

January 22, 2014

VIA FEDEX

Office of the Attorney General
State of California
Attention: Ms. Ashley Johansson
Initiative Coordinator
1300 I Street
Sacramento, California 95814

RECEIVED

JAN 23 2014

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: California Jobs and Education Development Initiative Act
Initiative #13-0065, Nonsubstantive Amendment

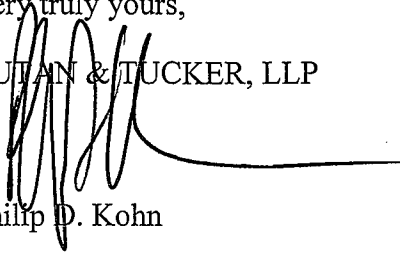
Dear Ashley:

Thank you again for your message earlier today. I have enclosed a revised version of the previously submitted measure in accordance with our subsequent discussion. More specifically, the amendment is of a nonsubstantive nature and consists solely of changed references from Health and Safety Code Section **34179**, found in Section 36 of the Act (at page 76), to Section **34170**. Please do not hesitate to contact me if you have any questions or require further information.

Thank you for your attention to this matter.

Very truly yours,

RUTAN & TUCKER, LLP


Philip D. Kohn

Enclosure

Text of Proposed Law

THE JOBS AND EDUCATION DEVELOPMENT INITIATIVE ACT

STATUTORY AMENDMENT

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the California Constitution.

This initiative adds provisions to, amends and repeals provisions of the Health and Safety Code. New provisions proposed to be added are printed in *italic type* to indicate they are new. Existing provisions proposed to be amended are printed in ~~striketrough type~~ to indicate provisions that are deleted and in *italic type* to indicate provisions that are new.

SECTION 1. Title. This measure shall be known and may be cited as the "Jobs and Education Development Initiative (JEDI) Act."

SECTION 2. Findings and declarations. The people of California find and declare as follows:

(a) California has one of the highest unemployment rates in the nation and is struggling to recover from the Great Recession.

(b) High unemployment is the new blight, which quickly becomes the old blight - poverty, neighborhood deterioration and crime.

(c) High unemployment reduces tax revenue to state and local governments and negatively impacts funding for our cash-strapped schools.

(d) Tax increment funding that allows local governments to use locally generated property tax revenues to create jobs, build affordable housing and rebuild neighborhoods.

(e) Tax increment financing originated in California more than 50 years ago and most other states have since adopted this powerful tool for creating jobs and rebuilding neighborhoods.

(f) In 2012, California eliminated tax increment funding for local housing and development projects resulting in the considerable loss of 300,000 jobs, including 170,000 construction jobs, and more than \$41 billion in economic activity.

(g) The Jobs and Education Development Initiative (JEDI) will allow cities throughout California to use locally generated property tax revenues to create jobs, building affordable housing, rebuild neighborhoods and fund public schools.

(h) JEDI will put thousands of Californians back to work and generate billions of dollars in new tax revenue for public schools without raising taxes or increasing state debt.

SECTION 3. Purpose and intent. It is the intent of the people of California in enacting this measure to:

(a) Provide California cities and counties with tax increment funding as a tool for economic development, education funding, and job creation.

(b) Allow cities and counties to reactivate previously dissolved redevelopment agencies, which may be referred to as Job and Education Development Initiative (JEDI) agencies.

(c) Provide JEDI agencies with a 40-year extension on the execution of approved redevelopment plans and authorize the issue of bonds during the expanded term.

(d) Allow JEDI agencies to establish new redevelopment project areas.

(e) Allow cities and counties that had not previously activated a redevelopment agency to activate their agencies if their legislative bodies so elect.

(f) Create a locally generated funding source for affordable and workforce housing.

(g) Use economic development to enhance funding for public schools.

(h) Abrogate the provisions of Chapter 5 of the Statutes of 2011 (First Extraordinary Session) and Chapter 26 of the Statutes of 2012 and the ruling in California Redevelopment Association v. Matosantos (2011) 53 Cal.4th 231 to the extent inconsistent with this measure.

SECTION 4. Amendment of Section 33003 of Health and Safety Code. Section 33003 of the Health and Safety Code is hereby amended to read in its entirety as follows:

“Agency” means a redevelopment agency created by this part or its predecessor, or a legislative body which has elected to exercise the

powers granted to an agency by this part, *including the adoption of an ordinance pursuant to Section 33101. An "agency" includes without limitation a public body pursuant to Section 33100 and a previously dissolved redevelopment agency that is reactivated pursuant to Part 1.8 (commencing with Section 34161).*

SECTION 5. Amendment of Section 33031 of Health and Safety Code.

Section 33031 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) This subdivision describes physical conditions that cause blight:

(1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration ~~caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities, defective design or physical construction, faulty or inadequate infrastructure, or other similar factors.~~

(2) ~~Conditions~~ *Factors* that prevent or substantially hinder the viable use, *reuse* or capacity of buildings or ~~lots~~ *areas*. These ~~conditions~~ *factors* may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.

(3) Adjacent or nearby ~~incompatible~~ land uses that *are incompatible with each other and that* prevent the development of those parcels or other portions of the project area.

(4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

(b) This subdivision describes economic conditions that cause blight:

(1) Depreciated or stagnant property values.

(2) Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).

(3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.

(4) A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

(5) Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.

(6) An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.

(7) A high crime rate that constitutes a serious threat to the public safety and welfare.

