



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Meeting
Agenda for September 29, 2014**

**3:00 p.m., Monday, September 29, 2014
City Hall, Council Chambers, 1 Sylvan Park, Sand City, CA 93955**

AGENDA ITEMS:

1. CALL TO ORDER

2. ROLL CALL & ESTABLISHMENT OF QUOROM

John McPherson, Monterey County Office of Education
Jane Parker, Monterey County Board of Supervisors
Sandra Miles, Monterey County Board of Supervisors (Public Member)
Vicki Nakamura, Monterey Peninsula College
Linda Scholink, City of Sand City Successor Agency
Steve Matarazzo, City of Sand City Successor Agency
Jayanti Addleman, Monterey County Libraries

3. PLEDGE OF ALLEGIANCE

4. COMMUNICATIONS FROM THE FLOOR: At this time, any person may comment on any item which is not on the agenda. Please state your name and address for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on the next agenda. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of three (3) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the Board.

5. BOARD MEMBER COMMENTS: Board Members may ask a question for clarification; make a brief report or announcement on his/her activities. Board members may provide a referral to Staff or other resources for factual information, or direct Staff to agendaize a matter of business on a future agenda. Any item not listed on the Agenda after the posting of the Agenda and that must be acted upon (2/3rds vote required to place on agenda) prior to the next Board meeting may be addressed at this time. (G.C. 54954.2)

6. ACTION/DISCUSSION ITEMS

A. Consideration of Oversight Board RESOLUTION Approving the Oversight Board Minutes of February 3, 2014



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Meeting Agenda for September 29, 2014**

- B. Consideration of Oversight Board RESOLUTION Approving the Oversight Board Special Meeting Minutes of February 28, 2014
 - C. Consideration of Oversight Board RESOLUTION approving the Successor Agency Administrative Budget for ROPS FY 14-15
 - D. Consideration of Oversight Board RESOLUTION Approving the Recognized Obligation Payment Schedule (ROPS) for January 2015 through June 2015 (ROPS 14-15B)
 - E. Update on Successor Agency Properties and Long Term Property Management Plan (LRPMP)
 - F. INFORMATION ONLY: Commentary Article – Legislation Provides Help for Crumbling Neighborhoods
 - G. Consideration of Future Oversight Board Meetings
7. REQUEST FROM BOARD MEMBERS FOR FUTURE AGENDA ITEMS
8. ADJOURNMENT:

The Next Scheduled Oversight Board Meeting:
TBD
3:00 P.M.
Sand City Council Chambers
1 Sylvan Park, Sand City

ALL MEETINGS ARE OPEN TO THE PUBLIC. The City of Sand City does not discriminate against persons with disabilities. City Hall and the Council Chambers are accessible facilities. Any person with a disability who requires a modification or accommodation to be able to participate in this meeting is asked to contact the office of the City Clerk at (831) 394-3054 no fewer than two business days prior to the meeting to allow for reasonable arrangements.

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OB ____, 2014

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SAND CITY SUCCESSOR
AGENCY APPROVING THE OVERSIGHT BOARD MEETING MINUTES OF
FEBRUARY 3, 2014**

WHEREAS, the Oversight Board at its meeting of September 29, 2014 reviewed the Oversight Board draft meeting minutes of February 3, 2014; and

WHEREAS, based on its review of said minutes, the Oversight Board finds the draft minutes to be an accurate summary of the major points and actions taken during the meeting of February 3, 2014.

NOW, THEREFORE, THE OVERSIGHT BOARD hereby finds the subject minutes to be adequate and they are hereby approved as the approved meeting minutes of February 3, 2014.

PASSED AND ADOPTED by the Sand City Successor Agency Oversight Board on this 29th, day of September, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John McPherson, Board Chair

ATTEST:

Connie Horca, Board Secretary



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Meeting Minutes
February 3, 2014**

The meeting was called to order by Chair McPherson at 3:01 P.M.

AGENDA ITEM 2, ROLL CALL & ESTABLISHMENT OF QUOROM

John McPherson, Monterey County Office of Education
Jane Parker, Monterey County Board of Supervisors {arrived at 3:03 p.m.}
Sandra Miles, Monterey County Board of Supervisors (Public Member)
Vicki Nakamura, Monterey Peninsula College
Linda Scholink, City of Sand City Successor Agency
Steve Matarazzo, City of Sand City Successor Agency
Jayanti Addleman, Monterey County Libraries

AGENDA ITEM 3, PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Miles.

AGENDA ITEM 4, COMMUNICATIONS FROM THE FLOOR

3:02 P.M. Floor opened for Public Comment.

There was no comment from the Public.

3:02 P.M. Floor closed to Public Comment.

AGENDA ITEM 5, BOARD MEMBER COMMENTS

Board Member Miles requested additional information regarding the enclosed map that is part of the Long Range Property Management Plan. She would like the map to depict where properties owned by the Orosco Group are located.

3:03 P.M. Board Member Parker arrived.

AGENDA ITEM 6, ACTION/DISCUSSION ITEMS

A. Consideration of Oversight Board Resolution approving the Oversight Board Minutes of November 18, 2013

Motion to approve the Oversight Board **Resolution** approving the Oversight Board Minutes of November 18, 2013 was made by Board Member Miles, seconded by Board Member McPherson. AYES: Board Members McPherson, Parker, Miles, Nakamura, Scholink, Matarazzo, Addleman. NOES: None. ABSENT: None. ABSTAIN: None. Motion

carried.

B. Consideration of Annual Appointment of Board Member Chair and Vice-Chair

Board Member Parker nominated Board Member John McPherson as the 2014 Oversight Board Chair, and Board Member Vicki Nakamura to serve as the Vice Chair.

Motion to approve the Successor Agency Oversight Board **Resolution** approving the Nomination of Chair and Vice Chair of the Oversight Board, whose terms will begin in March, 2014 was made by Board Member Parker, seconded by Board Member Matarazzo. AYES: Board Members McPherson, Parker, Miles, Nakamura, Scholink, Matarazzo, Addleman. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

C. Update on Disbursements by the Sand City Successor Agency (SA) based on the Settlement Agreement between the Local Educational Agencies (LEAs) and the Successor Agency

Board Member Matarazzo reported that checks will be disbursed to Monterey Peninsula College for \$42,172, and Monterey County Office of Education for \$18,856, completing the amounts owed to these agencies. A partial payment of \$175,000 has been disbursed to the Monterey Peninsula Unified School District for this ROPS period.

3:08 P.M. Floor opened for Public Comment.

There was no comment from the Public.

3:08 P.M. Floor closed to Public Comment.

D. Consideration of Disposition of Successor Agency Properties and Long Term Property Management Plan

Board Member Matarazzo reported that the Successor Agency retains five properties for disposition which may be considered individually by a straw vote of the Oversight Board. The attached resolution can be amended following review of each property under consideration.

Property 1) Staff recommends that the Carroll Property be transferred to the City. This property was purchased with tax exempt bonds for the purpose of public parking. Surrounding businesses located within proximity of the Carroll Property could use the space for additional parking not currently available to them. The property was purchased for approximately \$1.4 million in 2008, and is currently appraised at \$750,000.

The Board discussed the Carroll Properties future use and what constitutes the definition of governmental purpose. Board Member

Matarazzo commented that when the Dissolution Act was established, it required properties to be sold immediately. Upon adoption of AB 1484, it required that a Long Range Property Management Plan be established in hopes of maximizing property values. Board Member Parker commented that if the property were to be transferred to the City, the taxing entities would not benefit from the transfer. Chair McPherson suggested that the Board return to this property following the consideration of the other properties.

Property 2) The Community Garden is approximately 5,000 square feet, and is used by residents as a gathering area. Staff recommends it be transferred to the City.

Board Member Parker commented that if the Community Garden is valuable to the City; the City should consider purchasing it for retention of its present use.

Property 3) Staff recommends the Sewer Pump Station be sold to DBO Development. DBO has assembled approximately 11 acres of surrounding property for future development. The developer would need to redesign the sewer system as part of his project. The sale of the pump station would maximize overall property values.

Property 4) The McDonald Site is approximately 17 acres and is currently under a Disposition and Development Agreement with King Ventures. It received Coastal Development Permit approval in December, 2013 from the City Council, and may be subject to appeal with the Coastal Commission. Staff recommends that no action be taken.

Board Member Nakamura commented on typographical corrections on pages 134 and page 151.

Property 5) The Public Easements at the Independent consist of a public plaza easement, well and utility easement, and parking structure easement. Staff recommends that the easements be transferred to the City.

3:20 P.M. Floor opened for Public Comment.

There was no comment from the public.

3:20 P.M. Floor closed to Public Comment.

Board Member Matarazzo clarified to the Board that the Long Range Property Management Plan needs to be submitted to the Department of Finance six months following the Finding of Completion. The Resolution may be amended following recommendations by the Board.

Property 1) Straw Vote to concur with Staff recommendations to transfer the Carroll Property to the City:

AYES: Board Members Matarazzo, Scholink
NOES: Board Members McPherson, Parker, Miles, Addleman,
Nakamura
ABSENT: None
ABSTAIN: None.
Straw vote declined 2-5.

Straw vote to offer the Carroll Property for Sale:
AYES: Board Members McPherson, Parker, Miles, Addleman, Nakamura
NOES: Board Members Matarazzo, Scholink.
ABSENT: None
ABSTAIN: None
Straw vote carried 5-2.

The Board discussed the disposition/sale of the community garden and Staff's recommendation to transfer it to the City.

3:42 P.M. Floor opened for Public Comment.

Successor Agency Attorney Jim Heisinger commented that the property (Community Garden) could be designated as a park, and may be sold to the City with the condition that the property remains a park and/or garden.

3:43 P.M. Floor closed to Public Comment.

Property 2) Straw vote to sell the Community Garden at cost to the City for \$75,000, designating the property as a "community garden" or "public park". If the City does not accept this offer, then the property will be offered for sale in the open real estate market:

AYES: Board Members McPherson, Parker, Miles, Nakamura, Scholink,
Matarazzo, Addleman
NOES: None
ABSENT: None
ABSTAIN: None.
Straw vote carried 7-0.

Property 3) Straw vote to submit an updated appraisal of the Sewer Pump Station and offer the property for sale for a period of 60 days to said developer. Should the developer fail to purchase the property within the 60 day period, the property shall be placed on the open real estate market for sale:

AYES: Board Members McPherson, Parker, Nakamura, Scholink,
Matarazzo, Addleman
NOES: Board Member Miles
ABSENT: None.
ABSTAIN: None
Straw vote carried 6-1.

Property 4) No action taken.

Property 5) Straw vote to proceed with Staff recommendation that the public easements be transferred to the City:

AYES: Board Members McPherson, Parker, Miles, Nakamura, Scholink, Matarazzo, Addleman

NOES: None

ABSENT: None

ABSTAIN: None.

Straw vote carried 7-0.

Board Member Matarazzo clarified to the Board the amended changes to the language of the Resolution as indicated by the above mentioned recommendations for each property

3: 45 P.M. Board member Addleman was excused from the meeting.

Motion to approve the Oversight Board **Resolution** as amended, approving the Long Range Property Management Plan (LRPMP) and submitting said Plan for final review and approval to the Department of Finance (DOF) was made by Board Member McPherson, seconded by Board Member Scholink. AYES: Board Members McPherson, Parker, Miles, Nakamura, Scholink, Matarazzo. NOES: None. ABSENT: Board Member Addleman. None. ABSTAIN: None. Motion carried.

E. Consideration of Special Oversight Board Meeting for Monday, February 24, 2014 and Future Oversight Board Meetings for 2014

The Board discussed possible dates for future meetings of the Oversight Board. The Board agreed on the following dates for future meetings:

Friday, February 28, 2014 @ 3:00 p.m. (Special Meeting)

Monday, June 2, 2014 @3:00 p.m.

Monday, September 15, 2014 @ 3:00 p.m.

Board Member Parker requested that Staff send the Recognized Obligations Payment Schedule (ROPS 14-15A) to the Board for review prior to the meeting. Staff should have the information available following the February 17th Successor Agency/City Council meeting.

AGENDA ITEM 7, REQUEST FROM BOARD MEMBERS FOR FUTURE AGENDA ITEMS

Board Member Parker requested that a revised Resolution reflecting the amendments to the Long Range Property Management Plan be sent to the Board.

Board member Miles requested that Staff provide a map of properties owned by DBO Development to the Board.

AGENDA ITEM 8, ADJOURNMENT

There was consensus of the Board to adjourn the meeting to the Oversight Board Special meeting on Friday, February 28, 2014 at 3:00 P.M. The meeting was adjourned at 3:51 P.M.

Connie Horca, Board Secretary

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OB _____, 2014

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SAND CITY SUCCESSOR AGENCY APPROVING THE OVERSIGHT BOARD SPECIAL MEETING MINUTES OF FEBRUARY 28, 2014

WHEREAS, the Oversight Board at its meeting of September 29, 2014 reviewed the Oversight Board draft special meeting minutes of February 28, 2014; and

WHEREAS, based on its review of said minutes, the Oversight Board finds the draft minutes to be an accurate summary of the major points and actions taken during the special meeting of February 28, 2014.

NOW, THEREFORE, THE OVERSIGHT BOARD hereby finds the subject minutes to be adequate and they are hereby approved as the approved special meeting minutes of February 28, 2014.

PASSED AND ADOPTED by the Sand City Successor Agency Oversight Board on this 29th, day of September, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John McPherson, Board Chair

ATTEST:

Connie Horca, Board Secretary



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Special Meeting Minutes
February 28, 2014**

The meeting was called to order by Chair McPherson at 3:01 P.M.

AGENDA ITEM 2, ROLL CALL & ESTABLISHMENT OF QUOROM

John McPherson, Monterey County Office of Education
Jane Parker, Monterey County Board of Supervisors {excused absence}
Sandra Miles, Monterey County Board of Supervisors (Public Member)
Vicki Nakamura, Monterey Peninsula College {excused absence}
Linda Scholink, City of Sand City Successor Agency
Steve Matarazzo, City of Sand City Successor Agency
Jayanti Addleman, Monterey County Libraries {excused absence}

AGENDA ITEM 3, PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair McPherson.

AGENDA ITEM 4, COMMUNICATIONS FROM THE FLOOR

3:03 P.M. Floor opened for Public Comment.

There was no comment from the Public.

3:03 P.M. Floor closed to Public Comment.

AGENDA ITEM 5, BOARD MEMBER COMMENTS

Board Member Miles requested that the Board Secretary research her vote on Property 3 (Sewer Pump Station) of the minutes to clarify whether the vote was correct.

AGENDA ITEM 6, ACTION/DISCUSSION ITEMS

A. Consideration of Oversight Board Resolution approving the Oversight Board Minutes of February 3, 2014

Chair McPherson proposed that approval of the February 3, 2014 Oversight Board minutes be considered at the next meeting following research of the correct vote.

