

ASSEMBLY BILL

No. 2711

Introduced by Assembly Member Knight

February 19, 2010

An act to amend Section 33333.6 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2711, as introduced, Knight. Redevelopment: plans.

The Community Redevelopment Law limits the effectiveness of every redevelopment plan adopted on or before December 31, 1993, to 40 years from the adoption of the redevelopment plan or January 1, 2009, whichever is later, after which the agency has no authority to act pursuant to the redevelopment plan except to pay previously incurred indebtedness, to comply with provisions governing compliance with an agency's affordable housing obligations, and to enforce existing covenants, contracts, or other obligations. After 10 years from the termination of the effectiveness of the redevelopment plan pursuant to this provision, a redevelopment agency is prohibited from paying indebtedness or receiving tax-increment revenues, except as specified.

This bill would make technical, nonsubstantive changes to these provisions.

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. Section 33333.6 of the Health and Safety Code
- 2 is amended to read:

1 33333.6. The limitations of this section shall apply to every
2 all redevelopment plan plans adopted on or before December 31,
3 1993.

4 (a) The effectiveness of every redevelopment plan to which this
5 section applies shall terminate at a date that shall not exceed 40
6 years from the adoption of the redevelopment plan or January 1,
7 2009, whichever date is later. After the time limit on the
8 effectiveness of the redevelopment plan, the agency shall not have
9 no authority to act pursuant to the redevelopment plan except to
10 pay previously incurred indebtedness, to comply with Section
11 33333.8 and to enforce existing covenants, contracts, or other
12 obligations.

13 (b) Except as provided in subdivisions (f) and (g), a
14 redevelopment agency may not pay indebtedness or receive
15 property taxes pursuant to Section 33670 after 10 years from the
16 termination of the effectiveness of the redevelopment plan pursuant
17 to subdivision (a).

18 (c) (1) If plans that had different dates of adoption were merged
19 on or before December 31, 1993, the time limitations required by
20 this section shall be counted individually for each merged plan
21 from the date of the adoption of each plan. If an amendment to a
22 redevelopment plan added territory to the project area on or before
23 December 31, 1993, the time limitations required by this section
24 shall commence, with respect to the redevelopment plan, from the
25 date of the adoption of the redevelopment plan, and, with respect
26 to the added territory, from the date of the adoption of the
27 amendment.

28 (2) If plans that had different dates of adoption are merged on
29 or after January 1, 1994, the time limitations required by this
30 section shall be counted individually for each merged plan from
31 the date of the adoption of each plan.

32 (d) (1) Unless a redevelopment plan adopted prior to January
33 1, 1994, contains all of the limitations required by this section and
34 each of these limitations does not exceed the applicable time limits
35 established by this section, the legislative body, acting by ordinance
36 on or before December 31, 1994, shall amend every redevelopment
37 plan adopted prior to January 1, 1994, either to amend an existing
38 time limit that exceeds the applicable time limit established by this
39 section or to establish time limits that do not exceed the provisions
40 of subdivision (b) or (c).

1 (2) The limitations established in the ordinance adopted pursuant
2 to this section shall apply to the redevelopment plan as if the
3 redevelopment plan had been amended to include those limitations.
4 However, in adopting the ordinance required by this section, neither
5 the legislative body nor the agency is required to comply with
6 Article 12 (commencing with Section 33450) or any other provision
7 of this part relating to the amendment of redevelopment plans.

8 (e) (1) If a redevelopment plan adopted prior to January 1,
9 1994, contains one or more limitations required by this section,
10 and the limitation does not exceed the applicable time limit required
11 by this section, this section shall not be construed to require an
12 amendment of this limitation.

13 (2) (A) A redevelopment plan adopted prior to January 1, 1994,
14 that has a limitation shorter than the terms provided in this section
15 may be amended by a legislative body by adoption of an ordinance
16 on or after January 1, 1999, but on or before December 31, 1999,
17 to extend the limitation, provided that the plan as so amended does
18 not exceed the terms provided in this section. In adopting an
19 ordinance pursuant to this subparagraph, neither the legislative
20 body nor the agency is required to comply with Section 33354.6,
21 Article 12 (commencing with Section 33450), or any other
22 provision of this part relating to the amendment of redevelopment
23 plans.