(8) *Unemployment rates in the locality or the county that are in excess of the national or statewide average, as determined by the latest information from the United States Bureau of Labor Statistics and the California Employment Development Department.*

SECTION 6. Amendment of Section 33333.2 of Health and Safety Code. Section 33333.2 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) A redevelopment plan containing the provisions set forth in Section 33670 shall contain all of the following limitations. A redevelopment plan that does not contain the provisions set forth in Section 33670 shall contain the limitations in paragraph (4):

(1) (A) A time limit on the establishing of loans, advances, and indebtedness to be paid with the proceeds of property taxes received pursuant to Section 33670 to finance in whole or in part the redevelopment project, which may not exceed 20 years from the adoption of the redevelopment plan, except by amendment of the redevelopment plan as authorized by subparagraph (B). This limit, however, shall not prevent agencies from incurring debt to be paid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the agency's housing obligations under subdivision (a) of Section 33333.8. The loans, advances, or

indebtedness maybe repaid over a period of time longer than this time limit as provided in this section. No loans, advances, or indebtedness to be repaid from the allocation of taxes shall be established or incurred by the agency beyond this time limitation. This limit shall not prevent agencies from refinancing, refunding, or restructuring indebtedness after the time limit if the indebtedness is not increased and the time during which the indebtedness is to be repaid is not extended beyond the time limit to repay indebtedness required by this section,

(B) The time limitation established by subparagraph (A) may be extended only by amendment of the redevelopment plan after the agency finds, based on substantial evidence, that (i) significant blight remains within the project area; and (ii) this blight cannot be eliminated without the establishment of additional debt. However, this amended time limitation may not exceed 30 years from the effective date of the ordinance adopting the redevelopment plan, except as necessary to comply with subdivision (a) of Section 33333.8.

(2) A time limit, not to exceed 30 years from the adoption of the redevelopment plan, on the effectiveness of the redevelopment plan. After the time limit on the effectiveness of the redevelopment plan, the agency shall have no authority to act pursuant to the redevelopment plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts, unless the agency has not completed its housing obligations pursuant to subdivision (a) of Section 33333.8, in which case the agency shall retain its authority to implement requirements under subdivision (a) of Section 33333.8, including its ability to incur and pay indebtedness for this purpose, and shall use this authority to complete these housing obligations as soon as is reasonably possible.

(3) A time limit, not to exceed 45 years from the adoption of the redevelopment plan, to repay indebtedness with the proceeds of property taxes received pursuant to Section 33670. After the time limit established pursuant to this paragraph, an agency may not receive property taxes pursuant to Section 33670, except as necessary to comply with subdivision (a) of Section 33333.8.

(4) A time limit, not to exceed 12 years from the adoption of the redevelopment plan, for commencement of eminent domain proceedings to acquire property within the project area. This time

limitation may be extended only by amendment of the redevelopment plan after the agency finds, based on substantial evidence, both of the following:

(A) That significant blight remains within the project area.

(B) That this blight cannot be eliminated without the use of eminent domain.

(b) If a redevelopment plan is amended to add territory, the amendment shall contain the time limits required by this section.

(c) When an agency is required to make a payment pursuant to Section 33681.9, the legislative body may amend the redevelopment plan to extend the time limits required pursuant to paragraphs (2) and (3) of subdivision (a) by one year by adoption of an ordinance. In adopting this ordinance, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans.

(d) When an agency is required pursuant to Section 33681.12 to make a payment to the county auditor for deposit in the county's Educational Revenue Augmentation Fund created pursuant to Article 3 (commencing with Section 97) of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, the legislative body may amend the redevelopment plan to extend the time limits required pursuant to paragraphs (2) and (3) of subdivision (a) by the following:

(1) One year for each year in which a payment is made, if the time limit for the effectiveness of the redevelopment plan established pursuant to paragraph (2) of subdivision (a) is 10 years or less from the last day of the fiscal year in which that payment is made.

(2) One year for each year in which a payment is made, if both of the following apply:

(A) The time limit for the effectiveness of the redevelopment plan established pursuant to paragraph (2) of subdivision (a) is more than 10 years but less than 20 years from the last day of the fiscal year in which a payment is made.

(B) The legislative body determines in the ordinance adopting the amendment that, with respect to the project, all of the following apply:

(i) The agency is in compliance with the requirements of Section 33334.2 or 33334.6, as applicable.

(ii) The agency has adopted an implementation plan in accordance with the requirements of Section 33490.

(iii) The agency is in compliance with subdivisions (a) and (b) of Section 33413, to the extent applicable.

(iv) The agency is not subject to sanctions pursuant to subdivision (e) of Section 33334.12 for failure to expend, encumber, or disburse an excess surplus.

(3) This subdivision shall not apply to any redevelopment plan if the time limits for the effectiveness of the redevelopment plan established pursuant to paragraph (2) of subdivision (a) is more than 20 years after the last day of the fiscal year in which a payment is made.

(4) The legislative body by ordinance may adopt the amendments provided for under this subdivision following a public hearing. Notice of the public hearing shall be mailed to the governing body of each of the affected taxing entities at least 30 days prior to the hearing. Notice shall also be published in a newspaper of general circulation in the community at least once, not less than 10 days prior to the date of the public hearing. The ordinance shall contain a finding of the legislative body that funds used to make a payment to the county's Educational Revenue Augmentation Fund pursuant to Section 33681.12 would otherwise have been used to pay the costs of projects and activities necessary to carry out the goals and objectives of the redevelopment plan. In adopting an ordinance pursuant to this subdivision, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part.

