**FORT ORD REUSE AUTHORITY BOARD REPORT**

**CONSENT AGENDA**

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**RECOMMENDATION:**
Authorize sending letters of support for Assembly Bills 229 and 1080.

**BACKGROUND/DISCUSSION:**

AB 229, introduced by Assemblymember John Perez, would authorize military base reuse authorities to form an Infrastructure Financing and Revitalization District (IFRD). AB 229 is intended to provide an alternative method of funding infrastructure and related public facilities in order to clean up, develop, and reuse former military bases through the establishment of IFRDs. Attached is a draft letter of support for AB 229 (Attachment A), an AB 229 fact sheet (Attachment B), and the full text of the bill (Attachment C).

AB1080, introduced by Assemblymember Luis Alejo, would authorize certain public entities to form a community revitalization plan to carry out the Community Redevelopment Law in a specified manner. The bill would require adopting a community revitalization plan for a community revitalization and investment area and authorize including in that plan a provision for the receipt of tax increment funds. Attached is a draft letter of support for AB 1080 (Attachment D), an AB 1080 fact sheet (Attachment E), and the full text of the bill (Attachment F).

At their May 6, 2013 meeting, the Fort Ord Reuse Authority (FORA) Legislative Committee recommended the FORA Board authorize the Chair to execute the attached letters of support for AB 229 and 1080.

**FISCAL IMPACT:**
Reviewed by FORA Controller

Staff time for this item is included in the approved annual budget.

**COORDINATION:**
Executive Committee, Legislative Committee

Prepared by Crissy Maras  
Approved by Michael A. Houlemaud, Jr.
May 10, 2013

The Honorable John Perez  
Speaker of the Assembly  
PO Box 842849  
State Capitol, Room 219  
Sacramento, CA 94249-0053

RE: Support for Assembly Bill 229

Dear Speaker Perez,

On behalf of the Fort Ord Reuse Authority (FORA) Board of Directors, please accept our support of Assembly Bill 229 and the crucial enhancements to the financing tool of infrastructure financing districts in California. The improvement of this economic development financing tool allows for more efficiency and usability and is critical to the success of the redevelopment of the former Fort Ord.

FORA is the regional planning authority tasked with redevelopment of the former Fort Ord, a 28,000 acre US Army base closed through the 1994 round of Base Realignment and Closure. The closure of Fort Ord created significant adverse economic hardships on Monterey Peninsula communities. AB229 would allow proposed redevelopment projects on the former base to progress toward implementation, delivering the jobs, economic activity, transportation network enhancements and regional open space that were promised to the region’s residents.

Development of the former Fort Ord will create thousands of new construction and long-term jobs, affordable and workforce housing, and transit oriented communities. The elimination of redevelopment agencies removed a major tool used by military base reuse authorities to remedy blight, remove environmental hazards, and spur local economic development. AB229 would provide a tool to address economic development, housing, sustainable development, environmental mitigation, and other needs in a fiscally responsible manner that promotes local cooperation.

Sincerely,

Jerry Edelen, Chair

C: Senator Mark DeSaulnier  
Assemblymember Susan Bonilla  
Assemblymember Jim Frazier  
Assemblymember Joan Buchanan  
Assemblymember Nancy Skinner  
FORA Board of Directors  
Michael A. Houlemard, Jr., FORA Executive Officer
AB 229
Military Base Reuse IRFD
AS INTRODUCED 02/04/2013

SUMMARY
AB 229 authorizes a military base reuse authority to form an Infrastructure and Revitalization Financing District (IRFD). This is similar to the authorization in existing law for cities and counties to create Infrastructure Financing Districts (IFD).

PURPOSE
Military base closure and realignment creates significant adverse economic hardships on many California communities. The Legislature has adopted a number of statutes to assist local agencies in addressing issues related to the adverse economic impacts of military base closure and realignment.

Closure of military bases can pose significant economic, environmental, and land-use problems such as toxic waste clean-up, loss of business, and reduction in tax revenues. Base closure can also present opportunities for business relocation, economic development, and land reuse that cannot be addressed by either the state’s governmental taxing agencies or private investment alone. Resulting in the need to develop and/or expand the innovative use of public financing mechanisms to leverage federal and private funds.

Unlike cities and counties, military base reuse authorities do not have the financing tools necessary to respond to the infrastructure and economic development requirements of a post-redevelopment world.

AB 229 is intended to provide an alternative method of funding infrastructure and related public facilities to clean-up, develop, and reuse former military bases through the establishment of infrastructure financing and revitalization districts.

OVERVIEW
Specifically, AB 229 does the following:

- Authorizes a city, county, city and county, or joint powers authority, where that entity is acting as the military base reuse authority, to form an IRFD.

- Broadens the types of projects that military base reuse IRFDs may finance versus a traditional IFD. These expanded uses include housing; purchase of property for economic development; acquisition, construction or repair of commercial or industrial structures to facilitate economic development; and the repayment of start-up financing.
provided by local governments for military base reuse.

• Authorizes military base reuse IRFDs to clean up brownfields using the powers of the Polanco Redevelopment Act.

• Authorizes military base reuse IRFDs to be created in former redevelopment project areas, providing that no existing redevelopment obligations are impaired. Unlike IFDs, military base reuse IRFDs can include substantially undeveloped land to accomplish military base reuse plans.

• Allows cities or counties to dedicate their share of freed-up former redevelopment tax increment revenue to a military base reuse IRFD financing plan.