24 (B) On or after January 1, 2002, a redevelopment plan may be
25 amended by a legislative body by adoption of an ordinance to
26 eliminate the time limit on the establishment of loans, advances,
27 and indebtedness required by this section prior to January 1, 2002.
28 In adopting an ordinance pursuant to this subparagraph, neither
29 the legislative body nor the agency is required to comply with
30 Section 33354.6, Article 12 (commencing with Section 33450),
31 or any other provision of this part relating to the amendment of
32 redevelopment plans, except that the agency shall make the
33 payment to affected taxing entities required by Section 33607.7.

34 (C) When an agency is required to make a payment pursuant to
35 Section 33681.9, the legislative body may amend the
36 redevelopment plan to extend the time limits required pursuant to
37 subdivisions (a) and (b) by one year by adoption of an ordinance.
38 In adopting an ordinance pursuant to this subparagraph, neither
39 the legislative body nor the agency is required to comply with
40 Section 33354.6, Article 12 (commencing with Section 33450),

1 or any other provision of this part relating to the amendment of
2 redevelopment plans, including, but not limited to, the requirement
3 to make the payment to affected taxing entities required by Section
4 33607.7.

5 (D) When an agency is required pursuant to Section 33681.12
6 to make a payment to the county auditor for deposit in the county’s
7 Educational Revenue Augmentation Fund created pursuant to
8 Article 3 (commencing with Section 97) of Chapter 6 of Part 0.5
9 of Division 1 of the Revenue and Taxation Code, the legislative
10 body may amend the redevelopment plan to extend the time limits
11 required pursuant to subdivisions (a) and (b) by the following:

12 (i) One year for each year in which a payment is ~~made~~, *made*
13 if the time limit for the effectiveness of the redevelopment plan
14 established pursuant to subdivision (a) is 10 years or less from the
15 last day of the fiscal year in which a payment is made.

16 (ii) One year for each year in which a payment is ~~made~~, *made*
17 if both of the following apply:

18 (I) The time limit for the effectiveness of the redevelopment
19 plan established pursuant to subdivision (a) is more than 10 years
20 but less than 20 years from the last day of the fiscal year in which
21 a payment is made.

22 (II) The legislative body determines in the ordinance adopting
23 the amendment that, with respect to the project, the agency is in
24 compliance with Section 33334.2 or 33334.6, as applicable, has
25 adopted an implementation plan in accordance with the
26 requirements of Section 33490, is in compliance with subdivisions
27 (a) and (b) of Section 33413, to the extent applicable, and is not
28 subject to sanctions pursuant to subdivision (e) of Section 33334.12
29 for failure to expend, encumber, or disburse an excess surplus.

30 (iii) This subparagraph shall not apply to any redevelopment
31 plan if the time limit for the effectiveness of the redevelopment
32 plan established pursuant to subdivision (a) is more than 20 years
33 after the last day of the fiscal year in which a payment is made.

34 (3) (A) The legislative ~~body~~ *body*, by ordinance, may adopt the
35 amendments provided for under this paragraph following a public
36 hearing. Notice of the public hearing shall be mailed to the
37 governing body of each affected taxing entity at least 30 days prior
38 to the public hearing and published in a newspaper of general
39 circulation in the community at least once, not less than 10 days
40 prior to the date of the public hearing. The ordinance shall contain

1 a finding of the legislative body that funds used to make a payment
2 to the county's Educational Revenue Augmentation Fund pursuant
3 to Section 33681.12 would otherwise have been used to pay the
4 costs of projects and activities necessary to carry out the goals and
5 objectives of the redevelopment plan. In adopting an ordinance
6 pursuant to this paragraph, neither the legislative body nor the
7 agency is required to comply with Section 33354.6, Article 12
8 (commencing with Section 33450), or any other provision of this
9 part relating to the amendment of redevelopment plans.

10 (B) The time limit on the establishment of loans, advances, and
11 indebtedness shall be deemed suspended and of no force or ~~effect~~
12 *effects* but only for the purpose of issuing bonds or other
13 indebtedness the proceeds of which are used to make the payments
14 required by Section 33681.12 if the following apply:

15 (i) The time limit on the establishment of loans, advances, and
16 indebtedness required by this section prior to January 1, 2002, has
17 expired and has not been eliminated pursuant to subparagraph (B).