(e) This section shall apply only to redevelopment projects for which a final redevelopment plan is adopted pursuant to Article 5 (commencing with Section 33360) on or after January 1, 1994, and to

amendments that add territory and that are adopted on or after January 1, 1994.

(f) (1) Notwithstanding subdivision (a), and provided the agency has timely adopted the resolution described in Part 1.8 (commencing with Section 34161), on and after the effective date of the act adding this subdivision, all of the following provisions shall apply to both a redevelopment project for which a redevelopment plan was adopted prior to June 28, 2011 (provided that the time limit on the effectiveness of the redevelopment plan was not reached prior to June 28, 2011), and an amendment to a redevelopment plan that added territory and was adopted prior to June 28, 2011 (provided that the time limit on the effectiveness of the amendment was not reached prior to June 28, 2011):

(A) The time limit required under paragraph (1) of subdivision (a) shall not apply.

(B) The time limit required under paragraph (2) of subdivision (a), as it may have been extended by the legislative body pursuant to subdivisions (c) and (d), is extended for an additional 40 years from the date of adoption of the resolution described in Part 1.8 (commencing with Section 34161).

(C) The time limit required under paragraph (3) of subdivision (a) shall be extended for such additional period as is necessary to repay all indebtedness with the proceeds of property taxes received pursuant to Section 33670 for the debt service on any bonds issued prior to the expiration of the effectiveness of the redevelopment plan as extended under subparagraph (B).

(D) Any limitation on the number of dollars of taxes that may be divided and allocated to the redevelopment agency set forth in or otherwise applicable to the redevelopment plan, including any amendment to the plan, is eliminated.

(E) In the event that a redevelopment plan or amendment as described in paragraph (1) of subdivision (f) allowed for the use of eminent domain to acquire property, a time limit, not to exceed 12 years from the adoption of the resolution described in Part 1.8 (commencing with Section 34161), for commencement of eminent domain proceedings to acquire property within the project area. This time limit may be extended only by amendment of the redevelopment plan after the agency finds, based on substantial evidence, both of the following:

(i) That significant blight remains within the project area.

(ii) *That this blight cannot be eliminated without the use of eminent domain.*

(2) *Paragraph (1) shall apply notwithstanding any term, provision, or condition set forth in any agreement between the agency and an affected taxing agency, as defined in Section 33353.2, that sets or purports to set (A) more restrictive time limits on the redevelopment project than the limits set forth in paragraph (1); (B) any limit on the amount of property tax increment an agency may be allocated or may receive; or (C) any limit on the amount of bonded indebtedness of the agency that may be outstanding at any one time or in total.*

(3) *Within 12 months of the effective date of the act adding this subdivision, and if the agency has timely adopted the resolution set forth in Part 1.8 (commencing with Section 34161), the legislative body shall adopt an ordinance conforming the applicable redevelopment plan or amendment that added territory to the requirements of this subdivision. In adopting this ordinance, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans. This subdivision shall be effective as to the applicable redevelopment plan or amendment that added territory notwithstanding the failure of the legislative body to adopt the ordinance described in this paragraph.*

SECTION 7. Amendment of Section 33333.4 of Health and Safety Code. Section 33333.4 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) Every legislative body that adopted a final redevelopment plan prior to October 1, 1976, that contains the provisions set forth in Section 33670 but does not contain all of the limitations required by Section 33333.2, shall adopt an ordinance on or before December 31, 1986, that contains all of the following:

(1) A limitation on the number of dollars of taxes that may be divided and allocated to the redevelopment agency pursuant to the plan, including any amendments to the plan. Taxes shall not be divided and shall not be allocated to the redevelopment agency beyond that limitation, except as necessary to comply with subdivision (a) of Section 33333.8.

(2) A time limit on the establishing of loans, advances, and indebtedness to finance in whole, or in part, the redevelopment

project. No loans, advances, or indebtedness to be repaid from the allocation of taxes shall be established or incurred by the agency beyond the time limitation, except as necessary to comply with subdivision (a) of Section 33333.8.

(3) A time limit, not to exceed 12 years, for commencement of eminent domain proceedings to acquire property within the project area. This time limitation may be extended only by amendment of the redevelopment plan after the agency finds, based on substantial evidence, both of the following:

(A) That significant blight remains within the project area.

(B) That this blight cannot be eliminated without the use of eminent domain.

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

(c) The limitations established in the ordinance adopted pursuant to this section shall not be applied to limit allocation of taxes to an agency to the extent required to eliminate project deficits created under subdivision (g) of Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficit or to comply with subdivision (a) of Section 33333.8. In the event of a conflict between these limitations and the obligations under Section 33334.6 or subdivision (a) of Section 33333.8, the legislative body shall amend the ordinance adopted pursuant to this section to modify the limitations to the extent necessary to permit compliance with the plan adopted pursuant to subdivision (g) of Section 33334.6, to permit compliance with subdivision (a) of Section 33333.8, and to allow full expenditure of moneys in the agency's Low and Moderate Income Housing Fund in accordance with Section 33334.3. The procedure for amending the ordinance pursuant to this subdivision shall be the same as for adopting the ordinance under subdivision (b).

(d) This section shall not be construed to allow the impairment of any obligation or indebtedness incurred by the legislative body or the agency pursuant to this part.