B. Consideration of Oversight Board Resolution approving the Recognized Obligation Payment Schedule (ROPS) for July 2014 through December 2014

Board Member Matarazzo reported that the attached Recognized Obligation Payment Schedule is for the first half of fiscal year 2014-15. The Successor Agency is expected to receive \$600,000 with approximately \$560,000 allocated towards repayment of bonded indebtedness. Staff recommends that any funds left-over be divided for payment towards the remainder of the LEA Settlement Agreement and Administrative Budget costs. Board Member Scholink concurred with Staff's recommendations.

3:06 P.M. Floor opened for Public Comment.

There was no comment from the Public.

3:06 P.M. Floor closed to Public Comment.

Motion to approve the Recognized Obligation Payment Schedule (ROPS) for July 2014 through December 2014 was made by Board Member Matarazzo, seconded by Board Member Miles. AYES: Board Members Matarazzo, McPherson, Scholink, Miles. NOES: None. ABSENT: Board Members Nakamura, Parker, Addleman. ABSTAIN: None. Motion carried.

AGENDA ITEM 7, REQUEST FROM BOARD MEMBERS FOR FUTURE AGENDA ITEMS

Board Member Matarazzo reported that the Department of Finance (DOF) is presently reviewing the Long Range Property Management Plan (LRPMP). Between the time the Oversight Board approved the LRPMP and its submission to DOF, new legislation was adopted regarding properties that were part of a five year redevelopment implementation plan. Dependent upon DOF's ruling, the LRPMP may come back for an amendment.

There were no further requests for future agenda items from Board Members.

AGENDA ITEM 8, ADJOURNMENT

Chair McPherson moved for adjournment. The Board was in consensus to adjourn the Oversight Board meeting at 3:16 P.M. to the next regularly scheduled meeting on June 2, 2014 at 3:00 P.M.

Connie Horca, Board Secretary

AGENDA ITEM 6C

OVERSIGHT BOARD TO THE SAND CITY SUCCESSOR AGENCY

RESOLUTION OB _____, 2014

**RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
FORMER REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY
ADMINISTRATIVE BUDGET FOR THE ROPS FY 14-15 (July 2014 – June 2015)**

WHEREAS, redevelopment dissolution law allows for administrative budgets of \$250,000 annually for smaller Successor Agencies like the Sand City Successor Agency; and

WHEREAS, Sand City Successor Agencies staff has prepared an administrative budget of \$201,200 for the ROPS 14-15 time frame of July, 2014 through June 2015, as required by law and subject to the final approval of the Oversight Board; and

WHEREAS, the Sand City Successor Agency approved an administrative budget at its meeting of September 16, 2014 and has forwarded said budget for final review and approval of the Oversight Board.

NOW, THEREFORE BE IT RESOLVED that the Oversight Board to the Sand City Successor Agency hereby approves the administrative budget for the ROPS 14-15 fiscal year, as shown on Exhibit A, attached hereto and incorporated herein by this reference.

PASSED AND ADOPTED by the Oversight Board to the Sand City Successor Agency on this ____ day of September, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

John McPherson, Board Chair

ATTEST:

Connie Horca, Board Secretary

EXHIBIT A

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY
ADMINISTRATIVE BUDGET
July 1, 2014 through June 30, 2015

EMPLOYEE COSTS:

Salaries	\$86,500
Deferred Compensation	\$750
PERS Retirement	\$30,000
Medicare	\$1,300
Health	\$11,400
Dental	\$1,300
Vision	\$200
LTD	\$1,000
Life	\$250
Workers Comp	\$100
Fitness	\$250
Auto	\$900
SUBTOTAL	\$133,950

SUPPLIES & SERVICES:

Audit Services	\$3,000
Legal - SA Counsel/Heisinger	\$5,000
Legal - OB Board Counsel/Lozano	\$5,000
Outside Legal Services	\$40,000
Consultant Services	\$2,500
Office Supplies	\$500
Training	\$0
Financial Advisor	\$500
Appraisals	\$3,000
SA Properties - Real Estate Marketing	
Bond Expenses	\$3,000
SUBTOTAL	\$62,500

ALLOCATED COSTS:

Computer Services	\$500	
Liability Insurance	\$2,500	
Property Insurance	\$250	
Misc. Expense	\$1,500	Includes Legal Advertising
SUBTOTAL	\$4,750	

TOTAL **\$201,200**

OVERSIGHT BOARD TO THE SAND CITY SUCCESSOR AGENCY

RESOLUTION OB _____, 2014

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR JANUARY 2015 THROUGH JUNE 2015 (ROPS 14-15B)

WHEREAS, the Redevelopment Dissolution Act (AB xl 26 and AB 1484) requires Successor Agencies to prepare Recognized Obligation Payment Schedules (ROPS) and for Oversight Boards to approve them; and

WHEREAS, the City of Sand City has elected to be the Successor Agency for the former Sand City Redevelopment Agency and has therefore prepared ROPS 14-15B; and

WHEREAS, the sixth ROPS in this process is now known as ROPS 14-15B, the Recognized Obligation Payment Schedule for January 2015 through June 2015; and said ROPS has been reviewed by the Oversight Board ; and

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Sand City Successor Agency hereby approves ROPS 14-15B attached hereto and incorporated herein by this reference as Exhibit A, respectively, and directs staff to forward ROPS 14-15B to the County Auditor, Department of Finance, and State Controller’s Office for further review and approval.

PASSED AND ADOPTED by the Oversight Board to the Sand City Successor Agency on this _____ day of September, 2014 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

APPROVED:

John McPherson, Board Chair

ATTEST:

Connie Horca, Board Secretary

Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary

Filed for the January 1, 2015 through June 30, 2015 Period

Name of Successor Agency: Sand City
Name of County: Monterey

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A	Sources (B+C+D):	\$ -
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 723,329
F	Non-Administrative Costs (ROPS Detail)	307,688
G	Administrative Costs (ROPS Detail)	415,641
H	Current Period Enforceable Obligations (A+E):	\$ 723,329
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	723,329
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 723,329
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	723,329
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	
N	Adjusted Current Period RPTTF Requested Funding (L-M)	723,329

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

_____	_____
Name	Title
/s/ _____	_____
Signature	Date

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail
January 1, 2015 through June 30, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										M						Six-Month Total
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin												
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired							
								\$ 33,515,987							\$ 723,329	
1	2008A Exempt Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/18/2008	1/18/2027	US Bank	Finance and Refinance RDA Activities	Sand City	8,379,060	N				122,613		122,613	
2	2008B Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/18/2008	1/18/2023	US Bank	Finance Redevelopment Activities	Sand City	2,235,675	N				43,538		43,538	
3	Sand City	Admin Costs	2/1/2012	6/30/2015	City acting as Successor Agency	Administrative Cost Allowance	Sand City	200,000	N					200,000	200,000	
5	City of Sand City	Miscellaneous	4/1/1995	6/30/2015	City of Sand City	COP Reimbursement	Sand City	1,454,766	N						-	
6	SERAF Payment	SERAF/ERAF	5/10/2010	6/30/2015	County Auditor 34177 (d)	Repay loan from LMIHF	Sand City	568,092	N						-	
7	SERAF Payment	SERAF/ERAF	5/4/2011	6/30/2016	County Auditor 34177 (d)	Repay loan from LMIHF	Sand City	116,960	N						-	
10	McDonald Coastal Project	OPA/DDA/Construction	6/20/2001	6/30/2015	John King - DDA	Contingency Reimbursement	Sand City	1,455,000	N						-	
11	Tax Sharing Agreement	Litigation	5/18/1989	6/30/2015	City of Seaside	1989 tax sharing agreement contingent	Sand City		N						-	
12	Sand City Redevelopment Project	City/County Loans On or Before 6/27/11	1/20/1987	6/30/2015	City of Sand City	Repay loans for Staff and Facilities ***	Sand City	3,626,058	N						-	
13	Sand City Redevelopment Project	City/County Loans On or Before 6/27/11	1/20/1987	6/30/2015	City of Sand City	Repay for Monetary Loans (Seaside) ***	Sand City	4,650,000	N						-	
16	Pass Through Payment	Miscellaneous	7/1/1989	6/30/2015	MPUSD	Pass Through Payment	Sand City	215,641	N					215,641	215,641	
18	2008A Exempt Tax Allocation Bonds	Reserves	1/18/2014	1/1/2027	US Bank	Finance and Refinance RDA Activities	Sand City	8,379,060	N				96,903		96,903	
19	2008B Tax Allocation Bonds	Reserves	1/18/2014	1/1/2023	US Bank	Finance and Refinance RDA Activities	Sand City	2,235,675	N				44,634		44,634	
20									N						-	
21									N						-	
22									N						-	
23									N						-	
24									N						-	
25									N						-	
26									N						-	
27									N						-	
28									N						-	
29									N						-	
30									N						-	
31									N						-	
32									N						-	
33									N						-	
34									N						-	
35									N						-	
36									N						-	
37									N						-	
38									N						-	
39									N						-	
40									N						-	
41									N						-	
42									N						-	
43									N						-	
44									N						-	
45									N						-	
46									N						-	
47									N						-	
48									N						-	
49									N						-	
50									N						-	
51									N						-	
52									N						-	
53									N						-	
54									N						-	

Commentary

Legislation provides help for crumbling neighborhoods

By Luis A. Alejo
Guest commentary

California is back, they say. The economy is improving and things are looking up.

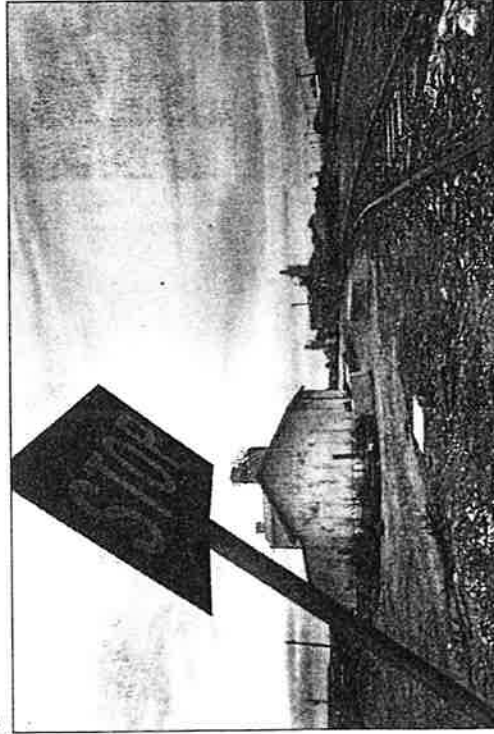
That may be, but not everywhere.

In the city of Salinas, in my district, as in Oakland and cities throughout California both big and small, there remain too many neighborhoods where the streets are broken and old water and sewer pipes lurk below. In these communities, unemployment and crime remain high, while hope runs scarce.

Assembly Bill 2280, which awaits the governor's signature, can help change that.

Redevelopment agencies, in their heyday, were a multipurpose tool that focused more than \$6 billion per year toward repairing and revitalizing urban cores. They were also a key source of funding for building affordable housing.

In 2011, the state dissolved those agencies, driven primarily by the cost of redevelopment to schools and the state's general fund.



DAVID ROYAL — MONTEREY COUNTY HERALD

A bent stop sign and aging industrial buildings define the area looking north from John Street toward East Alisal Street in Salinas.

But the needs of struggling communities did not go away.

If signed by the governor, AB 2280 will partially fill the gap left after the dissolution of redevelopment agencies, and give cities and counties a way to revitalize crumbling neighborhoods and commercial areas.

The measure, which has been developed over several years,

If we don't fix our existing neighborhoods, then cities will sprawl outward, worsening costly problems like traffic and greenhouse gas emissions.

However, unlike under redevelopment, school funding and the state general fund will go untouched.

The focus will be on neighborhoods where low-income residents are living amid deteriorated conditions or on former military bases. Twenty-five percent of the revenues used must go toward affordable housing, and other revisions to the law include expanded transparency and public accountability provisions.

Most importantly, AB 2280 will return redevelopment to its original purpose: lifting up rural, disadvantaged communities

and urban neighborhoods. While several economic development proposals currently sit on the governor's desk, AB 2280 is the only one that provides a redevelopment option that will support infill growth and fund affordable housing in our urban cores and rural parts of the state.

Real smart growth starts with making the most of what you already have. If we don't fix our existing neighborhoods, then cities will sprawl outward, worsening costly problems like traffic and greenhouse gas emissions.

For these reasons, I urge Gov. Brown to sign AB 2280 — the one piece of legislation that will truly help struggling communities help themselves.

As California turns the economic corner, we should leave none of our neighborhoods behind.

Luis A. Alejo represents the 30th Assembly District, which includes portions of Santa Cruz, Monterey and Santa Clara counties, and all of San Benito County.

AGENDA ITEM 6G

Potential Oversight Board Meeting Dates:

*December 8, 2014 – 3:00 p.m. *{Review and Consider Approval
of Long Range Property Management Plan}*

or

December 15, 2014 – 3:00 p.m.

February 23, 2015 – 3:00 p.m. *{Review and Consider Approval of
ROPS 15-16A}*

OB Meeting
HANDOUTS

9-29-2014

Local news



Proposed law may bring back redevelopment

Posted: Friday, Jan 3rd, 2014

BY: TODD GUILD

SACRAMENTO — Efforts to refurbish California's blighted urban areas may soon get new life.

When the state's more than 400 redevelopment agencies were disbanded in 2011 by Gov. Jerry Brown to shore up an ailing economy, it sent local governments scrambling to finish ongoing projects and squirreling away funds for future ones.



The elimination also sparked a flurry of activity by lawmakers to keep the agencies afloat, all to no avail.

More recently, Senate Bill 1, which would reincarnate redevelopment agencies, died before making it to Brown's desk, and Assembly Bill 1080, authored by Assemblyman Luis Alejo and co-sponsored by 12 other Assembly Democrats, is being retooled after it was suspended in August.

Now, Los Angeles-based attorney Philip Kohn has authored a proposed law that would essentially reinvigorate the agencies.

The California Jobs and Education Development Initiative Act — also known as the JEDI act — would pay for projects using a complex financial system known as tax increment funding, which uses property tax increases to pay for redevelopment projects.

Still in its infant form, it is currently being reviewed by state legal counsel and will begin circulating in February. If proponents are able to gather just over a half-million signatures, it will appear on the June 2014 ballot.

If voters pass the law, it would allow cities to replace redevelopment agencies with new Job and Education Development Initiative agencies, and give a 40-year extension on approved redevelopment projects.

It would also revise the definition of blight to include areas of high unemployment.

Proponents also say that the economic development would help fund public schools.

JEDI campaign spokesperson Stu Mollrich said the law would be a boon for California, which has an unemployment rate 20 percent above the national average, with more than 1.5 million Californians out of work.