• Requires voter or landowner approval to form (depending on the number of registered voters in the proposed district) a district.

• Allows a military base reuse IRFD to construct replacement housing anywhere on the former base consistent with the base reuse plan, infrastructure financing plan, and local general plan, as applicable.

Unlike redevelopment, no school property taxes may be diverted, and tax increment may be diverted from other overlapping local entities (such as from a county for a city IFD) only with the agreement of the other entity. Existing law also requires a 2/3 vote of the local voters to establish a district and to authorize the issuance of bonds.

Existing law prohibits the establishment of IFDs in redevelopment areas or in developed areas.

The elimination of redevelopment agencies on February 1, 2012 has removed a major tool used by military base reuse authorities to remedy blight, remove environmental hazards, and spur local economic development. This bill establishes military base reuse IRFDs to provide a tool to address economic development housing, sustainable development, environmental mitigation, and other needs in a fiscally responsible manner that promotes local cooperation.

SUPPORT

Unknown at this time

OPPOSITION

 Unknown at this time

CONTACT INFORMATION

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Office of Speaker John A. Pérez ♦ AB 229 Fact Sheet
An act to add Chapter 2.6 (commencing with Section 53369) to Part 1 of Division 2 of Title 5 of the Government Code, and to amend Section 33459 of the Health and Safety Code, relating to local government.

LEGISLATIVE COUNSEL’S DIGEST

AB 229, as amended, John A. Pérez. Local government: infrastructure and revitalization financing districts.

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 division of taxes and ¾ voter approval. Existing law authorizes the legislative body to, by majority vote, initiate proceedings to issue bonds for the financing of district projects by adopting a resolution, subject to specified procedures and ¾ voter approval. Existing law requires an infrastructure financing plan to include the date on which an infrastructure financing district will cease to exist, which may not be more than 30 years from the date on which the ordinance forming the district is adopted. Existing law prohibits a district from including any portion of a redevelopment project area. Existing law, the Polanco Redevelopment Act, authorizes a redevelopment agency to take any action that the agency determines is
necessary and consistent with state and federal laws to remedy or remove a release of hazardous substances on, under, or from property within a project area, whether the agency owns that property or not, subject to specified conditions. Existing law also declares the intent of the Legislature that the areas of the district created be substantially undeveloped, and that the establishment of a district should not ordinarily lead to the removal of dwelling units.

This bill would authorize the creation of an infrastructure and revitalization financing district, as defined, and the issuance of debt with ¾ voter approval. The bill would authorize the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years, as specified. The bill would authorize a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases. The bill would authorize the legislative body of a city to dedicate any portion of its funds received from the Redevelopment Property Tax Trust Fund to the district, if specified criteria are met. The bill would authorize a city to form a district to finance a project or projects on a former military base, if specified conditions are met.

The bill would authorize a district to fund various projects, including, among others, watershed land used for the collection and treatment of water for urban uses, flood management, levees, bypasses, open space, habitat restoration, brownfields restoration, environmental mitigation, purchase of land and property for development purposes, including commercial property, hazardous cleanup, former military bases, and specified transportation purposes. The bill would authorize a district to implement hazardous cleanup pursuant to the Polanco Redevelopment Act, as specified. The bill would impose a specified reporting requirement on districts. The bill would state that it is the intent of the Legislature that the establishment of a district should not ordinarily lead to the removal of existing functional, habitable, and safe dwelling units, as specified. The bill would define the term "public works" for purposes of these provisions.

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

SECTION 1. Chapter 2.6 (commencing with Section 53399-53369) is added to Part 1 of Division 2 of Title 5 of the Government Code, to read:

CHAPTER 2.6. INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICTS


53399.
53369. It is the intent of the Legislature in enacting this chapter to establish a long-term permanent program that provides local governments with tools and resources for specified purposes, including, but not limited to, public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation, in a manner that encourages local cooperation and includes appropriate protections for state and local taxpayers.

53399.1.
53369.1. Unless the context otherwise requires, the definitions contained in this article shall govern the construction of this chapter.

(a) “Affected taxing entity” means any governmental taxing agency that levied or had levied on its behalf a property tax on all or a portion of the property located in the proposed district in the fiscal year prior to the designation of the district, but not including any county office of education, school district, or community college district.

(b) “City” means a city, county, city and county, or joint powers authority where that entity is acting as the military base reuse authority established pursuant to Title 7.86 (commencing with Section 67800).

(c) “Debt” means any binding obligation to repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals.
“Designated official” means the city engineer or other appropriate official designated pursuant to Section 53399.13.

1 (d) “Designated official” means the city engineer or other appropriate official designated pursuant to Section 53399.13.

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3 (e) (1) “District” means an infrastructure and revitalization financing district.

4 (2) An infrastructure and revitalization financing district is a “district” within the meaning of Section I of Article XIII A of the California Constitution.

5 (f) “Infrastructure and revitalization financing district” means a legally constituted governmental entity established pursuant to this chapter for the sole purpose of financing facilities authorized by this chapter.

6 (g) “Landowner” or “owner of land” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of the land by the legislative body. The legislative body does not have any obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this chapter. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed district.

7 (h) “Legislative body” means the city council, board of supervisors, or joint powers authority that is acting as the military base reuse authority established pursuant to Title 7.86 (commencing with Section 67800).

8 (i) “Project area” means a defined area within a district in which the activities of the district share a common purpose or goal and an overall financing plan.

