Title 7 of the Government Code, ~~and the~~
38 ~~housing elements have been determined to be in~~ *that has been*
39 *determined to be in substantial compliance with the law by the*
40 *Department of Housing and Community Development.*



1 (2) The community of each participating agency shall have
2 met, in its current or previous housing element cycle, ~~== 40~~
3 percent or more of its share of the region's affordable housing
4 needs, as defined in Section 65584 of the Government Code, in
5 *each* of the very low and lower income categories of income
6 groups defined in Section 50025.5.

7 (3) Each participating agency shall hold, at least 45 days prior
8 to the transfer of funds to the joint powers authority, a public
9 hearing, after providing notice pursuant to Section 6062 of the
10 Government Code to solicit public comments on the draft
11 agreement.

12 (4) No housing funds shall be transferred from a project area
13 that has indebtedness to its Low and Moderate Income Housing
14 Fund pursuant to Section 33334.6.

15 (5) No housing funds shall be transferred from an agency that
16 has not met its need for replacement housing pursuant to Section
17 33413, unless the agency has encumbered and contractually
18 committed sufficient funds to meet those requirements.

19 (6) Pooled funds shall be used within the ~~county~~ *territorial*
20 *jurisdiction of a participating agency within the County of San*
21 *Mateo, within one-third of a mile of the ~~El Camino Real Corridor~~*
22 *Peninsula Corridor Joint Powers Authority right-of-way on*
23 *property provided by the San Mateo County Transit Authority.*

24 (7) The agreement shall require compliance by the joint powers
25 authority with the provisions of this section.

26 (8) The joint powers authority shall ensure that the funds it
27 receives are used in accordance with this section.

28 (9) Funds transferred by an agency to a joint powers authority
29 pursuant to this section shall be expended or encumbered by the
30 joint powers authority for the purposes of this section within two
31 years of the transfer. Transferred funds not so expended or
32 encumbered by the joint powers authority within two years after
33 the transfer shall be returned to the original agency and shall be
34 deemed excess surplus funds as provided in, and subject to, the
35 requirements of Sections 33334.10 and 33334.12. Excess surplus
36 funds held by an agency may not be transferred to a joint powers
37 authority.

38 (10) The joint powers authority shall prepare and submit an
39 annual report to the department that documents the amount of



1 housing funds received and expended or allocated for specific
2 housing assistance activities consistent with Section 33080.4.

3 (d) Each of the following conditions shall be met and described
4 in a mutually binding contract between the joint powers authority
5 and a receiving entity:

6 (1) Pooled housing funds may only be used to pay for the direct
7 costs of constructing, substantially rehabilitating, or preserving
8 the affordability of housing units that are affordable to very low or
9 low-income households. Units assisted with pooled funds shall
10 remain available at affordable housing costs in accordance with
11 subdivision (f) of Section 33334.3.

12 (2) Except as provided in this section, pooled housing funds
13 may not be used in any way that is inconsistent with the
14 requirements of Section 33334.3. Pooled housing funds may not
15 be used to pay for planning and administrative costs, offsite
16 improvements associated with a housing project, or fees or
17 exactions levied solely for development projects constructed,
18 substantially rehabilitated, or preserved with pooled funds. The
19 receiving entity shall be subject to the same replacement
20 requirements provided in Section 33413 and any relocation
21 requirements applicable pursuant to Section 7260 of the
22 Government Code.

23 ~~(3) The joint powers authority shall make findings, based on~~
24 ~~substantial evidence on the record, that each proposed use of~~
25 ~~pooled funds will not exacerbate racial or economic segregation.~~
26

27 *(3) Pooled housing funds may not be used to construct a*
28 *development in a census tract that currently has more than 50*
29 *percent of its population comprised of racial minorities or*
30 *low-income families.*

31 (4) The Department of Housing and Community Development
32 has evaluated each proposed use of pooled funds to construct,
33 substantially rehabilitate, or preserve the affordability of housing
34 and determined that the proposed use is in compliance with this
35 section. In considering whether a proposed use of funds will
36 exacerbate racial or economic segregation, the department shall
37 consider all of the following:

38 (A) The record of participating jurisdictions in meeting their
39 share of the regional need for very low and low-income



1 households allocated to the jurisdiction pursuant to Section 65584
2 of the Government Code.

3 (B) The distance of the proposed housing from a
4 redevelopment area from which pooled funds originated.

5 (C) The income and ethnicity of the residents of the census tract
6 from which the pooled funds originated and in which the housing
7 will be located.

8 (D) The housing need and availability of sufficient sites for
9 housing within jurisdictions from which pooled funds originated.

10 (e) As used in this section, the following terms shall apply:

11 (1) "Housing funds" mean funds in or from the low- and
12 moderate-income housing fund established by an agency pursuant
13 to Section 33334.3.

14 (2) "Joint powers authority" means a joint powers authority
15 created pursuant to Chapter 5 (commencing with Section 6500) of
16 Division 7 of Title 1 of the Government Code for the purposes of
17 receiving and using housing funds pursuant to this section.

18 (3) "Receiving entity" means any person, partnership, joint
19 venture, corporation, governmental body, or other organization
20 receiving housing funds from a joint powers authority for the
21 purpose of providing housing pursuant to this section.

22 (f) On or after January 1, 2009, no participating agency shall
23 create a new joint powers authority or transfer funds to an existing
24 joint powers authority pursuant to this section, unless a later
25 enacted statute, which is enacted before January 1, 2009, deletes
26 or extends that date.

27 (g) This section shall remain in effect only until January 1,
28 2010, and as of that date is repealed, unless a later enacted statute,
29 that is enacted on or before January 1, 2010, deletes or extends that
30 date.