"The dissolution of redevelopment has eliminated an estimated 300,000 good paying, predominantly union jobs throughout California," Mollrich said.

in a prepared statement, Alejo said he supports efforts to give local governments opportunities to fund revitalization efforts, which he said increases employment.

"That's why I have proposed an alternative to provide a viable option targeting the state's disadvantaged poorer areas and neighborhoods," he stated. "I look forward to studying this new initiative more closely."

"Since the dissolution of redevelopment agencies, communities across California are seeking an economic development tool to use," Alejo said. "Redevelopment was a multi-purpose tool that focused over \$6 billion per year toward repairing and redeveloping urban cores, and building affordable housing, especially those areas most economically and physically disadvantaged."

Designed to help communities by improving blighted areas, redevelopment programs were hailed by proponents as a way to breathe life into low-income communities. But critics alleged that some governments were using the money for areas already slated to be improved, and to build businesses such as shopping malls and thereby boost their own general funds.

At the same time, Watsonville city officials point out projects such as the Watsonville Civic Plaza and Library, which were built using redevelopment funds. They also say the funds helped business owners with façade improvement and provided a \$300,000 loan to help Fox Racing Shox build up its business, among other things.

State officials, meanwhile, are still trying to force local governments to pay back funds they believe were improperly used for redevelopment projects after the agencies were disbanded.

Watsonville City Manager Carlos Palacios said communities like Watsonville, which is still digging its way out of the economic recession, and still suffers from high unemployment, stand to benefit from such a law.

He pointed to the ongoing Manabe-Ow Business Park and downtown revitalization efforts.

"There is a very big need for working class communities especially to have some kind of plan available to assist with their redevelopment efforts," he said.

[Share on Facebook](#)

From the Sacramento Business Journal

<http://www.bizjournals.com/sacramento/news/2014/01/10/skepticism-over-browns-redevelopment.html>

Skepticism over Brown's redevelopment replacement

Jan 10, 2014, 7:08am PST



[Allen Young](#)

Staff Writer- Sacramento Business Journal

[Email](#) | [Twitter](#) | [LinkedIn](#)

There was a sign from the state Capitol on Thursday that there will be a replacement to the much-missed redevelopment agencies that Gov. [Jerry Brown](#) and the Legislature eliminated in 2011.

But redevelopment advocates are concerned the new entity will not be nearly as effective.

Inside the governor's 2013-14 budget plan is a proposal to make it easier for voters to implement infrastructure financing districts, which are similar to redevelopment in that they allow local governments to fund public infrastructure through tax increment financing.

But projects funded by the districts require a public vote. Brown proposes to lower the voter approval from two-thirds to a 55 percent majority. The plan would also expand the kinds of projects created by the districts to include urban infill, affordable housing, transit priority projects, military base reuse, and other kinds of consumer services that the administration has not yet defined.

But the result of that need for voter approval is that infrastructure financing districts are used seldom, if ever. The public is too vulnerable to persuasive warnings about new taxes and debt – at least, city leaders fear they are, so officials don't bother trying to advance those kinds of measures.

"The law really hasn't been used it at all because the vote requirement is a pretty big hurdle. Will dropping it a little bit make (infrastructure financing districts) used much more? I'm not confident that it will," says [Dan Carigg](#), legislative director of the **League of California Cities**.

The former executive director of the California Redevelopment Agency, [John Shirey](#), was also ambivalent to Brown's proposal, noting that it was a positive step toward helping governments finance infrastructure.

"However, this does not replace redevelopment or enterprise zones, which were two very effective economic development tools for local government," wrote Shirey, Sacramento's city manager, in an email.

Curiously, Brown's measure closely mirrors pending legislation by Assemblyman [Roger Dickinson](#), D-Sacramento, which would essentially do the same thing. But after Assembly Bill 243 passed out of both legislative houses last year, the governor indicated that he would veto it for fear that a new law would interfere with the ongoing dissolution of redevelopment agencies. So Dickinson shelved his bill for the upcoming session.

Several other redevelopment replacement bills were also held up for that reason. One of them was Senate Bill 33 by [Lois Wolk](#), D-Davis, which would remove the public vote requirement from infrastructure financing districts.

Dickinson is optimistic that the governor has come around, at least to support the general function of his bill.

"It seems to be that this proposal in the budget signals that the governor and his staff have come to the point of view that we're far enough along on the track of winding down redevelopment that it is timely and appropriate to bring on new economic development tools," Dickinson said.

Brown administration officials wrote in an email that the governor's new proposal "is not necessarily as broad as AB 243 in terms of what types of projects may be funded by the new districts."

It is also unclear whether the governor's proposal would force cities to specify the exact projects that would be funded by infrastructure financing districts on the voter measure, or if voters could appoint some entity to conceive and execute projects that fit under the specified categories.

When Gov. [Jerry Brown](#) and the Democrat-controlled Legislature eliminated redevelopment agencies in 2011, California lost a significant tool to attract private investment. Redevelopment tax increment and redevelopment bonds were frequently used in public/private partnerships to replace dilapidated infrastructure like roads and wastewater pipelines.

But cases of misuse of redevelopment funds left Brown with a nasty taste in his mouth. Following the Legislature's approval, the administration abolished every redevelopment agency in the state because some focused their investment on major sales tax revenue-generating venues like auto dealerships and shopping malls. Moreover, they operated without the consent of local government and shifted billions of dollars away from schools across the state.

This narrative is recounted in [the governor's 2014-15 budget proposal](#).

Under Brown's new proposal, local governments would have to approve to any changes affecting them by the infrastructure financing districts. There would be no impact on schools or state general fund.

Allen Young covers state legislation, regulation and contracts, as well as economic news, international trade and economic development for the Sacramento Business

Journal.



AB-2280 Community Revitalization and Investment Authorities. (2013-2014)

ENROLLED AUGUST 29, 2014
PASSED IN SENATE AUGUST 22, 2014
PASSED IN ASSEMBLY AUGUST 27, 2014
AMENDED IN SENATE AUGUST 18, 2014
AMENDED IN ASSEMBLY APRIL 07, 2014

CALIFORNIA LEGISLATURE— 2013–2014 REGULAR SESSION

ASSEMBLY BILL

No. 2280

Introduced by Assembly Member Alejo
(Principal coauthors: Assembly Members Atkins and Mullin)
(Coauthors: Assembly Members Brown, Ian Calderon, Dickinson, Holden, Perea,
V. Manuel Pérez, Stone, Ting, and Williams)
(Coauthor: Senator Correa)

February 21, 2014

An act to add Part 1.87 (commencing with Section 34191.50) to Division 24 of the Health and Safety Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2280, Alejo. Community Revitalization and Investment Authorities.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined by means of redevelopment projects financed by the issuance of bonds serviced by tax increment revenues derived from the project area. Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved agencies and to fulfill the enforceable obligations of those agencies. Existing law also provides for various economic development programs that foster community sustainability and community and economic development initiatives throughout the state.

This bill would authorize certain local agencies to form a community revitalization authority (authority) within a community revitalization and investment area, as defined, to carry out provisions of the Community Redevelopment Law in that area for purposes related to, among other things, infrastructure, affordable housing, and economic revitalization. The bill would provide for the financing of these activities by, among other things, the issuance of bonds serviced by tax increment revenues, and would require the authority to adopt a community revitalization plan for the community revitalization and investment area that includes

elements describing and governing revitalization activities. The bill would also provide for periodic audits of the authority with respect to affordable housing, conducted as provided by the Controller, and for annual public reports by the authority as well as periodic proceedings for the consideration of public protests.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) Certain areas of the state are generally characterized by buildings in which it is unsafe or unhealthy for persons to live or work, conditions that make the viable use of buildings or lots difficult, high business vacancies and lack of employment opportunities, and inadequate public improvements, water, or sewer utilities. It is the intent of the Legislature to create a planning and financing tool to support the revitalization of these communities.

(b) It is in the interest of the state to support the economic revitalization of these communities through tax increment financing.

(c) It is the intent of the Legislature to authorize the creation of Community Revitalization and Investment Authorities to invest tax increment revenue to relieve conditions of unemployment, reduce high crime rates, repair deteriorated or inadequate infrastructure, promote affordable housing, and improve conditions leading to increased employment opportunities.

SEC. 2. Part 1.87 (commencing with Section 34191.50) is added to Division 24 of the Health and Safety Code, to read:

PART 1.87. Community Revitalization and Investment Authorities

34191.50. As used in this part, the following terms have the following meanings:

(a) "Authority" means the Community Revitalization and Investment Authority created pursuant to this part.

(b) "Plan" means a community revitalization plan.

34191.51. (a) A community revitalization and investment authority is a public body, corporate and politic, with jurisdiction to carry out a community revitalization plan within a community revitalization and investment area. The authority shall be deemed to be an "agency" as defined in Section 33003 for purposes of receiving tax increment revenues pursuant to Article XVI of Section 16 of the California Constitution. The authority shall have only those powers and duties specifically set forth in Section 34191.53.

(b) (1) An authority may be created in one of the following ways:

(A) A city, county, or city and county may adopt a resolution creating an authority. The composition of the governing board shall be comprised as set forth in subdivision (c).

(B) A city, county, city and county, and special district, as special district is defined in subdivision (m) of Section 95 of the Revenue and Taxation Code, or any combination thereof, may create an authority by entering into a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(2) (A) A school entity, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, may not participate in an authority created pursuant to this part.

(B) A successor agency, as defined in subdivision (j) of Section 34171, may not participate in an authority created pursuant to this part, and an entity created pursuant to this part shall not receive any portion of the property tax revenues or other moneys distributed pursuant to Section 34188.

(3) An authority formed by a city or county that created a redevelopment agency that was dissolved pursuant to Part 1.85 (commencing with Section 34170) of Division 24 shall not become effective until the successor agency or designated local authority for the former redevelopment agency has adopted findings of fact stating all of the following:

(A) The agency has received a finding of completion from the Department of Finance pursuant to Section 34179.7.

(B) No former redevelopment agency assets which are the subject of litigation against the state, where the city or county or its successor agency or designated local authority are a named plaintiff, have been or will be used to benefit any efforts of an authority formed under this part unless the litigation, has been resolved by entry of a final judgment by any court of competent jurisdiction and any appeals have been exhausted.

(C) The agency has complied with all orders of the State Controller pursuant to Section 34167.5.

(c) (1) The governing board of an authority created pursuant to subparagraph (A) of paragraph (1) of subdivision (b) shall be appointed by the legislative body of the city, county, or city and county that created the authority and shall include three members of the legislative body of the city, county, or city and county that created the authority and two public members. The appointment of the two public members shall be subject to the provisions of Section 54974 of the Government Code. The two public members shall live or work within the community revitalization and investment area.

(2) The governing body of the authority created pursuant to subparagraph (B) of paragraph (1) of subdivision (b) shall be comprised of a majority of members from the legislative bodies of the public agencies that created the authority and a minimum of two public members who live or work within the community revitalization and investment area. The majority of the board shall appoint the public members to the governing body. The appointment of the public members shall be subject to the provisions of Section 54974 of the Government Code.

(d) An authority may carry out a community revitalization plan within a community revitalization and investment area. Not less than 80 percent of the land calculated by census tracts, or census block groups, as defined by the United States Census Bureau, within the area shall be characterized by both of the following conditions:

(1) An annual median household income that is less than 80 percent of the statewide annual median income.

(2) Three of the following four conditions:

(A) Nonseasonal unemployment that is at least 3 percent higher than statewide median unemployment, as defined by the report on labor market information published by the Employment Development Department in January of the year in which the community revitalization plan is prepared.

(B) Crime rates that are 5 percent higher than the statewide median crime rate, as defined by the most recent annual report of the Criminal Justice Statistics Center within the Department of Justice, when data is available on the California Attorney General's Internet Web site.

(C) Deteriorated or inadequate infrastructure such as streets, sidewalks, water supply, sewer treatment or processing, and parks.

(D) Deteriorated commercial or residential structures.

(e) As an alternative to subdivision (d), an authority may also carry out a community revitalization plan within a community revitalization and investment area established within a former military base that is principally characterized by deteriorated or inadequate infrastructure and structures. Notwithstanding subdivision (c), the governing board of an authority established within a former military base shall include a member of the military base closure commission as a public member.

(f) The conditions described in subdivisions (d) and (e) shall constitute blight within the meaning of the Community Redevelopment Law. The authority shall not be required to make a finding of blight or conduct a survey of blight within the area.

(g) An authority created pursuant to this part shall be a local public agency subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).

(h) (1) At any time after the authority is authorized to transact business and exercise its powers, the legislative body or bodies of the local government or governments that created the authority may appropriate the amounts the legislative body or bodies deem necessary for the administrative expenses and overhead of the authority.

(2) The money appropriated may be paid to the authority as a grant to defray the expenses and overhead, or as a loan to be repaid upon the terms and conditions as the legislative body may provide. If appropriated as a loan, the property owners within the plan area shall be made third-party beneficiaries of the repayment of the loan. In addition to the common understanding and usual interpretation of the term, "administrative expense" includes, but is not limited to, expenses of planning and dissemination of information.

34191.53. An authority may do all of the following:

(a) Provide funding to rehabilitate, repair, upgrade, or construct infrastructure.

(b) Provide for low- and moderate-income housing.

(c) Remedy or remove a release of hazardous substances pursuant to the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Part 1 of Chapter 4 of Division 24).

(d) Provide for seismic retrofits of existing buildings pursuant to Section 33420.1.

(e) Acquire and transfer real property in accordance with paragraph (4) of subdivision (a) of Section 33333.2, Article 7 (commencing with Section 33390) of Part 1 of Division 24, and Sections 33340, 33349, 33350, 33435, 33436, 33437, 33437.5, 33438, 33439, 33440, 33442, 33443, 33444, 33444.5, 33444.6, and 33445.

The authority shall retain controls and establish restrictions or covenants running with the land sold or leased for private use for such periods of time and under such conditions as are provided in the plan. The establishment of such controls is a public purpose under the provisions of this part.

(f) Issue bonds pursuant to Article 5 (commencing with Section 33640) of Chapter 6 of Part 1 of Division 24.

(g) Borrow money, receive grants, or accept financial or other assistance or investment from the state or the federal government or any other public agency or private lending institution for any project or within its area of operation, and may comply with any conditions of the loan or grant. An authority may qualify for funding as a disadvantaged community as determined by the California Environmental Protection Agency pursuant to Section 79505.5 of the Water Code or as defined by Section 56033.5 of the Government Code. An authority may also enter into an agreement with a qualified community development entity, as defined by Section 45D(c) of the Internal Revenue Code, to coordinate investments of funds derived from the New Markets Tax Credit with those of the authority in instances where coordination offers opportunities for greater efficiency of investments to improve conditions described in subdivisions (d) and (e) within the territorial jurisdiction of the authority.