(e) In any litigation to challenge or attack any ordinance adopted pursuant to this section, the court shall sustain the actions of the legislative body and the agency unless the court finds those actions were arbitrary or capricious. The Legislature finds and declares that this is necessary because redevelopment agencies with project areas established prior to October 1, 1976, have incurred existing obligations and indebtedness and have adopted projects, programs, and activities with the authority to receive and pledge the entire allocation of taxes authorized by Section 33670 and that it is necessary to protect against the possible impairment of existing obligations and indebtedness and to allow the completion of adopted projects and programs.

(f) The ordinance adopted by the legislative body in compliance with this section does not relieve any agency of its obligations under Section 33333.8, 33334.2, 33334.3, Article 9 (commencing with Section 33410), or any other requirement contained in this part.

(g) A redevelopment plan adopted on or after October 1, 1976, and prior to January 1, 1994, containing the provisions set forth in Section 33670, shall also contain

(1) A limitation on the number of dollars of taxes that may be divided and allocated to the agency pursuant to the plan, including any amendments to the plan. Taxes shall not be divided and shall not be allocated to the agency beyond this limitation, except pursuant to amendment of the redevelopment plan, or as necessary to comply with subdivision (a) of Section 33333.8.

(2) A time limit, not to exceed 12 years, for commencement of eminent domain proceedings to acquire property within the project area. This time limitation may be extended only by amendment of the redevelopment plan after the agency finds, based on substantial evidence, both of the following:

(A) That significant blight remains within the project area.

(B) That this blight cannot be eliminated without the use of eminent domain.

(h) (1) Notwithstanding subdivisions (a) and (g), on and after the effective date of the act adding this subdivision, and provided the agency has timely adopted the resolution described in Part 1.8 (commencing with Section 34161), the limitations required under paragraphs (1) and (2) of subdivision (a) and paragraph (1) of subdivision (g) shall not apply to those redevelopment projects for which a final redevelopment plan was adopted before October 1, 1976.

(2) Paragraph (1) shall apply notwithstanding any term, provision, or condition set forth in any agreement between the agency and an affected taxing agency, as defined in Section 33353.2, including, but not limited to, agreements entered into pursuant to Section 33401 or 33676, as those sections existed prior to January 1, 1994, that sets or purports to set (A) a limitation on the number of dollars of taxes that may be divided and allocated to the redevelopment agency pursuant to the plan, including any amendments to the plan; (B) a time limit on the establishing of loans, advances, and indebtedness to finance in whole, or in part, the redevelopment project; or (C) any limit on the amount of bonded indebtedness of the agency that may be outstanding at any one time or in total.

(3) Within 12 months of the effective date of the act that added this subdivision, and if the agency has timely adopted the resolution set forth in paragraph (1) of subdivision (b) of Section 33695, the legislative body shall adopt an ordinance conforming the applicable redevelopment plan or amendment that added territory to the requirements of this subdivision, and to also eliminate from the plan and any amendment any limitation on the amount of taxes that may be divided and allocated to the agency pursuant to, or otherwise applicable to, the plan or amendment. In adopting this ordinance, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans. This subdivision shall be effective as to the applicable redevelopment plan or amendment that added territory notwithstanding the failure of the legislative body to adopt the ordinance described in this paragraph.

SECTION 8. Amendment of Section 33333.6 of Health and Safety Code. Section 33333.6 of the Health and Safety Code is hereby amended to read in its entirety as follows:

The limitations of this section shall apply to every redevelopment plan adopted on or before December 31, 1993.

(a) *The Except as provided in subdivision (k), the effectiveness of every redevelopment plan to which this section applies shall terminate at a date that shall not exceed 40 years from the adoption of the redevelopment plan or January 1, 2009, whichever is later. After the time limit on the effectiveness of the redevelopment plan, the agency shall have no authority to act pursuant to the redevelopment plan except to pay previously incurred indebtedness, to comply with Section 33333.8, and to enforce existing covenants, contracts, or other obligations, and to pay debt service on bonds issued prior to the expiration of the effectiveness of the redevelopment plan as extended pursuant to subdivision (k).*

(b) Except as provided in subdivisions (f) and (g), a redevelopment agency may not pay indebtedness or receive property taxes pursuant to Section 33670 after 10 years from the termination of the effectiveness of the redevelopment plan pursuant to subdivision (a) *or from the date for the termination of the effectiveness of the redevelopment plan as extended pursuant to subdivision (k).*

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

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

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

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

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

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

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

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

of this part relating to the amendment of redevelopment plans, including, but not limited to, the requirement to make the payment to affected taxing entities required by Section 33607.7.

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

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

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

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

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

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

(3) (A) The legislative body by ordinance may adopt the amendments provided for under this paragraph following a public hearing. Notice of the public hearing shall be mailed to the governing body of each affected taxing entity at least 30 days prior to the public hearing and published in a newspaper of general

circulation in the community at least once, not less than 10 days prior to the date of the public hearing. The ordinance shall contain a finding of the legislative body that funds used to make a payment to the county's Educational Revenue Augmentation Fund pursuant to Section 33681.12 would otherwise have been used to pay the costs of projects and activities necessary to carry out the goals and objectives of the redevelopment plan. In adopting an ordinance pursuant to this paragraph, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans.