9 (j) “Public works” means public facilities or any other facilities described in Section 53399.3 that are to be financed in whole or in part by the district.

10 (k) “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 only include revenue remaining after all current distributions, including, but not limited to, payment of enforceable obligations, all
distributions to other taxing entities, and applicable administrative
fees, have been made.

53399.2. (a) The revenues available pursuant to Article 3
(commencing with Section 53399.30) may be used
directly for work allowed pursuant to Section 53399.3; 53369.3,
may be accumulated for a period not to exceed five years to provide
a fund for that work, may be pledged to pay the principal of, and
interest on, bonds issued pursuant to Article 4 (commencing with
Section 53399.40; 53369.40), or may be pledged to pay the
principal of, and interest on, bonds issued pursuant to the
Improvement Bond Act of 1915 (Division 10 (commencing with
Section 8500) of the Streets and Highways Code) or the
Mello-Roos Community Facilities Act of 1982 (Chapter 2.5
(commencing with Section 53311)), the proceeds of which have
been or will be used entirely for allowable purposes of the district.
The revenue of the district may also be advanced for allowable
purposes of the district to an Integrated Financing District
established pursuant to Chapter 1.5 (commencing with Section
53175), in which case the district may be party to a reimbursement
agreement established pursuant to that chapter. The revenues of
the district may also be committed to paying for any completed
facility acquired pursuant to Section 53399.3 53369.3 over a period
of time, including the payment of a rate of interest not to exceed
the bond buyer index rate on the day that the agreement to repay
is entered into by the city.

(b) The legislative body may enter into an agreement with any
affected taxing entity providing for the construction of, or
assistance in, financing facilities.

53399.3.

53369.3. (a) A district may finance (1) the purchase,
construction, expansion, improvement, seismic retrofit, or
rehabilitation of any real or other tangible property with an
estimated useful life of 15 years or longer which satisfies the
requirements of subdivision (b), (2) planning and design work that
is directly related to the purchase, construction, expansion,
improvement, rehabilitation, or seismic retrofit of that property,
and (3) the costs described in Sections 53399.6 53369.6 and
53399.31. 53369.31. The facilities need not be physically located
within the boundaries of the district. A district may not finance
routine maintenance, repair work, or the costs of ongoing operation
or providing services of any kind.
(b) The district shall finance only facilities or projects of
communitywide significance, including, but not limited to, any of
the following:
(1) Highways, interchanges, ramps and bridges, arterial streets,
parking facilities, and transit facilities.
(2) Sewage treatment and water reclamation plants and
interceptor pipes.
(3) Facilities and watershed lands used for the collection and
treatment of water for urban uses.
(4) Flood management, including levees, bypasses, dams,
retention basins, and drainage channels.
(5) Child care facilities.
(6) Libraries.
(7) Parks, recreational facilities, open space, and habitat
restoration.
(8) Facilities for the transfer and disposal of solid waste,
including transfer stations and vehicles.
(9) Brownfields restoration and other environmental mitigation.
(10) Purchase of land and property for development purposes
and related site improvements.
(11) Acquisition, construction, or repair of housing for rental
or purchase, including multipurpose facilities.
(12) Acquisition, construction, or repair of commercial or
industrial structures for private use.
(13) The repayment of the transfer of funds to a military base
reuse authority pursuant to Section 67851.
(c) Any district that constructs dwelling units shall set aside not
less than 20 percent of those units to increase and improve the
community's supply of low- and moderate-income housing
available at an affordable housing cost, as defined by Section
50052.5 of the Health and Safety Code, or at an affordable rent,
as defined by Section 50053 of the Health and Safety Code, to
persons and families of low and moderate income, as defined in
Section 50093 of the Health and Safety Code.
(d) A district may utilize any powers under the Polanco
Redevelopment Act (Article 12.5 (commencing with Section
33459) of Chapter 4 of Part 1 of Division 24 of the Health and
(c) A district may finance any project that implements a
sustainable communities strategy prepared pursuant to Section
65080.

§3399.4. (a) A city may form a district to finance a project or
projects on a former military base pursuant to the requirements set
forth in this chapter.
(b) A district formed under this section may finance a project
pursuant to this section or
Section 53399.3 only if the
project is consistent with the authority reuse plan and is approved
by the military base reuse authority, if applicable.

§3399.5. (a) A district may finance only the facilities or
services authorized in this chapter. The additional facilities or
services may not supplant facilities or services already available
within that territory when the district was created, except if those
facilities or services are essentially nonfunctional, obsolete,
hazardous, or in need of upgrading or rehabilitation. The additional
facilities or services may supplement those facilities and services
as needed to serve new developments.
(b) A district may include areas that are not contiguous. A
district may be divided into project areas, each of which may be
subject to distinct limitations established under this chapter. The
legislative body may, at any time, add territory to a district or
amend the infrastructure financing plan for the district by
conducting the same procedures for the formation of a district or
approval of bonds, if applicable, as provided pursuant to this
chapter.
(c) Any district may finance any project or portion of a project
that is located in, or overlaps with, any redevelopment project area
or former redevelopment project area or former military base.
(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.
(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 53399.14.