(h) Adopt a community revitalization and investment plan pursuant to Section 34191.55.

(i) Make loans or grants for owners or tenants to improve, rehabilitate, or retrofit buildings or structures within the plan area.

(j) Except as specified in Section 33426.5, provide direct assistance to businesses within the plan area in connection with new or existing facilities for industrial or manufacturing uses.

34191.55. An authority shall adopt a community revitalization and investment plan that may include a provision for the receipt of tax increment funds generated within the area according to Section 33670, provided the plan includes each of the following elements:

(a) A statement of the principal goals and objectives of the plan.

(b) A description of the deteriorated or inadequate infrastructure within the area and a program for construction of adequate infrastructure or repair or upgrading of existing infrastructure.

(c) A program that complies with Sections 33334.2 and all other housing-related provisions of the Community Redevelopment Law (Part 1 (commencing with Section 33300) of Division 24). An authority that includes a provision for the receipt of tax increment revenues pursuant to Section 33670 in its Community Revitalization and Investment Plan shall dedicate at least 25 percent of allocated tax increment revenues for affordable housing purposes. If the authority makes a finding that combining funding received under this program with other funding for the same purpose shall reduce administrative costs or expedite the construction of affordable housing, then an authority may transfer funding from the program to the housing authority within the territorial jurisdiction of the local jurisdiction that created the authority or to the entity that received the

housing assets of the former redevelopment agency pursuant to Section 34176; however, Section 34176.1 shall not apply to funds transferred. Funding shall be spent within the project area in which the funds were generated. Any recipient of funds transferred pursuant to this subdivision shall comply with all applicable provisions of the Community Redevelopment Law.

(d) A program to remedy or remove a release of hazardous substances, if applicable.

(e) A program to provide funding for or otherwise facilitate the economic revitalization of the area.

(f) A fiscal analysis setting forth the projected receipt of revenue and projected expenses over a five-year planning horizon, including the potential issuance of bonds backed by tax increment during the term of the plan.

(g) The time limits imposed by Section 33333.2.

(h) A program that does both of the following:

(1) Prohibits the number of housing units occupied by extremely low, very low, and low-income households, including the number of bedrooms in those units, at the time the plan is adopted, from being reduced in the plan area during the effective period of the plan.

(2) Requires the replacement of dwelling units that house extremely low, very low, or low-income households pursuant to subdivision (a) of Section 33413 within two years of their displacement.

34191.57. (a) The authority shall consider adoption of the plan at three public hearings that shall take place at least 30 days apart. At the first public hearing, the authority shall hear all written and oral comments but take no action. At the second public hearing, the authority shall consider all written and oral comments and take action to modify or reject the plan. If the plan is not rejected at the second public hearing, then the authority shall conduct a protest proceeding at the third public hearing to consider whether the property owners and residents within the plan area wish to present oral or written protests against the creation of the authority.

(b) The draft plan shall be made available to the public and to each property owner within the area at a meeting held at least 30 days prior to the notice given for the first public hearing. The purposes of the meeting shall be to allow the staff of the authority to present the draft plan, answer questions about the plan, and consider comments about the plan.

(c) (1) Notice of the first public hearing shall be given by publication not less than once a week for four successive weeks in a newspaper of general circulation published in the county in which the area lies and shall be mailed to each property owner within the proposed area of the plan. Notice of the second public hearing shall be given by publication not less than 10 days prior to the date of the second public hearing in a newspaper of general circulation published in the county in which the area lies and shall be mailed to each property owner within the proposed area of the plan. The notice shall do all of the following, as applicable:

(A) Describe specifically the boundaries of the proposed area.

(B) Describe the purpose of the plan.

(C) State the day, hour, and place when and where any and all persons having any comments on the proposed plan may appear to provide written or oral comments to the authority.

(D) Notice of second public hearing shall include a summary of the changes made to the plan as a result of the oral and written testimony received at or before the public hearing and shall identify a location accessible to the public where the plan to be presented at the second public hearing can be reviewed.

(E) Notice of the third public hearing to consider any written or oral protests shall contain a copy of the final plan adopted pursuant to subdivision (a), and shall inform the property owner and resident of his or her right to submit an oral or written protest before the close of the public hearing. The protest may state that the property owner or resident objects to the authority taking action to implement the plan.

(i) At the third public hearing, the authority shall consider all written and oral protests received prior to the close of the public hearing. If there is a majority protest, the authority shall call an election of the property owners and residents in the area covered by the plan. A majority protest exists if protests have been filed representing over 50 percent of the combined number of property owners and residents in the area who are at

least 18 years of age.

(ii) An election required pursuant to clause (i) shall be held within 90 days of the public hearing and may be held by mail-in ballot. The authority shall adopt, at a duly noticed public hearing, procedures for this election.

(iii) If a majority of the property owners and residents vote against the plan, then the authority shall not take any further action to implement the proposed plan. The authority shall not propose a new or revised plan to the affected property owners and residents for at least one year following the date of an election in which the plan was rejected.

(2) The authority may provide notice of the public hearings to tenants of properties within the proposed area of the plan in a manner of its choosing.

(d) At the hour set in the notice required by subdivision (a), the authority shall consider all written and oral comments.

(e) If a majority protest does not exist, the authority may adopt the plan at the conclusion of the third public hearing by ordinance. The ordinance adopting the plan shall be subject to referendum as prescribed by law.

(f) For the purposes of Section 33670, the redevelopment plan shall be the plan adopted pursuant to this section.

(g) The authority shall consider and adopt an amendment or amendments to a plan in accordance with the provisions of this section.

34191.59. (a) The plan adopted pursuant to Section 34191.57 may include a provision for the receipt of tax increment funds according to Section 33670 in accordance with this section.

(b) The plan shall limit the taxes that are allocated to the authority to those defined in Section 33670 collected for the benefit of the taxing agencies that have adopted a resolution pursuant to subdivision (d).

(c) The provision for the receipt of tax increment funds shall become effective in the tax year that begins after the December 1 first following the adoption of the plan.

(d) At any time prior to or after adoption of the plan, any city, county, or special district, other than a school entity as defined in subdivision (n) of Section 95 of the Revenue and Taxation Code or a successor agency as defined in subdivision (j) of Section 34171, that receives ad valorem property taxes from property located within an area may adopt a resolution directing the county auditor-controller to allocate its share of tax increment funds within the area covered by the plan according to Section 33670 to the authority. The resolution adopted pursuant to this subdivision may direct the county auditor-controller to allocate less than the full amount of the tax increment, establish a maximum amount of time in years that the allocation takes place, or limit the use of the funds by the authority for specific purposes or programs. A resolution adopted pursuant to this subdivision may be repealed and be of no further effect by giving the county auditor-controller 60 days' notice; provided, however, that the county auditor-controller shall continue to allocate to the authority the taxing entity's share of ad valorem property taxes that have been pledged to the repayment of debt issued by the authority until the debt has been fully repaid. Prior to adopting a resolution pursuant to this subdivision a city, county, or special district shall approve a memorandum of understanding with the authority governing the authority's use of tax increment funds for administrative and overhead expenses pursuant to subdivision (h) of Section 34191.51.

(e) Upon adoption of a plan that includes a provision for the receipt of tax increment funds according to Section 33670, the county auditor-controller shall allocate tax increment revenue to the authority as follows:

(1) If the authority was formed pursuant to subparagraph (A) of paragraph (1) of subdivision (b) of Section 34191.51, the authority shall be allocated each year specified in the plan that portion of the taxes levied for each city, county, city and county, and special district that has adopted a resolution pursuant to subdivision (d), in excess of the amount specified in subdivision (a) of Section 33670.

(2) If the authority was formed pursuant to subparagraph (B) of paragraph (1) of subdivision (b) of Section 34191.51, the authority shall be allocated each year specified in the plan that portion of the taxes levied for each jurisdiction as provided in the joint powers agreement in excess of the amount specified in subdivision (a) of Section 33670.

(f) If an area includes, in whole or in part, land formerly or currently designated as a part of a redevelopment project area, as defined in Section 33320.1, any plan adopted pursuant to this part that includes a provision for the receipt of tax increment revenues according to Section 33670 shall include a provision that tax increment amounts collected and received by an authority are subject and subordinate to any preexisting enforceable obligation as that term is defined by Section 34171.

34191.61. (a) The authority shall review the plan at least annually and make any amendments that are necessary and appropriate in accordance with the procedures set forth in Section 34191.57, and shall require the preparation of an annual independent financial audit paid for from revenues of the authority.

(b) An authority shall adopt an annual report on or before June 30 of each year after holding a public hearing. Written copies of the draft report shall be made available to the public 30 days prior to the public hearing. The authority shall cause the draft report to be posted in an easily identifiable and accessible location on the authority's Internet Web site and shall mail a written notice of the availability of the draft report on the Internet Web site to each owner of land and each resident within the area covered by the plan and to each taxing entity that has adopted a resolution pursuant to subdivision (d) of Section 34191.59. The notice shall be mailed by first-class mail, but may be addressed to "occupant."

(c) The annual report shall contain all of the following:

(1) A description of the projects undertaken in the fiscal year and a comparison of the progress expected to be made on those projects compared to the actual progress.

(2) A chart comparing the actual revenues and expenses, including administrative costs, of the authority to the budgeted revenues and expenses.

(3) The amount of tax increment revenues received.

(4) The amount of revenues received for low- and moderate-income housing.

(5) The amount of revenues expended for low- and moderate-income housing.

(6) An assessment of the status regarding completion of the authority's projects.

(7) The amount of revenues expended to assist private businesses.

(d) If the authority fails to provide the annual report required by subdivision (a), the authority shall not spend any funds received pursuant to a resolution adopted pursuant to subdivision (d) of Section 34191.59.

(e) Every 10 years, at the public hearing held pursuant to subdivision (b), the authority shall conduct a protest proceeding to consider whether the property owners and residents within the plan area wish to present oral or written protests against the authority. Notice of this protest proceeding shall be included in the written notice of the hearing on the annual report and shall inform the property owner and resident of his or her right to submit an oral or written protest before the close of the public hearing. The protest may state that the property owner or resident objects to the authority taking action to implement the plan on and after the date of the election described in subdivision (f). The authority shall consider all written and oral protests received prior to the close of the public hearing.

(f) If there is a majority protest, the authority shall call an election of the property owners and residents in the area covered by the plan, and shall not initiate or authorize any new projects until the election is held. A majority protest exists if protests have been filed representing over 50 percent of the combined number of property owners and residents, at least 18 years of age or older, in the area.

(g) An election required pursuant to subdivision (f) shall be held within 90 days of the public hearing and may be held by mail-in ballot. The authority shall adopt, at a duly noticed public hearing, procedures for holding this election.

(h) If a majority of the property owners and residents vote against the authority, then the authority shall not take any further action to implement the plan on and after the date of the election held pursuant to subdivision (e). This section shall not prevent the authority from taking any and all actions and appropriating and expending funds, including, but not limited to, any and all payments on bonded or contractual indebtedness, to carry out and complete projects for which expenditures of any kind had been made prior to the date of the election.

34191.63. (a) Every five years, beginning in the calendar year in which the authority has allocated a cumulative total of more than one million dollars (\$1,000,000) in tax increment revenues, including any proceeds of a debt issuance, for the purposes of subdivision (c) or Section 34191.55, the authority shall contract for an independent audit to determine compliance with the affordable housing maintenance and replacement requirements of subdivision (h) of Section 34191.55, including provisions to ensure that the requirements are met within each five-year period covered by the audit. The audit shall be conducted according to guidelines established by the Controller, which shall be established on or before December 31, 2020. A copy of the completed audit shall be provided to the Controller. The Controller shall not be required to review and approve the completed audits.

(b) Where the audit demonstrates a failure to comply with the requirements of subdivision (h) of Section 34191.55 shall require the authority to adopt and submit to the Controller, as part of the audit, a plan to achieve compliance with those provisions as soon as feasible, but in not less than two years following the audit findings. The Controller shall review and approve the plan, and require the plan to stay in effect until compliance is achieved. The Controller shall ensure that the plan includes one or more of the following means of achieving compliance:

(1) The expenditure of an additional 10 percent of gross tax increment revenue on increasing, preserving, and improving the supply of low-income housing.

(2) An increase in the production, by an additional 10 percent, of housing for very low income households as required by paragraph (2) of subdivision (b) of Section 33413.

(3) The targeting of expenditures pursuant to Section 33334.2 exclusively to rental housing affordable to, and occupied by, persons of very low and extremely low income.

(c) If an authority is required to conduct an audit pursuant to subdivision (a) in advance of the issuance of the Controller's guidelines, then it shall prepare an updated audit pursuant to the Controller's guidelines on or before January 1, 2022.

34191.64. (a) If an authority fails to provide a copy of the completed audit to the Controller as required by Section 34191.63 within 20 days following receipt of a written notice of the failure from the Controller, the authority shall forfeit to the state:

(1) Two thousand five hundred dollars (\$2,500) in the case of an authority with a total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Five thousand five hundred dollars (\$5,500) in the case of an authority with a total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Ten thousand dollars (\$10,000) in the case of an authority with a total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(b) If an authority fails to provide a copy of the completed audit to the Controller as required by Section 34191.63 within 20 days after receipt of a written notice pursuant to subdivision (a) for two consecutive years, the authority shall forfeit an amount that is double the amount of the forfeiture assessed pursuant to subdivision (a).

(c) (1) If an authority fails to provide a copy of the completed audit to the Controller as required by Section 34191.63 within 20 days after receipt of a written notice pursuant to subdivision (a) for three or more consecutive years, the authority shall forfeit an amount that is triple the amount of the forfeiture assessed pursuant to subdivision (a).

(2) The Controller shall conduct, or cause to be conducted, an independent financial audit report.

(3) The authority shall reimburse the Controller for the cost of complying with this subdivision.

(d) Upon the request of the Controller, the Attorney General shall bring an action for the forfeiture in the name of the people of the State of California.

(e) Upon satisfactory showing of good cause, the Controller shall waive the forfeiture requirements of this

section.



AB-662 Local government: redevelopment: successor agencies to redevelopment agencies. (2013-2014)

ENROLLED SEPTEMBER 18, 2013
PASSED IN SENATE SEPTEMBER 11, 2013
PASSED IN ASSEMBLY SEPTEMBER 12, 2013
AMENDED IN SENATE SEPTEMBER 06, 2013
AMENDED IN SENATE SEPTEMBER 03, 2013
AMENDED IN SENATE AUGUST 13, 2013
AMENDED IN SENATE JUNE 11, 2013
AMENDED IN SENATE MAY 24, 2013

CALIFORNIA LEGISLATURE— 2013-2014 REGULAR SESSION

ASSEMBLY BILL

No. 662

**Introduced by Assembly Members Atkins, Dickinson, Mitchell, Perea, Ting, and Torres
(Coauthor: Senator Wolk)**

February 21, 2013

An act to amend Section 53395.4 of the Government Code, and to amend Sections 34163, 34171, 34177, 34180, 34183, 34191.4, and 34191.5 of the Health and Safety Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 662, Atkins. Local government: redevelopment: successor agencies to redevelopment agencies.