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

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

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

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

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

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

(4) (A) A time limit on the establishing of loans, advances, and indebtedness to be paid with the proceeds of property taxes received pursuant to Section 33670 to finance in whole or in part the redevelopment project shall not prevent an agency from incurring debt to be paid from the agency's Low and Moderate Income Housing Fund or establishing more debt in order to fulfill

the agency's affordable housing obligations, as defined in paragraph (1) of subdivision (a) of Section 33333.8.

(B) A redevelopment plan may be amended by a legislative body to provide that there shall be no time limit on the establishment of loans, advances, and indebtedness paid from the agency's Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the agency's affordable housing obligations, as defined in paragraph (1) of subdivision (a) of Section 33333.8. In adopting an ordinance pursuant to this subparagraph, neither the legislative body nor the agency is required to comply with Section 33345.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans, and the agency shall not make the payment to affected taxing entities required by Section 33607.7.

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

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

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

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

(h) A redevelopment agency shall not pay indebtedness or receive property taxes pursuant to Section 33670, with respect to a redevelopment plan adopted prior to January 1, 1994, after the date identified in subdivision (b) or the date identified in the redevelopment plan, whichever is earlier, except as provided in paragraph (2) of subdivision (e), in subdivision (g), *in subdivision (k)*, or in Section 33333.8.

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

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

(k) (1) Notwithstanding subdivisions (a) and (b), and provided the agency has timely adopted the resolution described in Part 1.8 (commencing with Section 34161), all of the following provisions shall apply both to a redevelopment project for which a redevelopment plan was adopted on or before December 31, 1993 (provided that the time limit on the effectiveness of the redevelopment plan was not reached prior to the effective date of the act adding this subdivision), and to an amendment to a redevelopment plan that added territory and was adopted on or before December 31, 1993 (provided that the time limit on the effectiveness of the amendment was not reached prior to June 28, 2011):

(A) The time limit required under subdivision (a), as it may have been extended by the legislative body pursuant to subparagraphs (C) and (D) of paragraph (2) of subdivision (e), is extended for an additional 40 years from the date of adoption of the resolution described in Part 1.8 (commencing with Section 34161).

(B) The time limit required under subdivision (b) shall be 10 years after the termination of the effectiveness of the redevelopment plan, as extended pursuant to subparagraph (A). After the expiration of this time limit the agency shall not receive property taxes pursuant to Section 33670 except as necessary to comply with subdivision (a) of Section 33333.8 or to pay

debt service on bonds issued prior to the expiration of the effectiveness of the redevelopment plan.

(C) Any time limit on the establishing of loans, advances, and indebtedness to be paid with the proceeds of property taxes received pursuant to Section 33670 to finance in whole, or in part, the redevelopment project set forth in, or otherwise applicable to, the redevelopment plan, including any amendment to the plan, is eliminated.

(D) Any limitation on the number of dollars of taxes that may be divided and allocated to the redevelopment agency set forth in, or otherwise applicable to, the redevelopment plan, including any amendment to the plan, is eliminated.

(E) In the event that a redevelopment plan or amendment as described in paragraph (1) of subdivision (f) allowed for the use of eminent domain to acquire property, a time limit, not to exceed 12 years from the adoption of the resolution described in Part 1.8 (commencing with Section 34161), for commencement of eminent domain proceedings to acquire property within the project area. This time limit may be extended only by amendment of the redevelopment plan after the agency finds, based on substantial evidence, both of the following:

(i) That significant blight remains within the project area.

(ii) That this blight cannot be eliminated without the use of eminent domain.

(2) Paragraph (1) shall apply notwithstanding any term, provision, or condition set forth in any agreement between the agency and an affected taxing agency, including, but not limited to, agreements entered into pursuant to Section 33401 or 33676, as those sections existed prior to January 1, 1994, that sets or purports to set (A) more restrictive time limits on the redevelopment project than the limits set forth in paragraph (1); (B) any limit on the amount of property tax increment an agency may be allocated or may receive; or (C) any limit on the amount of bonded indebtedness of the agency that may be outstanding at any one time or in total.

(3) Within 12 months of the effective date of the act adding this subdivision, and if the agency has timely adopted the resolution set forth in Part 1.8 (commencing with Section 34161), the legislative body shall adopt an ordinance conforming the redevelopment plan or amendment that added territory to the requirements of this subdivision. In adopting this ordinance, neither the legislative

body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans. This subdivision shall be effective as to the applicable redevelopment plan or amendment that added territory notwithstanding the failure of the legislative body to adopt the ordinance described in this paragraph.

SECTION 9. Amendment of Section 33333.7 of Health and Safety Code. Section 33333.7 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) Notwithstanding the time limits in paragraph (1) of subdivision (a) of Section 33333.6, as that paragraph (1) read on December 31, 2001, the Redevelopment Agency of the City and County of San Francisco may, subject to the approval of the Board of Supervisors of the City and County of San Francisco, retain its ability to incur indebtedness exclusively for Low and Moderate Income Housing Fund activities eligible under Sections 33334.2 and 33334.3 until January 1, 2014, or until the agency replaces all of the housing units demolished prior to the enactment of the replacement housing obligations in Chapter 970 of the Statutes of 1975, whichever occurs earlier. The ability of the agency to receive tax increment revenues to repay indebtedness incurred for these Low and Moderate Income Housing Fund activities may be extended until no later than January 1, 2044. Nothing in this paragraph shall be construed to extend a plan's effectiveness, except to incur additional indebtedness for Low and Moderate Income Housing Fund activities, to pay previously incurred indebtedness, and to enforce existing covenants, contracts, or other obligations.