It is the intent of the Legislature that the establishment of a district should not ordinarily lead to the removal of existing functional, habitable, and safe dwelling units. If, however, any dwelling units are proposed to be removed or destroyed in the course of private development or facilities construction within the area of the district, the legislative body shall do all of the following:

(a) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons or families of low or moderate income, of an equal number of replacement dwelling units at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, within the territory of the district if the dwelling units removed were inhabited by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(b) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons of low or moderate income, a number of dwelling units which is at least one unit but not less than 20 percent of the total dwelling units removed at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, within the territory of the district if the dwelling units removed or destroyed were not inhabited by persons of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(c) In the case of dwelling units located on a former military base that are destroyed or removed in connection with a base reuse plan, replacement dwelling units required by subdivision (a) or (b) may be located anywhere within the territory of the former military base consistent with the base reuse plan, local general plan, and infrastructure financing plan, as applicable.

(d) Provide relocation assistance and make all the payments required by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, to persons displaced by any public or private development occurring within the territory of the district. This displacement shall be deemed to be the result of public action.
(e) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income not take place unless and until there are suitable housing units, at comparable cost to the units from which the persons or families were displaced, available and ready for occupancy by the residents of the units at the time of their displacement. The housing units shall be suitable to the needs of these displaced persons or families and shall be decent, safe, sanitary, and otherwise standard dwellings.

53399.7. Any action or proceeding to attack, review, set aside, void, or annul the creation of a district, adoption of an infrastructure financing plan, including a division of taxes thereunder, or an election pursuant to this chapter shall be commenced within 30 days after the enactment of the ordinance creating the district pursuant to Section 53399.23. Consistent with the time limitations of this section, such an action or proceeding with respect to a division of taxes under this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure, except that Section 869 of the Code of Civil Procedure shall not apply.

53399.8. An action to determine the validity of the issuance of bonds pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. However, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, the action shall be commenced within 30 days after adoption of the resolution pursuant to Section 53399.44 providing for issuance of the bonds if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.

Article 2. Preparation and Adoption of Infrastructure Revitalization Financing District Plans

53399.10. A legislative body of a city may designate one or more proposed infrastructure revitalization financing districts
pursuant to this chapter. Proceedings for the establishment of a district shall be instituted by the adoption of a resolution of intention to establish the proposed district and shall do all of the following:

(a) State that an infrastructure revitalization financing district is proposed to be established under the terms of this chapter and describe the boundaries of the proposed district and any project area proposed within the district, which may be accomplished by reference to a map on file in the office of the clerk of the city.

(b) State the type of facilities proposed to be financed by the district. The district may only finance facilities authorized by Section 53399.3.

(c) State that incremental property tax revenue from the city and some or all affected taxing entities within the district may be used to finance these facilities.

(d) State that net available revenue from the city may be used to finance these facilities and state the maximum portion of the net available revenue to be committed to the district for each year during which the district will receive these revenues.

(e) Fix a time and place for a public hearing on the proposal.

53399.11. The legislative body shall direct the clerk to mail cause a copy of the resolution of intention to create the district to be mailed to each owner of land within the district.

53399.12. The legislative body shall direct the clerk to mail cause a copy of the resolution to be mailed to each affected taxing entity.

53399.13. After adopting the resolution pursuant to Section 53399.10, 53369.10, the legislative body shall designate and direct the city engineer or other appropriate official to prepare an infrastructure plan pursuant to Section 53399.14, 53369.14.

53399.14. After receipt of a copy of the resolution of intention to establish a district, the official designated pursuant to Section 53399.13 53369.13 shall prepare a proposed infrastructure financing plan. The infrastructure financing plan shall be consistent with the general plan of the city within which the district is located and shall include all of the following:
(a) A map and legal description of the proposed district, which may include all or a portion of the district designated by the legislative body in its resolution of intention.

(b) A description of the facilities required to serve the development proposed in the area of the district including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the improvements and facilities.

(c) A finding that the facilities are of communitywide significance.

(d) A financing section, which shall contain all of the following information:

1. A specification of the maximum portion of the incremental tax revenue of the city and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time.

2. A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity proposed to be committed to the district for each year. If applicable, the plan shall also include a specification of the maximum portion of the net available revenue of the city proposed to be committed to the district for each year during which the district will receive revenue. The portion may vary over time.

3. A plan for financing the facilities to be assisted by the district, including a detailed description of any intention to incur debt.

4. A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan.

5. A date on which the district shall cease to exist, by which time all tax allocation, including any allocation of net available revenue, to the district will end. The date shall not be more than 40 years from the date on which the ordinance forming the district is adopted pursuant to Section 53399.23, 53369.23, or a later date,
if specified by the ordinance, on which the allocation of tax
crement will begin. The district may issue debt with a final
maturity date of up to 30 years from the date of issuance of each
debt issue, subject to the time limit on tax allocation to the district.

(6) An analysis of the costs to the city of providing facilities
and services to the area of the district while the area is being
developed and after the area is developed. The plan shall also
include an analysis of the tax, fee, charge, and other revenues
expected to be received by the city as a result of expected
development in the area of the district.

(7) An analysis of the projected fiscal impact of the district and
the associated development upon each affected taxing entity that
is proposed to participate in financing the district.

(8) A plan for financing any potential costs that may be incurred
by reimbursing a developer of a project that is both located entirely
within the boundaries of that district and qualifies for the Transit
Priority Project Program, pursuant to Section 65470, including
any permit and affordable housing expenses related to the project.

(e) If any dwelling units occupied by persons or families of low
or moderate income are proposed to be removed or destroyed in
the course of private development or facilities construction within
the area of the district, a plan providing for replacement of those
units and relocation of those persons or families consistent with
the requirements of Section 53399.6.