(1) Existing law authorizes the creation of infrastructure financing districts, as defined, for the sole purpose of financing public facilities, subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to the division of taxes and voter approval requirements. Existing law prohibits an infrastructure financing district from including any portion of a redevelopment project area.

This bill would delete that prohibition and would authorize a district to finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area, as specified.

(2) Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law prohibits a successor agency

from entering into contracts with, incur obligations, or make commitments to, any entity, as specified, or to amend or modify existing agreements, obligations, or commitments with any entity, for any purpose.

This bill would authorize a successor agency, if the successor agency has received a finding of completion, to enter into, or amend existing, contracts and agreements, or otherwise administer projects in connection with enforceable obligations, if the contract, agreement, or project will not commit new property tax funds or otherwise adversely affect the flow of specified tax revenues or payments to the taxing agencies.

(3) Existing law requires a successor agency to submit a Recognized Obligation Payment Schedule to the Department of Finance, and requires the successor agency to make payments pursuant to that schedule.

This bill would authorize the successor agency to schedule Recognized Obligation Payment Schedule payments beyond the existing Recognized Obligation Payment Schedule cycle upon a showing that a lender requires cash on hand beyond the Recognized Obligation Payment Schedule cycle, or when a payment is shown to be due during the Recognized Obligation Payment Schedule period. The bill would authorize the successor agency to utilize reasonable estimates and projections to support payment amounts where a payment is shown to be due during the Recognized Obligation Payment Schedule period but an invoice or other billing document has not been received, if the successor agency submits appropriate supporting documentation for the basis of the estimate or projection to the department. The bill would provide that a Recognized Obligation Payment Schedule may also include appropriation of moneys from bonds subject to passage during the Recognized Obligation Payment Schedule cycle when an enforceable obligation requires the agency to issue the bonds and use the proceeds to pay for project expenditures.

(4) Existing law requires that specified actions of a successor agency be first approved by its oversight board, including, among others, the establishment of a Recognized Obligation Payment Schedule.

This bill would require a successor agency to notify the board 10 days prior to entering into a contract or agreement for the use or disposition of specified properties. The bill would authorize the board to notify the successor agency during that 10-day period that the board intends to conduct a hearing to determine whether the contract or agreement is consistent with the successor agency's long-range property management plan and would require the board to hold the hearing and issue findings within 30 days after it so notified the successor agency.

(5) Existing law requires the county auditor-controller to determine the amount of property taxes that would have been allocated to each redevelopment agency if it had not been dissolved and to deposit this amount in a Redevelopment Property Tax Trust Fund in the county. Existing law requires the conducting of a due diligence review to determine the unobligated balances available for transfer to affected taxing entities. Existing law requires the county auditor-controller for each fiscal year to allocate moneys in the Redevelopment Property Tax Trust Fund for passthrough payment obligations, enforceable obligations of the dissolved redevelopment agency, and administrative costs, as specified. Any remaining moneys in the Redevelopment Property Tax Trust Fund are required to be distributed as local property tax revenues to local agencies and school entities, as specified.

This bill would require that, on January 2, 2014, and twice yearly thereafter until June 1, 2018, funds be allocated to cover the housing entity administrative cost allowance of a local housing authority that has assumed the housing duties of the former redevelopment agency, as specified, before remaining moneys are distributed to local agencies and school entities. The bill would define "housing entity administrative cost allowance" for these purposes. This bill would also exclude from the calculation of the amount distributed to taxing entities during the 2012-13 base year the amounts distributed to taxing entities pursuant to the due diligence review process. By imposing additional duties upon local public officials, the bill would create a state-mandated local program.

(6) Existing law requires a successor agency to prepare a long-range property management plan that addresses the disposition and use of the real properties of a former redevelopment agency and requires a transfer of the property to the city, county, or city and county if the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, as specified.

This bill would specify that the term "identified in an approved redevelopment plan" includes properties listed in a community plan or a 5-year implementation plan.

(7) 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.

This bill would provide that no reimbursement is required by this act for a specified reason.

(8) This bill would incorporate additional changes to Sections 34191.4 and 34191.5 of the Health and Safety Code, proposed by AB 564, that would become operative only if this bill and AB 564 are chaptered and become effective January 1, 2014, and this bill is chaptered last.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 53395.4 of the Government Code is amended to read:

53395.4. (a) A district may finance only the facilities or services authorized in this chapter to the extent that the facilities or services are in addition to those provided in the territory of the district before the district was created. The additional facilities or services may not supplant facilities or services already available within that territory when the district was created but may supplement those facilities and services as needed to serve new developments.

(b) A district may include areas that are not contiguous.

(c) A district may finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area. The successor agency to the former redevelopment agency shall receive a certificate of completion, as defined in Section 34179.7 of the Health and Safety Code, prior to the district financing any project or portion of a project under this subdivision.

(d) Notwithstanding subdivision (c), any debt or obligation of a district shall be subordinate to an enforceable obligation of a former redevelopment agency, as defined in Section 34171 of the Health and Safety Code. For the purposes of this chapter, the division of taxes allocated to the district pursuant to subdivision (b) of Section 53396 shall not include any taxes required to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund created pursuant to subdivision (b) of Section 34170.5 of the Health and Safety Code.

(e) The legislative body of the city forming the district may choose to dedicate any portion of its net available revenue to the district through the financing plan described in Section 53395.14.

(f) For the purposes of this section, "net available revenue" means periodic distributions to the city from the Redevelopment Property Tax Trust Fund, created pursuant to Section 34170.5 of the Health and Safety Code, that are available to the city after all preexisting legal commitments and statutory obligations funded from that revenue are made pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. Net available revenue shall not include any funds deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund or funds remaining in the Redevelopment Property Tax Trust Fund prior to distribution. Net available revenues shall not include any moneys payable to a school district that maintains kindergarten and grades 1 to 12, inclusive, community college districts, or to the Educational Revenue Augmentation Fund, pursuant to paragraph (4) of subdivision (a) of Section 34183 of the Health and Safety Code.

SEC. 2. Section 34163 of the Health and Safety Code is amended to read:

34163. Notwithstanding Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100), or any other law, commencing on the effective date of this part, an agency shall not have the authority to, and shall not, do any of the following:

(a) Make loans or advances or grant or enter into agreements to provide funds or provide financial assistance of any sort to any entity or person for any purpose, including, but not limited to, all of the following:

(1) Loans of moneys or any other thing of value or commitments to provide financing to nonprofit organizations to provide those organizations with financing for the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing or the acquisition of commercial property for lease, each pursuant to Chapter 7.5 (commencing with Section 33741) of Part 1.

(2) Loans of moneys or any other thing of value for residential construction, improvement, or rehabilitation

pursuant to Chapter 8 (commencing with Section 33750) of Part 1. These include, but are not limited to, construction loans to purchasers of residential housing, mortgage loans to purchasers of residential housing, and loans to mortgage lenders, or any other entity, to aid in financing pursuant to Chapter 8 (commencing with Section 33750).

(3) The purchase, by an agency, of mortgage or construction loans from mortgage lenders or from any other entities.

(b) Except as provided in subdivision (d) of Section 34191.4, enter into contracts with, incur obligations, or make commitments to, any entity, whether governmental, tribal, or private, or any individual or groups of individuals for any purpose, including, but not limited to, loan agreements, passthrough agreements, regulatory agreements, services contracts, leases, disposition and development agreements, joint exercise of powers agreements, contracts for the purchase of capital equipment, agreements for redevelopment activities, including, but not limited to, agreements for planning, design, redesign, development, demolition, alteration, construction, reconstruction, rehabilitation, site remediation, site development or improvement, removal of graffiti, land clearance, and seismic retrofits.

(c) Amend or modify existing agreements, obligations, or commitments with any entity, for any purpose, including, but not limited to, any of the following:

(1) Renewing or extending term of leases or other agreements, except that the agency may extend lease space for its own use to a date not to exceed six months after the effective date of the act adding this part and for a rate no more than 5 percent above the rate the agency currently pays on a monthly basis.

(2) Modifying terms and conditions of existing agreements, obligations, or commitments.

(3) Forgiving all or any part of the balance owed to the agency on existing loans or extend the term or change the terms and conditions of existing loans.

(4) Making any future deposits to the Low and Moderate Income Housing Fund created pursuant to Section 33334.3.

(5) Transferring funds out of the Low and Moderate Income Housing Fund, except to meet the minimum housing-related obligations that existed as of January 1, 2011, to make required payments under Sections 33690 and 33690.5, and to borrow funds pursuant to Section 34168.5.

(d) Dispose of assets by sale, long-term lease, gift, grant, exchange, transfer, assignment, or otherwise, for any purpose, including, but not limited to, any of the following:

(1) Assets, including, but not limited to, real property, deeds of trust, and mortgages held by the agency, moneys, accounts receivable, contract rights, proceeds of insurance claims, grant proceeds, settlement payments, rights to receive rents, and any other rights to payment of whatever kind.

(2) Real property, including, but not limited to, land, land under water and waterfront property, buildings, structures, fixtures, and improvements on the land, any property appurtenant to, or used in connection with, the land, every estate, interest, privilege, easement, franchise, and right in land, including rights-of-way, terms for years, and liens, charges, or encumbrances by way of judgment, mortgage, or otherwise, and the indebtedness secured by the liens.

(e) Acquire real property by any means for any purpose, including, but not limited to, the purchase, lease, or exercising of an option to purchase or lease, exchange, subdivide, transfer, assume, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise acquire any real property, any interest in real property, and any improvements on it, including the repurchase of developed property previously owned by the agency and the acquisition of real property by eminent domain; provided, however, that nothing in this subdivision is intended to prohibit the acceptance or transfer of title for real property acquired prior to the effective date of this part.

(f) Transfer, assign, vest, or delegate any of its assets, funds, rights, powers, ownership interests, or obligations for any purpose to any entity, including, but not limited to, the community, the legislative body, another member of a joint powers authority, a trustee, a receiver, a partner entity, another agency, a nonprofit corporation, a contractual counterparty, a public body, a limited-equity housing cooperative, the state, a political subdivision of the state, the federal government, any private entity, or an individual or group of individuals.

(g) Accept financial or other assistance from the state or federal government or any public or private source if the acceptance necessitates or is conditioned upon the agency incurring indebtedness as that term is described in this part.

SEC. 3. Section 34171 of the Health and Safety Code is amended to read:

34171. The following terms shall have the following meanings:

(a) "Administrative budget" means the budget for administrative costs of the successor agencies as provided in Section 34177.

(b) "Administrative cost allowance" means an amount that, subject to the approval of the oversight board, is payable from property tax revenues of up to 5 percent of the property tax allocated to the successor agency on the Recognized Obligation Payment Schedule covering the period January 1, 2012, through June 30, 2012, and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency for each fiscal year thereafter; provided, however, that the amount shall not be less than two hundred fifty thousand dollars (\$250,000), unless the oversight board reduces this amount, for any fiscal year or such lesser amount as agreed to by the successor agency. However, the allowance amount shall exclude, and shall not apply to, any administrative costs that can be paid from bond proceeds or from sources other than property tax. Administrative cost allowances shall exclude any litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition. Employee costs associated with work on specific project implementation activities, including, but not limited to, construction inspection, project management, or actual construction, shall be considered project-specific costs and shall not constitute administrative costs.

(c) "Designated local authority" shall mean a public entity formed pursuant to subdivision (d) of Section 34173.

(d) (1) "Enforceable obligation" means any of the following:

(A) Bonds, as defined by Section 33602 and bonds issued pursuant to Chapter 10.5 (commencing with Section 5850) of Division 6 of Title 1 of the Government Code, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency. A reserve may be held when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year.

(B) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(C) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement. Costs incurred to fulfill collective bargaining agreements for layoffs or terminations of city employees who performed work directly on behalf of the former redevelopment agency shall be considered enforceable obligations payable from property tax funds. The obligations to employees specified in this subparagraph shall remain enforceable obligations payable from property tax funds for any employee to whom those obligations apply if that employee is transferred to the entity assuming the housing functions of the former redevelopment agency pursuant to Section 34176. The successor agency or designated local authority shall enter into an agreement with the housing entity to reimburse it for any costs of the employee obligations.

(D) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.

(E) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy. However, nothing in this act shall prohibit either the successor agency, with the approval or at the direction of the oversight board, or the oversight board itself from terminating any existing agreements or contracts and providing any necessary and required compensation or remediation for such

termination. Titles of or headings used on or in a document shall not be relevant in determining the existence of an enforceable obligation.

(F) Contracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition, and agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.

(G) Amounts borrowed from, or payments owing to, the Low and Moderate Income Housing Fund of a redevelopment agency, which had been deferred as of the effective date of the act adding this part; provided, however, that the repayment schedule is approved by the oversight board. Repayments shall be transferred to the Low and Moderate Income Housing Asset Fund established pursuant to subdivision (d) of Section 34176 as a housing asset and shall be used in a manner consistent with the affordable housing requirements of the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(2) For purposes of this part, "enforceable obligation" does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency. However, written agreements entered into (A) at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and (B) solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations for purposes of this part. Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations.

(3) Contracts or agreements between the former redevelopment agency and other public agencies, to perform services or provide funding for governmental or private services or capital projects outside of redevelopment project areas that do not provide benefit to the redevelopment project and thus were not properly authorized under Part 1 (commencing with Section 33000) shall be deemed void on the effective date of this part; provided, however, that such contracts or agreements for the provision of housing properly authorized under Part 1 (commencing with Section 33000) shall not be deemed void.

(e) "Indebtedness obligations" means bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the redevelopment agency, or by a joint exercise of powers authority created by the redevelopment agency, to third-party investors or bondholders to finance or refinance redevelopment projects undertaken by the redevelopment agency in compliance with the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(f) "Oversight board" shall mean each entity established pursuant to Section 34179.

(g) "Recognized obligation" means an obligation listed in the Recognized Obligation Payment Schedule.

(h) "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177.

(i) "School entity" means any entity defined as such in subdivision (f) of Section 95 of the Revenue and Taxation Code.

(j) "Successor agency" means the successor entity to the former redevelopment agency as described in Section 34173.

(k) "Taxing entities" means cities, counties, a city and county, special districts, and school entities, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, that receive passthrough payments and distributions of property taxes pursuant to the provisions of this part.

(l) "Property taxes" include all property tax revenues, including those from unitary and supplemental and roll corrections applicable to tax increment.

(m) "Department" means the Department of Finance unless the context clearly refers to another state agency.

(n) "Sponsoring entity" means the city, county, or city and county, or other entity that authorized the creation of each redevelopment agency.