(b) Annual revenues shall not exceed the amount necessary to fund the Low and Moderate Income Housing Fund activities of the agency. The agency shall neither collect nor spend more than 10 percent for the planning and administrative costs authorized pursuant to subdivision (e) of Section 33334.3. Revenues received under this paragraph shall not exceed the amount of tax increment received and allocated to the agency pursuant to the plan, as it has been amended, less the amount necessary to pay prior outstanding indebtedness, and less the amount of the project area's property tax revenue that school entities are entitled to receive pursuant to Chapter 3 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code if the plan had not been amended.

Additionally, revenues collected under this paragraph are subject to the payments to affected taxing entities pursuant to Section 33607.

(c) The activities conducted with revenues received under this paragraph shall be consistent with the policies and objectives of the community's housing element, as reviewed and approved by the department, and shall address the unmet housing needs of very low, low- and moderate-income households. The activities shall also be consistent with the community's most recently approved consolidated and annual action plans submitted to the United States Department of Housing and Urban Development, and if the director deems it necessary, the Annual action plans shall be submitted to the department on an annual basis. No less than 50 percent of the revenues received shall be devoted to assisting in the development of housing that is affordable to very low income households.

(d) The agency shall not incur any indebtedness pursuant to this paragraph until the director certifies, after consulting with the agency, the net difference between the number of housing units affordable to persons and families of low and moderate income that the agency destroyed or removed prior to January 1, 1976, and the number of housing units affordable to persons and families of low and moderate income that the agency rehabilitated, developed, or constructed, or caused to be rehabilitated, developed, or constructed within the project areas adopted prior to January 1, 1976.

(e) The agency shall not incur any indebtedness pursuant to this paragraph unless the director of the department certifies annually, prior to the creation of indebtedness, all of the following:

(1) The community has a current housing element that substantially complies with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(2) The community's housing element indicates an unmet need for Low and Moderate Income Housing Fund activities.

(3) The agency's most recent independent financial audit report prepared pursuant to Section 33080.1 reports acceptable findings and no major violations of this part.

(4) The agency has complied with subdivision (a) of Section 33334.2.

(5) The agency has met the requirements of this part with respect to the provision of dwelling units for persons and families of low or moderate income, including, but not limited to, the requirements of Section 33413.

(f) Nothing in this section shall preclude the Redevelopment Agency of the City and County of San Francisco and the Board of Supervisors of the City and County of San Francisco from utilizing the provisions of Sections 33333.2, 33333.4, and 33333.6, as amended under the act adding this subdivision.

SECTION 10. Repeal of Section 33334.1 of Health and Safety Code and addition of new Section 33334.1 to Health and Safety Code. Section 33334.1 of the Health and Safety Code is hereby repealed in its entirety as follows:

~~If the plan authorizes the issuance of bonds to be repaid in whole or in part from the allocation of taxes pursuant to Section 33670, the plan shall establish a limit on the amount of bonded indebtedness which can be outstanding at one time without an amendment of the plan. This section shall apply only to redevelopment plans adopted on or after October 1, 1976.~~

SECTION 11. Addition of new Section 33334.1 to Health and Safety Code. A new Section 33334.1 is hereby added to the Health and Safety Code to read in its entirety as follows:

(a) A redevelopment plan that states a limit on the amount of bonded indebtedness that can be outstanding at any one time, or a limit on the total amount of bonded indebtedness that may be incurred, may be amended to eliminate one or both of those limits by adoption of an ordinance by the legislative body. In adopting this ordinance, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans. If an ordinance is adopted to eliminate the limit on the amount of bonded indebtedness that can be outstanding at any one time or in total, the elimination of the limit shall apply irrespective of the agency previously exceeding the established limit on the amount of bonded indebtedness that can be outstanding at any one time or in total.

(b) The adoption of an ordinance eliminating the limit on the amount of bonded indebtedness that can be outstanding at any one time, or in total, shall act to nullify any prior judicial determination that the agency improperly exceeded the amount of bonded indebtedness that can be outstanding at any one time or in total. If the ordinance is adopted, the limits eliminated by the ordinance shall also act to eliminate the limits set forth in any agreement between the agency and an affected taxing agency, as defined in Section 33353.2, including, but not limited to, agreements entered into pursuant Section 33401 or 33676, as those sections existed prior to January 1, 1994, that sets or purports to set a limit on the amount of bonded indebtedness which can be outstanding at any one time or in total.

SECTION 12. Amendment of Section 33334.2 of Health and Safety Code. Section 33334.2 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) ~~Except as provided in subdivision (k), not~~ Not less than 20 10 percent of all taxes that are allocated to the agency pursuant to Section 33670 shall ~~may~~ be used by the agency for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost, as defined by Section 50052.5, to persons and families of low or moderate income, as defined in Section 50093, lower income households, as defined by Section 50079.5, very low income households, as defined in Section 50105, and extremely low income households, as defined by Section 50106, that is occupied by these persons and families., unless one of the following findings is made annually by resolution:

(1) (A) That no need exists in the community to improve, increase, or preserve the supply of low- and moderate-income housing, including housing for very low income households in a manner that would benefit the project area and that this finding is consistent with the housing element of the community's general plan required by Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code, including its share of the regional housing needs of very low income households and persons and families of low or moderate income.