53399.15. The infrastructure financing plan shall be sent to
each owner of land within the proposed district and to each affected
taxing entity together with any report required by the California
Environmental Quality Act (Division 13 (commencing with Section
21000) of the Public Resources Code) that pertains to the proposed
facilities or the proposed development project for which the
facilities are needed, and shall be made available for public
inspection. The report shall also be sent to the planning commission
and the legislative body.

53399.16. The designated official shall consult with each
affected taxing entity, and, at the request of any affected taxing
entity, shall meet with representatives of an affected taxing entity.
Any affected taxing entity may suggest revisions to the plan.
53399.17. The legislative body shall conduct a public hearing prior to adopting the proposed infrastructure financing plan. The public hearing shall be called no sooner than 60 days after the plan has been sent to each affected taxing entity. In addition to the notice given to landowners and affected taxing entities pursuant to Sections 53399.11 and 53399.12, notice of the 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 city in which the proposed district is located. The notice shall state that the district will be used to finance public works, briefly describe the public works, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed district and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of the prior proceedings, may appear before the legislative body and object to the adoption of the proposed plan by the legislative body.

53399.18. At the hour set in the required notices, the legislative body shall proceed to hear and pass upon all written and oral objections. The hearing may be continued from time to time. The legislative body shall consider the recommendations, if any, of affected taxing entities, and all evidence and testimony for and against the adoption of the plan. The legislative body may modify the plan by eliminating or reducing the size and cost of proposed public works, by reducing the amount of proposed debt, or by reducing the portion, amount, or duration of incremental tax revenues to be committed to the district.

53399.19. (a) The legislative body shall not enact a resolution proposing formation of a district and providing for the division of taxes of any affected taxing entity pursuant to Article 3 (commencing with Section 53399.30) unless a resolution approving the plan has been adopted by the governing body of each affected taxing entity which is proposed to be subject to division of taxes pursuant to Article 3 (commencing with Section 53399.30) has been filed with the legislative body at or prior to the time of the hearing.
(b) In the case of an affected taxing entity that is a special district that provides fire protection services and where the county board of supervisors is the governing authority or has appointed itself as the governing board of the district, the plan shall be adopted by a separate resolution approved by the district’s governing authority or governing board.

(c) This section shall not be construed to prevent the legislative body from amending its infrastructure financing plan and adopting a resolution proposing formation of the infrastructure revitalization financing district without allocation of the tax revenues of any affected taxing entity which has not approved the infrastructure financing plan by resolution of the governing body of the affected taxing entity.

53399.20.

(a) At the conclusion of the hearing, the legislative body may adopt a resolution proposing adoption of the infrastructure financing plan, as modified, and formation of the infrastructure revitalization financing district in a manner consistent with Section 53399.19, 53369.19, or it may abandon the proceedings. If the legislative body adopts a resolution proposing formation of the district, it shall then submit the proposal to create the district to the qualified electors of the proposed district in the next general election or in a special election to be held, notwithstanding any other requirement, including any requirement that elections be held on specified dates, contained in the Elections Code, at least 90 days, but not more than 180 days, following the adoption of the resolution of formation. The legislative body shall provide the resolution of formation, a certified map of sufficient scale and clarity to show the boundaries of the district, and a sufficient description to allow the election official to determine the boundaries of the district to the official conducting the election within three business days after the adoption of the resolution of formation. The assessor’s parcel numbers for the land within the district shall be included if it is a landowner election or the district does not conform to an existing district’s boundaries and if requested by the official conducting the election. If the election is to be held less than 125 days following the adoption of the resolution of formation, the concurrence of the election official conducting the election shall be required. However, any time limit specified by this section or requirement pertaining to the conduct
of the election may be waived with the unanimous consent of the qualified electors of the proposed district and the concurrence of the election official conducting the election.

(b) If at least 12 persons have been registered to vote within the territory of the proposed district for each of the 90 days preceding the close of the hearing, the vote shall be by the registered voters of the proposed district, who need not necessarily be the same persons, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each landowner who is the owner of record at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed district. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

(c) Ballots for the special election authorized by subdivision (a) may be distributed to qualified electors by mail with return postage prepaid or by personal service by the election official. The official conducting the election may certify the proper mailing of ballots by an affidavit, which shall be exclusive proof of mailing in the absence of fraud. The voted ballots shall be returned to the election officer conducting the election not later than the hour specified in the resolution calling the election. However, if all the qualified voters have voted, the election shall be closed.

53399.21.
53369.21. (a) Except as otherwise provided in this chapter, laws regulating elections of the local agency that calls an election pursuant to this chapter, insofar as they may be applicable, shall govern all elections conducted pursuant to this chapter. Except as provided in subdivision (b), there shall be prepared and included in the ballot material provided to each voter, an impartial analysis pursuant to Section 9160 or 9280 of the Elections Code, arguments and rebuttals, if any, pursuant to Sections 9162 to 9167, inclusive, and 9190 of the Elections Code or pursuant to Sections 9281 to 9287, inclusive, and 9295 of the Elections Code.

(b) If the vote is to be by the landowners of the proposed district, analysis and arguments may be waived with the unanimous consent of all the landowners and shall be so stated in the order for the election.
53399.22. If the election is to be conducted by mail ballot, the election official conducting the election shall provide ballots and election materials pursuant to subdivision (d) of Section 53326 and Section 53327, together with all supplies and instructions necessary for the use and return of the ballot.