18 (ii) The agency is required to make a payment pursuant to
19 Section 33681.12.

20 (iii) The agency determines that in order to make the payment
21 required by Section 33681.12, it is necessary to issue bonds or
22 incur other indebtedness.

23 (iv) The proceeds of the bonds issued or indebtedness incurred
24 are used solely for the purpose of making the payments required
25 by Section 33681.12 and related costs.

26 The suspension of the time limit on the establishment of loans,
27 advances, and indebtedness pursuant to this subparagraph shall
28 not require the agency to make the payment to affected taxing
29 entities required by Section 33607.7.

30 (4) (A) A time limit on the establishing of loans, advances, and
31 indebtedness to be paid with the proceeds of property taxes
32 received pursuant to Section 33670 to finance in whole or in part
33 the redevelopment project shall not prevent an agency from
34 incurring debt to be paid from the agency's Low and Moderate
35 Income Housing Fund or establishing more debt in order to fulfill
36 the agency's affordable housing obligations, as defined in
37 paragraph (1) of subdivision (a) of Section 33333.8.

38 (B) A redevelopment plan may be amended by a legislative
39 body to provide that there shall be no time limit on the
40 establishment of loans, advances, and indebtedness paid from the

1 agency's Low and Moderate Income Housing Fund or establishing
2 more debt in order to fulfill the agency's affordable housing
3 obligations, as defined in paragraph (1) of subdivision (a) of
4 Section 33333.8. In adopting an ordinance pursuant to this
5 subparagraph, neither the legislative body nor the agency is
6 required to comply with Section 33345.6, Article 12 (commencing
7 with Section 33450), or any other provision of this part relating to
8 the amendment of redevelopment plans, and the agency shall not
9 make the payment to affected taxing entities required by Section
10 33607.7.

11 (f) The limitations established in the ordinance adopted pursuant
12 to this section shall not be applied to limit the allocation of taxes
13 to an agency to the extent required to comply with Section 33333.8.
14 In the event of a conflict between these limitations and the
15 obligations under Section 33333.8, the limitations established in
16 the ordinance shall be suspended pursuant to Section 33333.8.

17 (g) (1) This section does not effect the validity of any bond,
18 indebtedness, or other obligation, including any mitigation
19 agreement entered into pursuant to Section 33401, authorized by
20 the legislative body, or the agency pursuant to this part, prior to
21 January 1, 1994.

22 (2) This section does not affect the right of an agency to receive
23 property taxes, pursuant to Section 33670, to pay the bond,
24 indebtedness, or other obligation.

25 (3) This section does not affect the right of an agency to receive
26 property taxes pursuant to Section 33670 to pay refunding bonds
27 issued to refinance, refund, or restructure indebtedness authorized
28 prior to January 1, 1994, if the last maturity date of these refunding
29 bonds is not later than the last maturity date of the refunded
30 indebtedness and the sum of the total net interest cost to maturity
31 on the refunding bonds plus the principal amount of the refunding
32 bonds is less than the sum of the total net interest cost to maturity
33 on the refunded indebtedness plus the principal amount of the
34 refunded indebtedness.

35 (h) A redevelopment agency shall not pay indebtedness or
36 receive property taxes pursuant to Section 33670, with respect to
37 a redevelopment plan adopted prior to January 1, 1994, after the
38 date identified in subdivision (b) or the date identified in the
39 redevelopment plan, whichever is earlier, except as provided in

1 paragraph (2) of subdivision (e), in subdivision (g), or in Section
2 33333.8.

3 (i) The Legislature finds and declares that the amendments made
4 to this section by Chapter 942 of the Statutes of 1993 are intended
5 to add limitations to the law on and after January 1, 1994, and are
6 not intended to change or express legislative intent with respect
7 to the law prior to that date. It is not the intent of the Legislature
8 to affect the merits of any litigation regarding the ability of a
9 redevelopment agency to sell bonds for a term that exceeds the
10 limit of a redevelopment plan pursuant to law that existed prior to
11 January 1, 1994.

12 (j) If a redevelopment plan is amended to add territory, the
13 amendment shall contain the time limits required by Section
14 33333.2.

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