(B) This finding shall only be made if the housing element of the community's general plan demonstrates that the community does

not have a need to improve, increase, or preserve the supply of low- and moderate-income housing available at affordable housing cost to persons and families of low or moderate income and to very low income households. This finding shall only be made if it is consistent with the planning agency's annual report to the legislative body on implementation of the housing element required by subdivision (b) of Section 65400 of the Government Code. No agency of a charter city shall make this finding unless the planning agency submits the report pursuant to subdivision (b) of Section 65400 of the Government Code. This finding shall not take effect until the agency has complied with subdivision (b) of this section.

(2) (A) That some stated percentage less than ~~20~~ 10 percent of the taxes that are allocated to the agency pursuant to Section 33670 is sufficient to meet the housing needs of the community, including its share of the regional housing needs of persons and families of low- or moderate-income and very low income households, and that this finding is consistent with the housing element of the community's general plan required by Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(B) This finding shall only be made if the housing element of the community's general plan demonstrates that a percentage of less than ~~20~~ 10 percent will be sufficient to meet the community's need to improve, increase, or preserve the supply of low- and moderate-income housing available at affordable housing cost to persons and families of low or moderate income and to very low income households. This finding shall only be made if it is consistent with the planning agency's annual report to the legislative body on implementation of the housing element required by subdivision (b) of Section 65400 of the Government Code. No agency of a charter city shall make this finding unless the planning agency submits the report pursuant to subdivision (b) of Section 65400 of the Government Code. This finding shall not take effect until the agency has complied with subdivision (b) of this section.

(C) For purposes of making the findings specified in this paragraph and paragraph (1), the housing element of the general plan of a city, county, or city and county shall be current, and shall have been determined by the department pursuant to Section 65585 to be in substantial compliance with Article 10.6 (commencing with Section

65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(3) (A) That the community is making a substantial effort to meet its existing and projected housing needs, including its share of the regional housing needs, with respect to persons and families of low and moderate income, particularly very low income households, as identified in the housing element of the community's general plan required by Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code, and that this effort, consisting of direct financial contributions of local funds used to increase and improve the supply of housing affordable to, and occupied by, persons and families of low or moderate income and very low income households is equivalent in impact to the funds otherwise required to be set aside pursuant to this section. In addition to any other local funds, these direct financial contributions may include federal or state grants paid directly to a community and that the community has the discretion of using for the purposes for which moneys in the Low and Moderate Income Housing Fund may be used. The legislative body shall consider the need that can be reasonably foreseen because of displacement of persons and families of low or moderate income or very low income households from within, or adjacent to, the project area, because of increased employment opportunities, or because of any other direct or indirect result of implementation of the redevelopment plan. No finding under this subdivision may be made until the community has provided or ensured the availability of replacement dwelling units as defined in Section 33411.2 and until it has complied with Article 9 (commencing with Section 33410).

(B) In making the determination that other financial contributions are equivalent in impact pursuant to this subdivision, the agency shall include only those financial contributions that are directly related to programs or activities authorized under subdivision (e).

~~(C) The authority for making the finding specified in this paragraph shall expire on June 30, 1993, except that the expiration shall not be deemed to impair contractual obligations to bondholders or private entities incurred prior to May 1, 1991, and made in reliance on the provisions of this paragraph. Agencies that make this finding after June 30, 1993, shall show evidence that the agency entered into the specific contractual obligation with the~~

~~specific intention of making a finding under this paragraph in order to provide sufficient revenues to pay off the indebtedness.~~

(4) The funds that an agency is allocated pursuant to this subdivision shall be held in a separate Low and Moderate Income Housing Fund until used. The monies in the Low and Moderate Income Housing Fund shall be used to increase, improve, and preserve the supply of low- and moderate-income housing within the community. Any interest earned by the Low and Moderate Income Housing Fund and any repayments or other income to the agency for loans, advances, or grants of any kind from the Low and Moderate Income Housing Funds shall accrue to and be deposited in the Low and Moderate Income Housing Fund.

(b) Within 10 days following the making of a finding under either paragraph (1) or (2) of subdivision (a), the agency shall send the Department of Housing and Community Development a copy of the finding, including the factual information supporting the finding and other factual information in the housing element that demonstrates that either (1) the community does not need to increase, improve, or preserve the supply of housing for low- and moderate-income households, including very low income households, or (2) a percentage less than ~~20~~ 10 percent will be sufficient to meet the community's need to improve, increase, and preserve the supply of housing for low- and moderate-income households, including very low income households. Within 10 days following the making of a finding under paragraph (3) of subdivision (a), the agency shall send the Department of Housing and Community Development a copy of the finding, including the factual information supporting the finding that the community is making a substantial effort to meet its existing and projected housing needs. Agencies that make this finding after ~~June 30, 1993,~~ January 1, 2015 shall also submit evidence to the department of its contractual obligations with bondholders or private entities ~~incurred prior to May 1, 1991,~~ and made in reliance on this finding.

(c) In any litigation to challenge or attack a finding made under paragraph (1), (2), or (3) of subdivision (a), the burden shall be upon the agency to establish that the finding is supported by substantial evidence in light of the entire record before the agency. If an agency is determined by a court to have knowingly misrepresented any material facts regarding the community's share of its regional housing need for low- and moderate-income housing, including very low income households, or the community's production record in meeting its share of the regional

housing need pursuant to the report required by subdivision (b) of Section 65400 of the Government Code, the agency shall be liable for all court costs and plaintiff's attorney's fees, and shall be required to allocate not less than ~~25~~ 15 percent of the agency's tax increment revenues to its Low and Moderate Income Housing Fund in each year thereafter.