53399.23. After the canvass of returns of any election conducted pursuant to Section 53399.20, 53369.20, the legislative body may, by ordinance, adopt the infrastructure financing plan and create the district with full force and effect of law, if two-thirds of the votes upon the question of creating the district are in favor of creating the district.

53399.24. After the canvass of returns of any election conducted pursuant to Section 53399.20, 53369.20, the legislative body shall take no further action with respect to the proposed infrastructure revitalization financing district for one year from the date of the election if the question of creating the district fails to receive approval of two-thirds of the votes cast upon the question.

53399.25. The legislative body may submit a proposition to establish or change the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of a district to the qualified electors of a proposed district.
or established district. The proposition establishing or changing the appropriations limit shall become effective if approved by the qualified electors voting on the proposition and shall be adjusted for changes in the cost of living and changes in populations, as defined by subdivisions (b) and (c) of Section 7901, except that the change in population may be estimated by the legislative body in the absence of an estimate by the Department of Finance, and in accordance with Section 1 of Article XIII B of the California Constitution. For purposes of adjusting for changes in population, the population of the district shall be deemed to be at least one person during each calendar year. Any election held pursuant to this section may be combined with any election held pursuant to Section 53395.20 in any convenient manner.

53399.26. No later than June 30 of each year after the adoption of an infrastructure financing plan, the legislative body shall post an annual report in an easily identifiable and accessible location on the legislative body’s Internet Web site. The annual report shall contain all of the following:

(a) A summary of the district’s expenditures.
(b) A description of the progress made toward the district’s adopted goals.
(c) An assessment of the status regarding completion of the district’s projects.

Article 3. Division of Taxes

53399.30. Any infrastructure financing plan may contain a provision that taxes, if any, levied upon taxable property in the area included within the infrastructure revitalization financing district each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance adopted pursuant to Section 53399.23 to create the district, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district as shown upon the assessment roll used in connection with the taxation of the property by the
affected taxing entity, last equalized prior to the effective date of
the ordinance adopted pursuant to Section 53399.23 53369.23 to
create the district, shall be allocated to, and when collected shall
be paid to, the respective affected taxing entities as taxes by or for
the affected taxing entities on all other property are paid.

(b) That portion of the levied taxes each year specified in the
adopted infrastructure financing plan for the city and each affected
taxing entity which has agreed to participate pursuant to Section
53399.19 53369.19 in excess of the amount specified in subdivision
(a) shall be allocated to, and when collected shall be paid into a
special fund of, the district for all lawful purposes of the district.
Unless and until the total assessed valuation of the taxable property
in a district exceeds the total assessed value of the taxable property
in the district as shown by the last equalized assessment roll
referred to in subdivision (a), all of the taxes levied and collected
upon the taxable property in the district shall be paid to the
respective affected taxing entities. When the district ceases to exist
pursuant to the adopted infrastructure financing plan, all moneys
thereafter received from taxes upon the taxable property in the
district shall be paid to the respective affected taxing entities as
taxes on all other property are paid.

Article 4. Tax Increment Bonds

The legislative body may, by majority vote, initiate
proceedings to issue bonds pursuant to this chapter by adopting a
resolution stating its intent to issue the bonds.

The resolution adopted pursuant to Section 53399.40
53369.40 shall contain all of the following information:
(a) A description of the facilities to be financed with the
proceeds of the proposed bond issue.
(b) The estimated cost of the facilities, the estimated cost of
preparing and issuing the bonds, and the principal amount of the
proposed bond issuance.
(c) The maximum interest rate and discount on the proposed bond issuance.
(d) The date of the election on the proposed bond issuance and the manner of holding the election.
(e) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.
(f) A finding that the amount necessary to pay the principal of, and interest on, the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subdivision (e).

The clerk of the legislative body shall publish the resolution adopted pursuant to Section 53399.40 once a day for at least seven successive days in a newspaper published in the city or county at least six days a week, or at least once a week for two successive weeks in a newspaper published in the city or county less than six days a week. If there are no newspapers meeting these criteria, the resolution shall be posted in three public places within the territory of the district for two succeeding weeks.

The legislative body shall submit the proposal to issue the bonds to the voters who reside within the district. The election shall be conducted in the same manner as the election to create the district pursuant to Section 53399.20 and the two elections may be consolidated.

(a) Bonds may be issued only if two-thirds of the voters voting on the proposition vote in favor of authorizing the issuance of the bonds.
(b) If the voters authorize the issuance of the bonds as provided by subdivision (a), the legislative body may subsequently proceed with the issuance of the bonds by adopting a resolution which shall provide for all of the following:
(1) The issuance of the bonds in one or more series.
(2) The principal amount of the bonds, which shall be consistent with the amount specified in subdivision (b) of Section 53399.41.
(3) The date the bonds will bear.
(4) The date of maturity of the bonds.
(5) The denomination of the bonds.

(6) The form of the bonds.

(7) The manner of execution of the bonds.

(8) The medium of payment in which the bonds are payable.

(9) The place or manner of payment and any requirements for registration of the bonds.

(10) The terms of call or redemption, with or without premium.

53369.45. If any proposition submitted to the voters pursuant to this chapter is defeated by the voters, the legislative body shall not submit, or cause to be submitted, a similar proposition to the voters for at least one year after the first election.