(o) "Final judicial determination" means a final judicial determination made by any state court that is not appealed, or by a court of appellate jurisdiction that is not further appealed, in an action by any party.

(p) From January 2, 2014, to June 1, 2018, inclusive, "housing entity administrative cost allowance" means an amount of up to 1 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund on behalf of the successor agency for each applicable fiscal year, but not less than one hundred fifty thousand dollars (\$150,000) per fiscal year.

(1) The housing entity administrative cost allowance shall be listed by the successor agency on the Recognized Obligation Payment Schedule. Upon approval of the Recognized Obligation Payment Schedule by the oversight board and the department, the housing entity administrative cost allowance shall be remitted by the county auditor-controller on each January 2 and June 1 to the local housing authority that assumed the housing functions of the former redevelopment agency pursuant to paragraph (2) or (3) of subdivision (b) of Section 34176. To assist the county auditor-controller in this duty, the successor agency shall notify the county auditor-controller by January 2, 2014, of the identity of the entity that has assumed the housing functions of the former redevelopment agency.

(2) If there are insufficient moneys in the Redevelopment Obligations Retirement Fund in a given fiscal year to make the payment authorized by this subdivision, the unfunded amount may be listed on each subsequent Recognized Obligation Payment Schedule until it has been paid in full. In these cases the five-year time limit on the payments shall not apply.

SEC. 4. Section 34177 of the Health and Safety Code is amended to read:

34177. Successor agencies are required to do all of the following:

(a) Continue to make payments due for enforceable obligations.

(1) On and after February 1, 2012, and until a Recognized Obligation Payment Schedule becomes operative, only payments required pursuant to an enforceable obligations payment schedule shall be made. The initial enforceable obligation payment schedule shall be the last schedule adopted by the redevelopment agency under Section 34169. However, payments associated with obligations excluded from the definition of enforceable obligations by paragraph (2) of subdivision (d) of Section 34171 shall be excluded from the enforceable obligations payment schedule and be removed from the last schedule adopted by the redevelopment agency under Section 34169 prior to the successor agency adopting it as its enforceable obligations payment schedule pursuant to this subdivision. The enforceable obligation payment schedule may be amended by the successor agency at any public meeting and shall be subject to the approval of the oversight board as soon as the board has sufficient members to form a quorum. In recognition of the fact that the timing of the California Supreme Court's ruling in the case California Redevelopment Association v. Matosantos (2011) 53 Cal.4th 231 delayed the preparation by successor agencies and the approval by oversight boards of the January 1, 2012, through June 30, 2012, Recognized Obligation Payment Schedule, a successor agency may amend the Enforceable Obligation Payment Schedule to authorize the continued payment of enforceable obligations until the time that the January 1, 2012, through June 30, 2012, Recognized Obligation Payment Schedule has been approved by the oversight board and by the Department of Finance. The successor agency may utilize reasonable estimates and projections to support payment amounts for enforceable obligations if the successor agency submits appropriate supporting documentation of the basis for the estimate or projection to the Department of Finance.

(2) The Department of Finance and the Controller shall each have the authority to require any documents associated with the enforceable obligations to be provided to them in a manner of their choosing. Any taxing entity, the department, and the Controller shall each have standing to file a judicial action to prevent a violation under this part and to obtain injunctive or other appropriate relief.

(3) Commencing on the date the Recognized Obligation Payment Schedule is valid pursuant to subdivision (1), only those payments listed in the Recognized Obligation Payment Schedule may be made by the successor agency from the funds specified in the Recognized Obligation Payment Schedule. In addition, after it becomes valid, the Recognized Obligation Payment Schedule shall supersede the Statement of Indebtedness, which shall no longer be prepared nor have any effect under the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(4) Nothing in the act adding this part is to be construed as preventing a successor agency, with the prior

approval of the oversight board, as described in Section 34179, from making payments for enforceable obligations from sources other than those listed in the Recognized Obligation Payment Schedule.

(5) From February 1, 2012, to July 1, 2012, a successor agency shall have no authority and is hereby prohibited from accelerating payment or making any lump-sum payments that are intended to prepay loans unless such accelerated repayments were required prior to the effective date of this part.

(b) Maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(c) Perform obligations required pursuant to any enforceable obligation.

(d) Remit unencumbered balances of redevelopment agency funds to the county auditor-controller for distribution to the taxing entities, including, but not limited to, the unencumbered balance of the Low and Moderate Income Housing Fund of a former redevelopment agency. In making the distribution, the county auditor-controller shall utilize the same methodology for allocation and distribution of property tax revenues provided in Section 34188.

(e) Dispose of assets and properties of the former redevelopment agency as directed by the oversight board; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181. The disposal is to be done expeditiously and in a manner aimed at maximizing value. Proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the oversight board, shall be transferred to the county auditor-controller for distribution as property tax proceeds under Section 34188. The requirements of this subdivision shall not apply to a successor agency that has been issued a finding of completion by the Department of Finance pursuant to Section 34179.7.

(f) Enforce all former redevelopment agency rights for the benefit of the taxing entities, including, but not limited to, continuing to collect loans, rents, and other revenues that were due to the redevelopment agency.

(g) Effectuate transfer of housing functions and assets to the appropriate entity designated pursuant to Section 34176.

(h) Expeditiously wind down the affairs of the redevelopment agency pursuant to the provisions of this part and in accordance with the direction of the oversight board.

(i) Continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former redevelopment agency can be transferred to other parties. Bond proceeds shall be used for the purposes for which bonds were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds.

(j) Prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget shall include all of the following:

(1) Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.

(2) Proposed sources of payment for the costs identified in paragraph (1).

(3) Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

(k) Provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the county auditor-controller for each six-month fiscal period.

(l) (1) Before each six-month fiscal period, prepare a Recognized Obligation Payment Schedule in accordance with the requirements of this paragraph. For each recognized obligation, the Recognized Obligation Payment Schedule shall identify one or more of the following sources of payment:

(A) Low and Moderate Income Housing Fund.

(B) Bond proceeds.

(C) Reserve balances.

(D) Administrative cost allowance.

(E) The Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of this part.

(F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board in accordance with this part.

(2) A Recognized Obligation Payment Schedule shall not be deemed valid unless all of the following conditions have been met:

(A) A Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former redevelopment agency. The initial schedule shall project the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had the a redevelopment agency not been dissolved.

(B) The Recognized Obligation Payment Schedule is submitted to and duly approved by the oversight board. The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the county administrative officer, the county auditor-controller, and the Department of Finance at the same time that the successor agency submits the Recognized Obligation Payment Schedule to the oversight board for approval.

(C) A copy of the approved Recognized Obligation Payment Schedule is submitted to the county auditor-controller and both the Controller's office and the Department of Finance and is posted on the successor agency's Internet Web site.

(3) The Recognized Obligation Payment Schedule shall be forward looking to the next six months. The first Recognized Obligation Payment Schedule shall be submitted to the Controller's office and the Department of Finance by April 15, 2012, for the period of January 1, 2012, to June 30, 2012, inclusive. This Recognized Obligation Payment Schedule shall include all payments made by the former redevelopment agency between January 1, 2012, through January 31, 2012, and shall include all payments proposed to be made by the successor agency from February 1, 2012, through June 30, 2012. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency.

(m) The Recognized Obligation Payment Schedule for the period of January 1, 2013, to June 30, 2013, shall be submitted by the successor agency, after approval by the oversight board, no later than September 1, 2012. Commencing with the Recognized Obligation Payment Schedule covering the period July 1, 2013, through December 31, 2013, successor agencies shall submit an oversight board-approved Recognized Obligation Payment Schedule to the Department of Finance and to the county auditor-controller no fewer than 90 days before the date of property tax distribution. The Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the Recognized Obligation Payment Schedule is submitted. Within five business days of the department's determination, a successor agency may request additional review by the department and an opportunity to meet and confer on disputed items. The meet and confer period may vary; an untimely submittal of a Recognized Obligation Payment Schedule may result in a meet and confer period of less than 30 days. The department shall notify the successor agency and the county auditor-controllers as to the outcome of its review at least 15 days before the date of property tax distribution.

(1) The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the Department of Finance electronically, and the successor agency shall complete the Recognized Obligation Payment Schedule in the manner provided for by the department. A successor agency shall be in noncompliance with this paragraph if it only submits to the department an electronic message or a letter stating that the oversight board has approved a Recognized Obligation Payment Schedule.

(2) If a successor agency does not submit a Recognized Obligation Payment Schedule by the deadlines provided in this subdivision, the city, county, or city and county that created the redevelopment agency shall be subject to a civil penalty equal to ten thousand dollars (\$10,000) per day for every day the schedule is not submitted to the department. The civil penalty shall be paid to the county auditor-controller for allocation to

the taxing entities under Section 34183. If a successor agency fails to submit a Recognized Obligation Payment Schedule by the deadline, any creditor of the successor agency or the Department of Finance or any affected taxing entity shall have standing to and may request a writ of mandate to require the successor agency to immediately perform this duty. Those actions may be filed only in the County of Sacramento and shall have priority over other civil matters. Additionally, if an agency does not submit a Recognized Obligation Payment Schedule within ten days of the deadline, the maximum administrative cost allowance for that period shall be reduced by 25 percent.

(3) If a successor agency fails to submit to the department an oversight board-approved Recognized Obligation Payment Schedule that complies with all requirements of this subdivision within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the department may determine if any amount should be withheld by the county auditor-controller for payments for enforceable obligations from distribution to taxing entities, pending approval of a Recognized Obligation Payment Schedule. The county auditor-controller shall distribute the portion of any of the sums withheld pursuant to this paragraph to the affected taxing entities in accordance with paragraph (4) of subdivision (a) of Section 34183 upon notice by the department that a portion of the withheld balances are in excess of the amount of enforceable obligations. The county auditor-controller shall distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule approved by the department. County auditor-controllers shall lack the authority to withhold any other amounts from the allocations provided for under Section 34183 or 34188 unless required by a court order.

(4) (A) The Recognized Obligation Payment Schedule payments required pursuant to this subdivision may be scheduled beyond the existing Recognized Obligation Payment Schedule cycle upon a showing that a lender requires cash on hand beyond the Recognized Obligation Payment Schedule cycle.

(B) When a payment is shown to be due during the Recognized Obligation Payment Schedule period, but an invoice or other billing document has not yet been received, the successor agency may utilize reasonable estimates and projections to support payment amounts for enforceable obligations if the successor agency submits appropriate supporting documentation of the basis for the estimate or projection to the department.

(C) A Recognized Obligation Payment Schedule may also include appropriation of moneys from bonds subject to passage during the Recognized Obligation Payment Schedule cycle when an enforceable obligation requires the agency to issue the bonds and use the proceeds to pay for project expenditures.

(h) Cause a postaudit of the financial transactions and records of the successor agency to be made at least annually by a certified public accountant.

SEC. 5. Section 34180 of the Health and Safety Code is amended to read:

34180. (a) All of the following successor agency actions shall first be approved by the oversight board:

(1) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part. An oversight board shall not have the authority to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency except as provided in Chapter 9 (commencing with Section 34191.1).

(2) The issuance of bonds or other indebtedness or the pledge or agreement for the pledge of property tax revenues (formerly tax increment prior to the effective date of this part) pursuant to subdivision (a) of Section 34177.5.

(3) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(4) Merging of project areas.

(5) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, if that assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.

(6) (A) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base

property tax, as determined pursuant to Section 34188, for the value of the property retained.

(B) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by an independent appraiser approved by the oversight board.

(7) Establishment of the Recognized Obligation Payment Schedule.

(8) A request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding. An oversight board shall not have the authority to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency except as provided in Chapter 9 (commencing with Section 34191.1). Any actions to reestablish any other agreements that are in furtherance of enforceable obligations, with the city, county, or city and county that formed the redevelopment agency are invalid until they are included in an approved and valid Recognized Obligation Payment Schedule.

(9) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

(b) A successor agency shall provide notice to the oversight board at least 10 days prior to entering into a contract or agreement for the use or disposition of properties pursuant to paragraph (2) of subdivision (c) of Section 34191.5. During the 10-day period the oversight board may notify the successor agency that the board intends to conduct a hearing to determine whether the contract or agreement is consistent with the successor agency's long-range property management plan. The board shall hold the hearing and issue findings within 30 days after it so notified the successor agency.

(c) Any document submitted by a successor agency to an oversight board for approval by any provision of this part shall also be submitted to the county administrative officer, the county auditor-controller, and the Department of Finance at the same time that the successor agency submits the document to the oversight board.

SEC. 6. Section 34183 of the Health and Safety Code is amended to read:

34183. (a) Notwithstanding any other law, from February 1, 2012, to July 1, 2012, and for each fiscal year thereafter, the county auditor-controller shall, after deducting administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, allocate moneys in each Redevelopment Property Tax Trust Fund as follows:

(1) Subject to any prior deductions required by subdivision (b), first, the county auditor-controller shall remit from the Redevelopment Property Tax Trust Fund to each local agency and school entity an amount of property tax revenues in an amount equal to that which would have been received under Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections read on January 1, 2011, or pursuant to any passthrough agreement between a redevelopment agency and a taxing entity that was entered into prior to January 1, 1994, that would be in force during that fiscal year, had the redevelopment agency existed at that time. The amount of the payments made pursuant to this paragraph shall be calculated solely on the basis of passthrough payment obligations, existing prior to the effective date of this part and continuing as obligations of successor entities, shall occur no later than May 16, 2012, and no later than June 1, 2012, and each January 2 and June 1 thereafter. Notwithstanding subdivision (e) of Section 33670, that portion of the taxes in excess of the amount identified in subdivision (a) of Section 33670, which are attributable to a tax rate levied by a taxing entity for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing entity. The amount of passthrough payments computed pursuant to this section, including any passthrough agreements, shall be computed as though the requirement to set aside funds for the Low and Moderate Income Housing Fund was still in effect.

(2) Second, on June 1, 2012, and each January 2 and June 1 thereafter, to each successor agency for payments listed in its Recognized Obligation Payment Schedule for the six-month fiscal period beginning January 1, 2012, and July 1, 2012, and each January 2 and June 1 thereafter, in the following order of priority:

(A) Debt service payments scheduled to be made for tax allocation bonds.

(B) Payments scheduled to be made on revenue bonds, but only to the extent the revenues pledged for them are insufficient to make the payments and only if the agency's tax increment revenues were also pledged for the repayment of the bonds.

(C) Payments scheduled for other debts and obligations listed in the Recognized Obligation Payment Schedule that are required to be paid from former tax increment revenue.

(3) Third, on June 1, 2012, and each January 2 and June 1 thereafter, to each successor agency for the administrative cost allowance, as defined in Section 34171, for administrative costs set forth in an approved administrative budget for those payments required to be paid from former tax increment revenues.