53369.46. The legislative body may, by majority vote, provide for refunding of bonds issued pursuant to this chapter. However, refunding bonds shall not be issued if the total net interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds exceeds the total net interest cost to maturity on the bonds to be refunded. The legislative body may not extend the time to maturity of the bonds.

53369.47. The legislative body or any person executing the bonds shall not be personally liable on the bonds by reason of their issuance. The bonds and other obligations of a district issued pursuant to this chapter are not a debt of the city, county, or state or of any of its political subdivisions, other than the district, and none of those entities, other than the district, shall be liable on the bonds and the bonds or obligations shall be payable exclusively from funds or properties of the district. The bonds shall contain a statement to this effect on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

53369.48. (a) The bonds may be sold at discount not to exceed 5 percent of par at a negotiated or public sale. At least five days prior to a public sale, notice shall be published, pursuant to Section 6061, in a newspaper of general circulation and in a financial newspaper published in the City and County of San Francisco and in the City of Los Angeles. The bonds may be sold at not less than
par to the federal government at private sale without any public
advertisement.
(b) Any negotiated sale of bonds pursuant to this section shall
be limited to bond issuances of an infrastructure and revitalization
financing district that do not exceed five million dollars
($5,000,000).
53399.49:
53369.49. If any member of the legislative body whose
signature appears on bonds ceases to be a member of the legislative
body before delivery of the bonds, his or her signature is as
effective as if he or she had remained in office. Bonds issued
pursuant to this chapter are fully negotiable.
SEC. 2. Section 33459 of the Health and Safety Code is
amended to read:
33459. For purposes of this article, the following terms shall
have the following meanings:
(a) “Department” means the Department of Toxic Substances
Control.
(b) “Director” means the Director of Toxic Substances Control.
(c) “Hazardous substance” means any hazardous substance as
defined in subdivision (h) of Section 25281, and any reference to
hazardous substance in the definitions referenced in this section
shall be deemed to refer to hazardous substance, as defined in this
subdivision.
(d) “Local agency” means a single local agency that is one of
the following:
(1) A local agency authorized pursuant to Section 25283 to
implement Chapter 6.7 (commencing with Section 25280) of, and
Chapter 6.75 (commencing with Section 25299.10) of, Division
20.
(2) A local officer who is authorized pursuant to Section 101087
to supervise a remedial action.
(3) An infrastructure and revitalization financing district.
(e) “Qualified independent contractor” means an independent
contractor who is any of the following:
(1) An engineering geologist who is certified pursuant to Section
7842 of the Business and Professions Code.
(2) A geologist who is registered pursuant to Section 7850 of
the Business and Professions Code.
(3) A civil engineer who is registered pursuant to Section 6762 of the Business and Professions Code.

(f) "Release" means any release, as defined in Section 25320.

(g) "Remedy" or "remove" means any action to assess, evaluate, investigate, monitor, remove, correct, clean up, or abate a release of a hazardous substance or to develop plans for those actions. "Remedy" includes any action set forth in Section 25322 and "remove" includes any action set forth in Section 25323.

(h) "Responsible party" means any person described in subdivision (a) of Section 25323.5 of this code or subdivision (a) of Section 13304 of the Water Code.
May 10, 2013

The Honorable Luis Alejo
30th State Assembly District
PO Box 942849
Sacramento, CA 94249-0030

RE: Support for Assembly Bill 1080

Dear Assemblymember Alejo,

On behalf of the Fort Ord Reuse Authority (FORA) Board of Directors, please accept our support of Assembly Bill 1080. AB1080 would authorize certain public entities of a community revitalization and investment area to form a community revitalization plan to carry out the Community Redevelopment Law in a specified manner. The bill would require adopting a community revitalization plan for a Community Revitalization and Investment area and authorize the authority to include in that plan a provision for the receipt of tax increment funds.

FORA is the regional planning authority tasked with redevelopment of the former Fort Ord, a 28,000 acre US Army base closed through the 1994 Round of Base Realignment and Closure. The closure of Fort Ord created significant adverse economic hardships on Monterey Peninsula communities. Further, the elimination of redevelopment agencies removed a major tool used by military base reuse authorities to remedy blight, remove environmental hazards, and spur local economic development. AB1080 would authorize the creation of Community Revitalization and Investment Authorities to invest tax increment revenue to relieve conditions of unemployment, repair deteriorated or inadequate infrastructure, promote affordable housing, and improve conditions leading to increased employment opportunities.

Development of the former Fort Ord will create thousands of new construction and long-term jobs, affordable and workforce housing, and transit oriented communities. AB1080 would allow proposed redevelopment projects on the former base to progress toward implementation, delivering the jobs, economic activity, transportation network enhancements and regional open space that were promised to the region’s residents.

Sincerely,

Jerry Edelen, Chair

C: Assemblymember Kevin Mullin
    Assemblymember V. Manuel Perez
    Assemblymember Cheryl R. Brown
    Assemblymember Ian C. Calderon
    Assemblymember Henry T. Perea
    Assemblymember Mark Stone
    Assemblymember Das Williams
    FORA Board of Directors
    Michael A. Houlemard, Jr., FORA Executive Officer
ASSEMBLY BILL 1080: Community Revitalization Investment Authority

Summary

AB 1080 allows certain “disadvantaged” areas of California to create a new entity called a Community Revitalization Investment Authority (CRIA). A CRIA would invest property tax increment of consenting local agencies (other than schools) and other available funding to improve conditions leading to increased employment opportunities, to reduce high crime rates, to repair deteriorating and inadequate infrastructure, to clean up brownfields and to promote affordable housing.

Background

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. Since the dissolution of redevelopment agencies, communities across California are seeking an economic development tool to use.

Multiple legislative measures were introduced in 2012 after the dissolution of redevelopment agencies in an effort to provide local governments options for sustainable community economic development. Four measures were approved by the Legislature. However, all four were vetoed by Governor Brown at the end of legislative session.

While the dissolution of former redevelopment agencies continues, the pervasive question is “what economic development tool can local governments use?” It is unrealistic to expect a single solution could work successfully in all California cities. This proposal provides a viable option targeting the state’s disadvantaged poorer areas and neighborhoods.

Details of the Proposal

- Creation of CRIA: A CRIA is a public entity created by a city; a county; or by agreement between a city, county and/or special district through a JPA. The governing board is comprised of three locally-elected officials and two public members. The CRIA operates within a Community Revitalization Investment Area characterized by
an annual median household income that is less than 80% of the statewide annual median plus other conditions relating to unemployment, crime rates, deteriorated infrastructure and deteriorated commercial or residential structures. The Area may qualify for funding as a “disadvantaged community” as determined by CalEPA and a “disadvantaged community” as defined in SB 244 (Wolk).

- **Powers**: The agency has limited powers as specifically listed in the legislation including rehabilitating and upgrading inadequate infrastructure; providing funding for affordable housing; Polanco Act powers; providing for seismic retrofits; acquiring property; and issuing bonds.

- **Plan Adoption**: An Authority must adopt a Community Revitalization and Investment Plan that in addition to other information, identifies its goals and objectives; describes programs for repair, upgrading or construction of infrastructure; for providing affordable housing; for facilitating the economic revitalization of the Area. Property owners and other interested parties will be full participants in the development of the Plan. The CRIA must hold two public hearings at least 30 days apart before adopting the Plan.

- **Financing & Affordable Housing**: A CRIA may use tax-increment financing based upon the property tax increment of local jurisdictions (other than schools) only with the consent of the local jurisdictions. Consistent with former Redevelopment Law, 20% of funds must be set aside for the development of affordable housing. An agency, or areas covered by an agency, may also benefit via Cap and Trade funds allocated to disadvantaged communities, or federal New Market’s Tax Credits.

- **Reporting and Accountability Requirements**: The legislation requires an agency to hold an annual public hearing to assess progress in Plan implementation and to consider necessary modifications. To ensure the agency remains accountable and committed to serving the community in the most effective way, property owners within the Plan Area are provided the opportunity to vote to terminate further activity of the Authority.

For more information on this bill, please contact Marva Diaz at (916) 319-2030, email marva.diaz@asm.ca.gov.
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 1080, as amended, 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. Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies.

Existing law provides for various economic development programs that foster community sustainability and community and economic development initiatives throughout the state.

This bill would authorize certain public entities of a community revitalization and investment area, as described, to form a community revitalization plan within a community revitalization and investment
authority (authority) to carry out the Community Redevelopment Law in a specified manner. The bill would require the authority to adopt a community revitalization plan for a community revitalization and investment area and authorize the authority to include in that plan a provision for the receipt of tax increment funds.


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.
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 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 I of the Government Code.

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

(c) (1) The governing board of an authority created pursuant to 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 paragraph (2) 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 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) Unemployment that is at least 3 percent higher than statewide median unemployment.

(B) Crime rates that are 5 percent higher than the statewide median crime rate.

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

(D) Deteriorated commercial or residential structures.

(e) 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 the provisions of 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).

An authority may do all of the following:

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

(b) Provide funding for low- and moderate-income housing.
(c) Remedy or remove a release of hazardous substances pursuant to the Polanco Redevelopment Act (Sections 33459 to 33459.8, inclusive).

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

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

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

(k) 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 3334.12— all applicable 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 a private nonprofit corporation; 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. **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 each of the requirements of Sections 33334.2 and 33334.12. The program adopted pursuant to this subdivision shall comply with the provisions of Section 33413: *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.

(g) The time limits imposed by Section 33333.2.

34191.57. (a) The authority shall consider adoption of the plan at two 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, adopt, or reject the plan.

(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:

(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.

(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) The authority may adopt the plan at the conclusion of the second public hearing by ordinance. The ordinance adopting the plan shall be subject to referendum as prescribed by law for the ordinances of the local jurisdiction that created the authority.

(f) The redevelopment plan referred to in Section 33670 shall be the plan adopted pursuant to 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, 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’
otice; 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.
(c) 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 modifications that are necessary and
appropriate in accordance with the provisions of this section, and
shall require the preparation of an annual independent financial
audit paid for from revenues of the authority.
(b) After holding a public hearing, an authority shall adopt a
report on or before June 30 of each year. Written copies of the
draft report shall be made available to the public 30 days prior to
the public hearing. The clerk of the legislative body shall post the
draft report 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 Web site to each owner of
land 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.

(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 (a), the authority shall conduct a protest proceeding
       to consider whether the property owners 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 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 objects to the authority taking action to implement
       the plan on and after the effective date of the election described
       in subdivision (e) (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 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 assessed value 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.

(h) If a majority of the property owners, weighted proportional to the assessed value of their property, vote against the authority, then the authority shall not take any further action to implement the plan on and after the effective 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 effective date of the election.