(4) Fourth, on January 2, 2014, and each January 2 and June 1 thereafter until June 1, 2018, for the housing entity administrative cost allowance payable to the local housing authority that has assumed the housing duties of the former redevelopment agency pursuant to paragraph (2) or (3) of subdivision (b) of Section 34176.

(5) Fifth, on June 1, 2012, and each January 2 and June 1 thereafter, any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by paragraphs (1) to (4), inclusive, shall be distributed to local agencies and school entities in accordance with Section 34188.

(b) If the successor agency reports, no later than April 1, 2012, and May 1, 2012, and each December 1 and May 1 thereafter, to the county auditor-controller that the total amount available to the successor agency from the Redevelopment Property Tax Trust Fund allocation to that successor agency's Redevelopment Obligation Retirement Fund, from other funds transferred from each redevelopment agency, and from funds that have or will become available through asset sales and all redevelopment operations, are insufficient to fund the payments required by paragraphs (1) to (4), inclusive, of subdivision (a) in the next six-month fiscal period, the county auditor-controller shall notify the Controller and the Department of Finance no later than 10 days from the date of that notification. The county auditor-controller shall verify whether the successor agency will have sufficient funds from which to service debts according to the Recognized Obligation Payment Schedule and shall report the findings to the Controller. If the Controller concurs that there are insufficient funds to pay required debt service, the amount of the deficiency shall be deducted first from the amount remaining to be distributed to taxing entities pursuant to paragraph (5), and if that amount is exhausted, from amounts available for distribution for administrative costs in paragraphs (3) and (4), with those amounts in paragraph (3) to be exhausted first. If an agency, pursuant to the provisions of Section 33492.15, 33492.72, 33607.5, 33671.5, 33681.15, or 33688 or as expressly provided in a passthrough agreement entered into pursuant to Section 33401, made passthrough payment obligations subordinate to debt service payments required for enforceable obligations, funds for servicing bond debt may be deducted from the amounts for passthrough payments under paragraph (1), as provided in those sections, but only to the extent that the amounts remaining to be distributed to taxing entities pursuant to paragraph (5) and the amounts available for distribution for administrative costs in paragraphs (3) and (4) have all been exhausted.

(c) The county treasurer may loan any funds from the county treasury to the Redevelopment Property Tax Trust Fund of the successor agency for the purpose of paying an item approved on the Recognized Obligation Payment Schedule at the request of the Department of Finance that are necessary to ensure prompt payments of redevelopment agency debts. An enforceable obligation is created for repayment of those loans.

(d) The Controller may recover the costs of audit and oversight required under this part from the Redevelopment Property Tax Trust Fund by presenting an invoice therefor to the county auditor-controller who shall set aside sufficient funds for and disburse the claimed amounts prior to making the next distributions to the taxing entities pursuant to Section 34188. Subject to the approval of the Director of Finance, the budget of the Controller may be augmented to reflect the reimbursement, pursuant to Section 28.00 of the Budget Act.

(e) Within 10 days of each distribution of property tax, the county auditor-controller shall provide a report to the department regarding the distribution for each successor agency that includes information on the total available for allocation, the passthrough amounts and how they were calculated, the amounts distributed to successor agencies, and the amounts distributed to taxing entities in a manner and form specified by the department. This reporting requirement shall also apply to distributions required under subdivision (b) of Section 34183.5.

SEC. 7. Section 34191.4 of the Health and Safety Code is amended to read:

34191.4. The following provisions shall apply to any successor agency that has been issued a finding of

completion by the Department of Finance:

(a) All real property and interests in real property identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5 shall be transferred to the Community Redevelopment Property Trust Fund of the successor agency upon approval by the Department of Finance of the long-range property management plan submitted by the successor agency pursuant to subdivision (b) of Section 34191.7 unless that property is subject to the requirements of any existing enforceable obligation.

(b) (1) Notwithstanding subdivision (d) of Section 34171, upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

(2) If the oversight board finds that the loan is an enforceable obligation, the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The loan shall be repaid to the city, county, or city and county in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund. The annual loan repayments provided for in the recognized obligation payment schedules shall be subject to all of the following limitations:

(A) Loan repayments shall not be made prior to the 2013–14 fiscal year. Beginning in the 2013–14 fiscal year, the maximum repayment amount authorized each fiscal year for repayments made pursuant to this subdivision and paragraph (7) of subdivision (e) of Section 34176 combined shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to paragraph (5) of subdivision (a) of Section 34183 in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012–13 base year, provided, however, that calculation of the amount distributed to taxing entities during the 2012–13 base year shall not include any amounts distributed to taxing entities pursuant to the due diligence review process established in Sections 34179.5 to 34179.8, inclusive. Loan or deferral repayments made pursuant to this subdivision shall be second in priority to amounts to be repaid pursuant to paragraph (7) of subdivision (e) of Section 34176.

(B) Repayments received by the city, county, or city and county that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund of the former redevelopment agency for purposes of the Supplemental Educational Revenue Augmentation Fund and shall be distributed to the Low and Moderate Income Housing Asset Fund established by subdivision (d) of Section 34176.

(C) Twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund, after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the Supplemental Educational Revenue Augmentation Fund have been paid.

(c) (1) Bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold.

(2) (A) Notwithstanding Section 34177.3 or any other conflicting provision of law, bond proceeds in excess of the amounts needed to satisfy approved enforceable obligations shall thereafter be expended in a manner consistent with the original bond covenants. Enforceable obligations may be satisfied by the creation of reserves for projects that are the subject of the enforceable obligation and that are consistent with the contractual obligations for those projects, or by expending funds to complete the projects. An expenditure made pursuant to this paragraph shall constitute the creation of excess bond proceeds obligations to be paid from the excess proceeds. Excess bond proceeds obligations shall be listed separately on the Recognized Obligation Payment Schedule submitted by the successor agency.

(B) If remaining bond proceeds cannot be spent in a manner consistent with the bond covenants pursuant to subparagraph (A), the proceeds shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

(d) Notwithstanding subdivision (b) of Section 34163, if a successor agency has received a finding of completion, the successor agency may enter into, or amend existing, contracts and agreements, or otherwise

administer projects in connection with enforceable obligations approved pursuant to subdivision (m) of Section 34177, if the contract, agreement, or project will not commit new property tax funds, and will not otherwise reduce property tax revenues or payments made pursuant to paragraph (4) of subdivision (a) of Section 34183 to the taxing agencies.

SEC. 7.5. Section 34191.4 of the Health and Safety Code is amended to read:

34191.4. The following provisions shall apply to any successor agency that has been issued a finding of completion by the Department of Finance:

(a) All real property and interests in real property identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5 shall be transferred to the Community Redevelopment Property Trust Fund of the successor agency upon approval by the Department of Finance of the long-range property management plan submitted by the successor agency pursuant to subdivision (b) of Section 34191.5 unless that property is subject to the requirements of any existing enforceable obligation.

(b) (1) Notwithstanding subdivision (d) of Section 34171, upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

(2) If the oversight board finds that the loan is an enforceable obligation, the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The loan shall be repaid to the city, county, or city and county in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund. The annual loan repayments provided for in the recognized obligation payment schedules shall be subject to all of the following limitations:

(A) Loan repayments shall not be made prior to the 2013–14 fiscal year. Beginning in the 2013–14 fiscal year, the maximum repayment amount authorized each fiscal year for repayments made pursuant to this subdivision and paragraph (7) of subdivision (e) of Section 34176 combined shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to paragraph (5) of subdivision (a) of Section 34183 in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012–13 base year, provided, however, that calculation of the amount distributed to taxing entities during the 2012–13 base year shall not include any amounts distributed to taxing entities pursuant to the due diligence review process established in Sections 34179.5 to 34179.8, inclusive. Loan or deferral repayments made pursuant to this subdivision shall be second in priority to amounts to be repaid pursuant to paragraph (7) of subdivision (e) of Section 34176.

(B) Repayments received by the city, county, or city and county that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund of the former redevelopment agency for purposes of the Supplemental Educational Revenue Augmentation Fund and shall be distributed to the Low and Moderate Income Housing Asset Fund established by subdivision (d) of Section 34176.

(C) Twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund, after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the Supplemental Educational Revenue Augmentation Fund have been paid.

(3) Following the effective date of an oversight board's approval of an enforceable obligation pursuant to this subdivision, as determined pursuant to subdivision (h) of Section 34179, the oversight board's action shall be final and may be relied upon by all public and private entities, and, except for an amendment to an enforceable obligation initiated by a successor agency, may not be modified or reversed by any future action of the Department of Finance.

(c) (1) Bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold.

(2) (A) Notwithstanding Section 34177.3 or any other conflicting provision of law, bond proceeds in excess of the amounts needed to satisfy approved enforceable obligations shall thereafter be expended in a manner consistent with the original bond covenants. Enforceable obligations may be satisfied by the creation of reserves for projects that are the subject of the enforceable obligation and that are consistent with the contractual obligations for those projects, or by expending funds to complete the projects. An expenditure made pursuant to this paragraph shall constitute the creation of excess bond proceeds obligations to be paid from the excess proceeds. Excess bond proceeds obligations shall be listed separately on the Recognized Obligation Payment Schedule submitted by the successor agency.

(B) If remaining bond proceeds cannot be spent in a manner consistent with the bond covenants pursuant to subparagraph (A), the proceeds shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

(3) Following the effective date of an oversight board's approval of an enforceable obligation pursuant to this subdivision, as determined pursuant to subdivision (h) of Section 34179, the oversight board's action shall be final and, except for an amendment to an enforceable obligation initiated by a successor agency, may be relied upon by all public and private entities, and may not be modified or reversed by any future action of the Department of Finance.

(d) Notwithstanding subdivision (b) of Section 34163, if a successor agency has received a finding of completion, the successor agency may enter into, or amend existing, contracts and agreements, or otherwise administer projects in connection with enforceable obligations approved pursuant to subdivision (m) of Section 34177, if the contract, agreement, or project will not commit new property tax funds, and will not otherwise reduce property tax revenues or payments made pursuant to paragraph (4) of subdivision (a) of Section 34183 to the taxing agencies.

SEC. 8. Section 34191.5 of the Health and Safety Code is amended to read:

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, to serve as the repository of the former redevelopment agency's real properties identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5.

(b) The successor agency shall prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The report shall be submitted to the oversight board and the Department of Finance for approval no later than six months following the issuance to the successor agency of the finding of completion.

(c) The long-range property management plan shall do all of the following:

(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

(B) The purpose for which the property was acquired.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

(2) Address the use or disposition of all of the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) (i) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(ii) For purposes of this subparagraph, the term "identified in an approved redevelopment plan" includes properties listed in a community plan or a five-year implementation plan.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

SEC. 8.5. Section 34191.5 of the Health and Safety Code is amended to read:

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, to serve as the repository of the former redevelopment agency's real properties identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5.

(b) The successor agency shall prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The report shall be submitted to the oversight board and the Department of Finance for approval no later than six months following the issuance to the successor agency of the finding of completion.

(c) The long-range property management plan shall do all of the following:

(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

(B) The purpose for which the property was acquired.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

(2) Address the use or disposition of all of the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) (i) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(ii) For purposes of this subparagraph, the term "identified in an approved redevelopment plan" includes properties listed in a community plan or a five-year implementation plan.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.

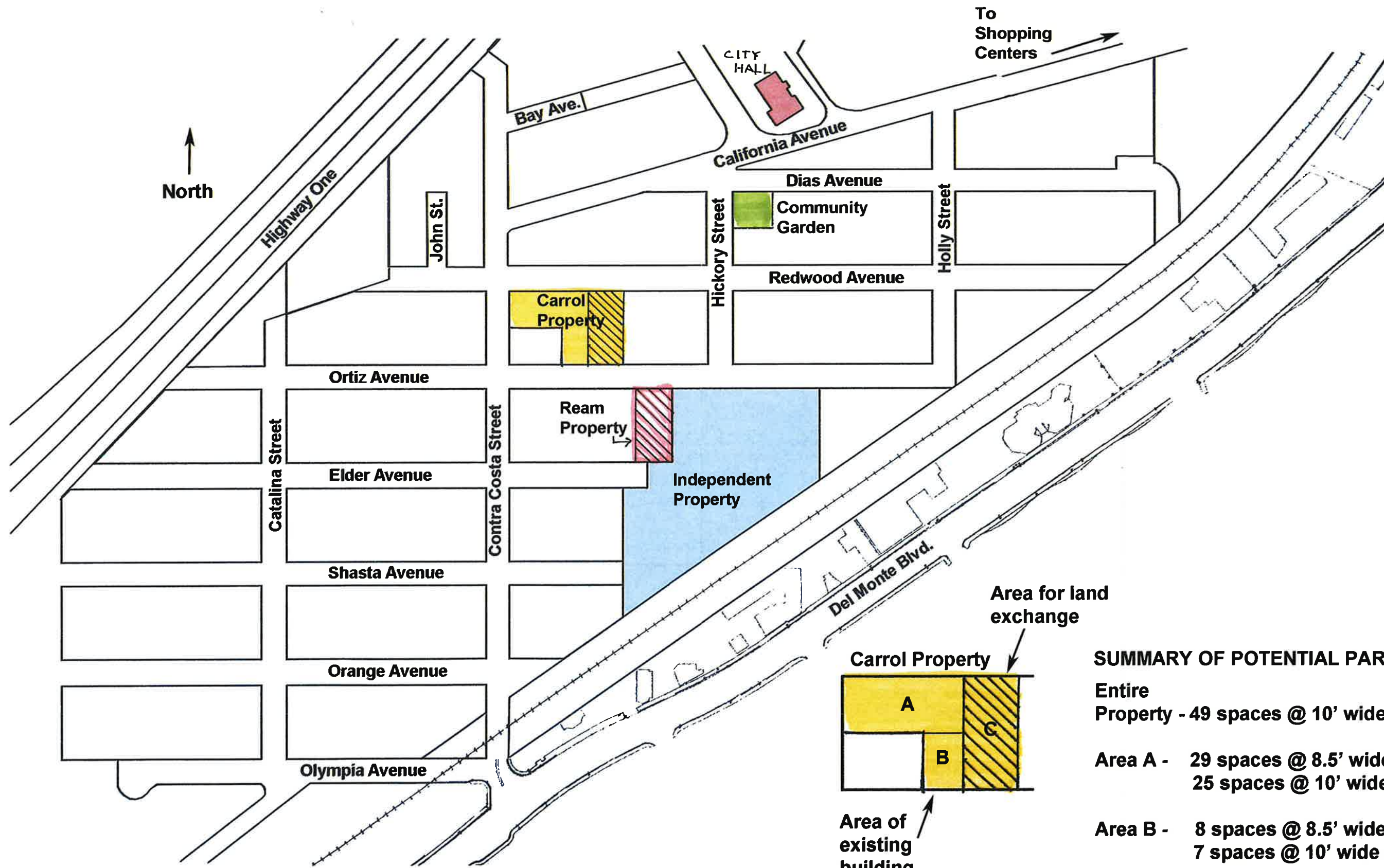
(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

(d) After approval by the Department of Finance, an action taken pursuant to subparagraph (A) or (B) of paragraph (2) of subdivision (c) that is consistent with the approved plan may not be modified or reversed by future action of the Department of Finance, and may be relied upon by all public and private entities.

SEC. 9. (a) Section 7.5 of this bill incorporates amendments to Section 34191.4 of the Health and Safety Code proposed by both this bill and Assembly Bill 564. It shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2014, (2) each bill amends Section 34191.4 of the Health and Safety Code, and (3) this bill is enacted after Assembly Bill 564, in which case Section 7 of this bill shall not become operative.

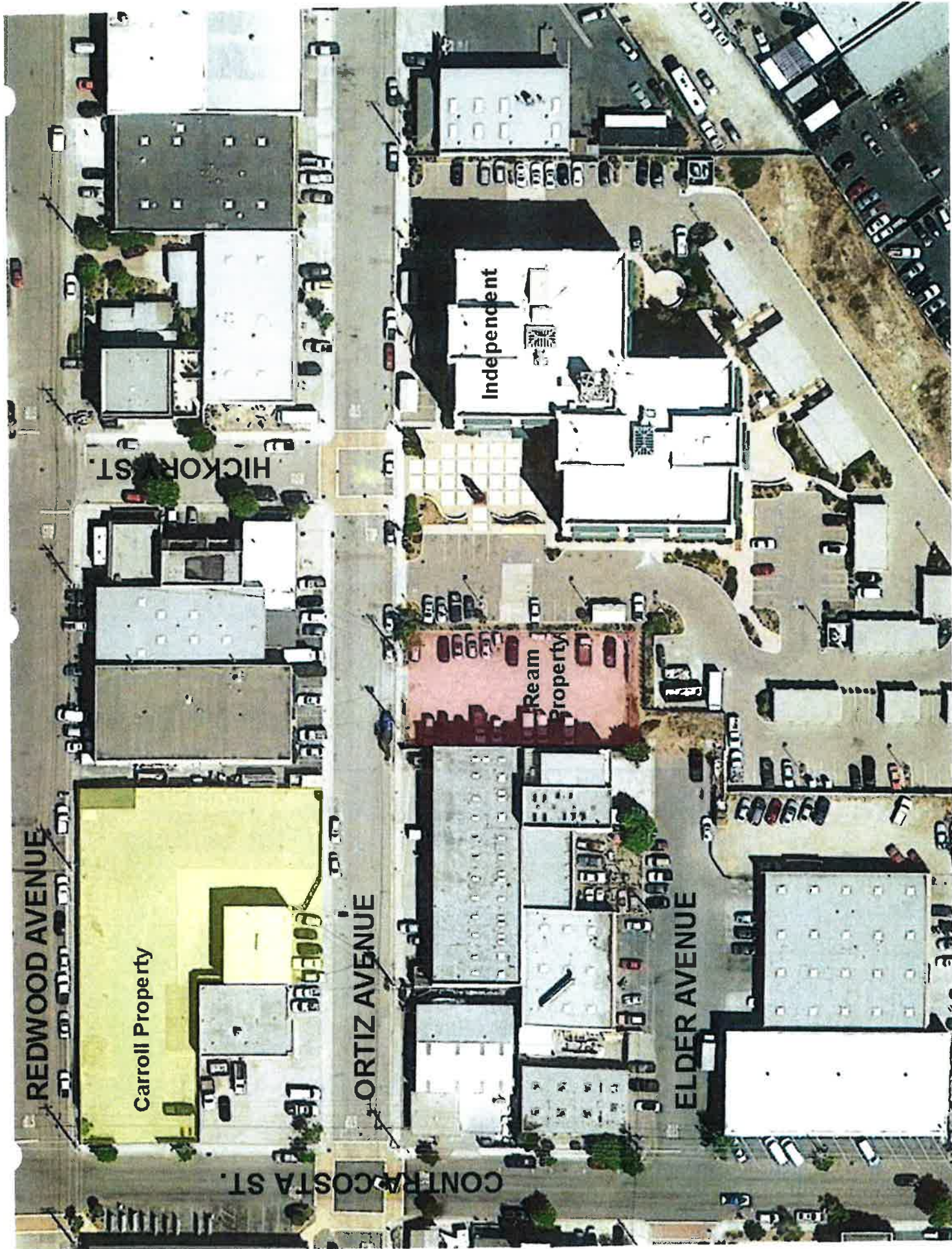
(b) Section 8.5 of this bill incorporates amendments to Section 34191.5 of the Health and Safety Code proposed by both this bill and Assembly Bill 564. It shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2014, (2) each bill amends Section 34191.5 of the Health and Safety Code, and (3) this bill is enacted after Assembly Bill 564, in which case Section 8 of this bill shall not become operative.

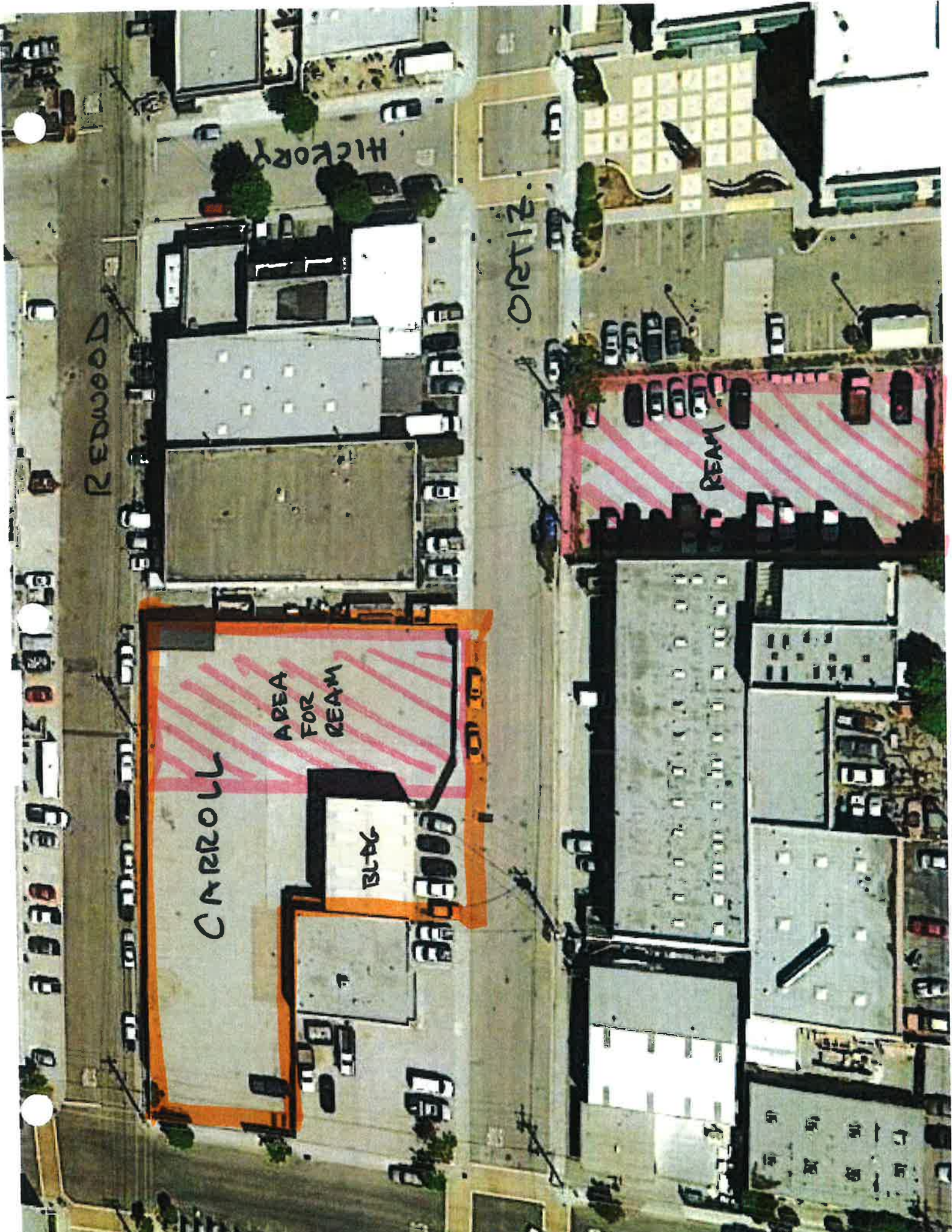
SEC. 10. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.



SUMMARY OF POTENTIAL PARKING

- Entire Property - 49 spaces @ 10' wide
- Area A - 29 spaces @ 8.5' wide
25 spaces @ 10' wide
- Area B - 8 spaces @ 8.5' wide
7 spaces @ 10' wide
- Area C - 24 spaces @ 10' wide





REDWOOD

HICKORY

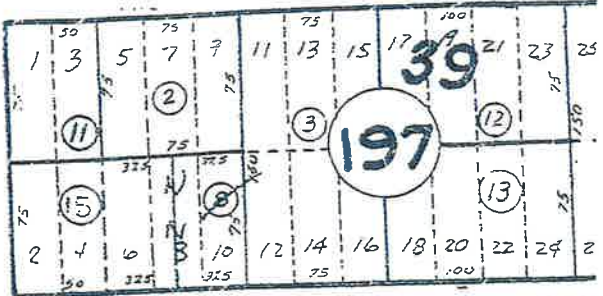
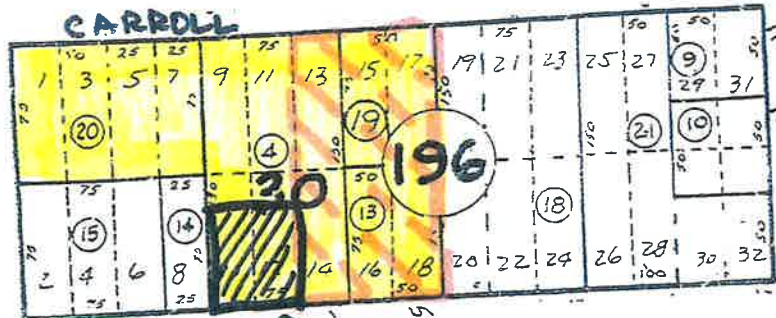
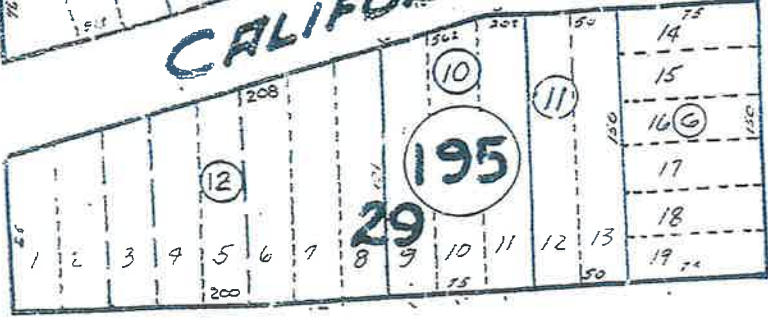
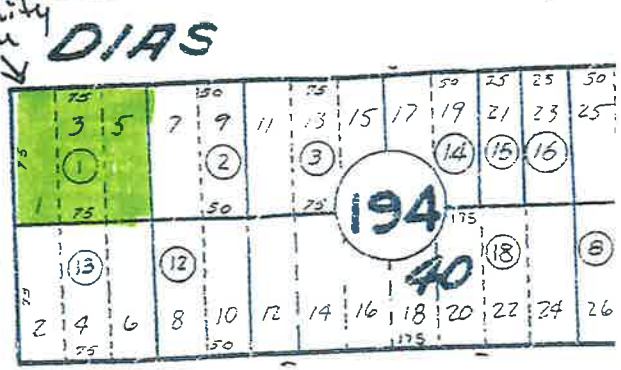
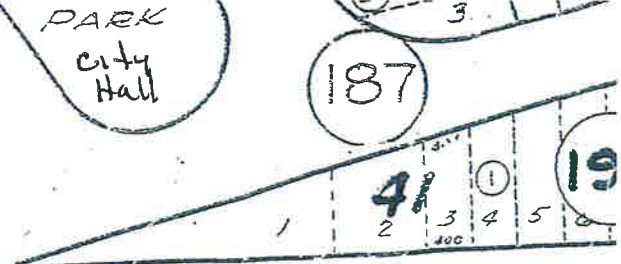
ORITIZ

BEAM

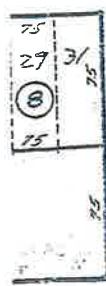
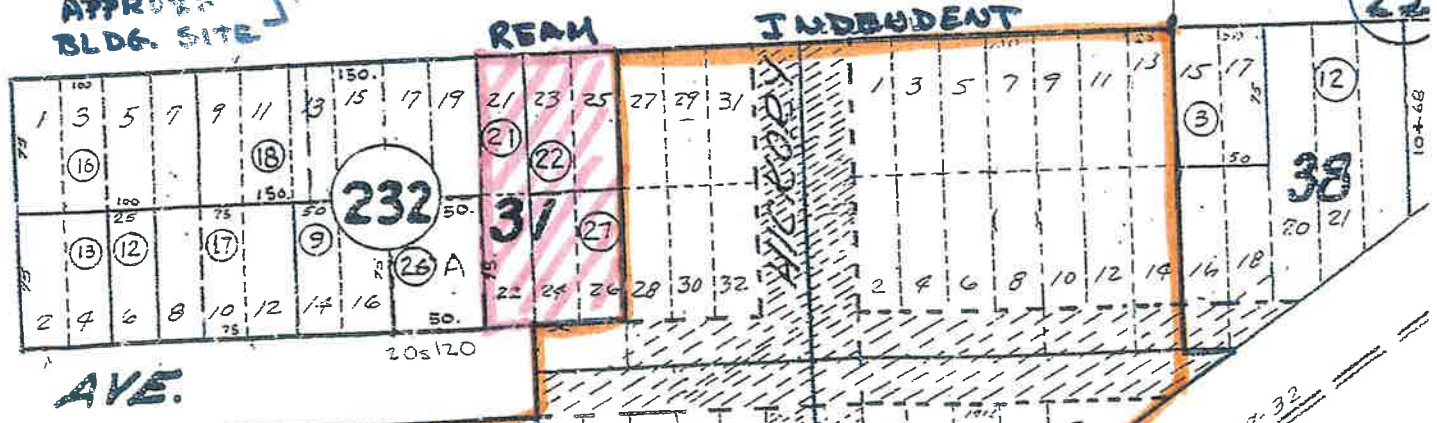
CARROLL

AREA FOR BEAM

BLDG



APPROX. BLDG. SITE



AVE.