(d) Nothing in this section shall be construed as relieving any other public entity or entity with the power of eminent domain of any legal obligations for replacement or relocation housing arising out of its activities.

(e) In carrying out the purposes of this section, the agency may exercise any or all of its powers for the construction, rehabilitation, or preservation of affordable housing for extremely low, very low, low- and moderate-income persons or families, including the following:

(1) Acquire real property or building sites subject to Section 33334.16.

(2) (A) Improve real property or building sites with onsite or offsite improvements, but only if both (i) the improvements are part of the new construction or rehabilitation of affordable housing units for low- or moderate-income persons that are directly benefited by the improvements, and are a reasonable and fundamental component of the housing units, and (ii) the agency requires that the units remain available at affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate income for the same time period and in the same manner as provided in subdivision (c) and paragraph (2) of subdivision (f) of Section 33334.3.

(B) If the newly constructed or rehabilitated housing units are part of a larger project and the agency improves or pays for onsite or offsite improvements pursuant to the authority in this subdivision, the agency shall pay only a portion of the total cost of the onsite or offsite improvement. The maximum percentage of the total cost of the improvement paid for by the agency shall be determined by dividing the number of housing units that are affordable to low- or moderate-income persons by the total number of housing units, if the project is a housing project, or by dividing the cost of the affordable housing units by the total cost of the project, if the project is not a housing project.

- (3) Donate real property to private or public persons or entities.
- (4) Finance insurance premiums pursuant to Section 33136.
- (5) Construct buildings or structures.
- (6) Acquire buildings or structures.
- (7) Rehabilitate buildings or structures.
- (8) Provide subsidies to, or for the benefit of, extremely low income households, as defined by Section 50106, very low income households, as defined by Section 50105, lower income households, as defined by Section 50079.5, or persons and families of low or moderate income, as defined by Section 50093, to the extent those households cannot obtain housing at affordable costs on the open market. Housing units available on the open market are those units developed without direct government subsidies.
- (9) Develop plans, pay principal and interest on bonds, loans, advances, or other indebtedness, or pay financing or carrying charges.
- (10) Maintain the community's supply of mobilehomes.
- (11) Preserve the availability to lower income households of affordable housing units in housing developments that are assisted or subsidized by public entities and that are threatened with imminent conversion to market rates.
- (f) The agency may use these funds to meet, in whole or in part, the replacement housing provisions in Section 33413. However, nothing in this section shall be construed as limiting in any way the requirements of that section.
- (g) (1) The agency may use these funds inside or outside the project area. The agency may only use these funds outside the project area upon a resolution of the agency and the legislative body that the use will be of benefit to the project. The determination by the agency and the legislative body shall be final and conclusive as to the issue of benefit to the project area. The Legislature finds and declares that the provision of replacement housing pursuant to Section 33413 is always of benefit to a project. Unless the legislative body finds, before the redevelopment plan is adopted, that the provision of low- and moderate-income housing outside the project

area will be of benefit to the project, the project area shall include property suitable for low- and moderate-income housing.

(2) As an alternative to using these funds within such time as may be prescribed, the agency may transfer the funds, or any portion thereof, to and for the use by another public body within the same county or an adjoining county, including without limitation a county housing authority, upon a resolution of the agency and the legislative body that the use will be of benefit to the project area. The determination by the agency and the legislative body shall be final and conclusive as to the issue of benefit to the project area. Such transfer may be by grant, loan or otherwise. An agreement to transfer funds shall make provision for the allocation of credit toward fair share goals between the agency and the other public body for the construction of low- and moderate-income housing units in accordance with the applicable Regional Housing Needs Assessment pursuant to Government Code section 65584 et seq.

(2 3) (A) The Contra Costa County Redevelopment Agency may use these funds anywhere within the unincorporated territory, or within the incorporated limits of the City of Walnut Creek on sites contiguous to the Pleasant Hill BART Station Area Redevelopment Project area. The agency may only use these funds outside the project area upon a resolution of the agency and board of supervisors determining that the use will be of benefit to the project area. In addition, the agency may use these funds within the incorporated limits of the City of Walnut Creek only if the agency and the board of supervisors find all of the following:

(i) Both the County of Contra Costa and the City of Walnut Creek have adopted and are implementing complete and current housing elements of their general plans that the Department of Housing and Community Development has determined to be in compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(ii) The development to be funded shall not result in any residential displacement from the site where the development is to be built.

(iii) The development to be funded shall not be constructed in an area that currently has more than 50 percent of its population comprised of racial minorities or low-income families.

(iv) The development to be funded shall allow construction of affordable housing closer to a rapid transit station than could be

constructed in the unincorporated territory outside the Pleasant Hill BART Station Area Redevelopment Project.

(B) If the agency uses these funds within the incorporated limits of the City of Walnut Creek, all of the following requirements shall apply:

(i) The funds shall be used only for the acquisition of land for, and the design and construction of, the development of housing containing units affordable to, and occupied by, low- and moderate-income persons.

(ii) If less than all the units in the development are affordable to, and occupied by, low- or moderate-income persons, any agency assistance shall not exceed the amount needed to make the housing affordable to, and occupied by, low- or moderate-income persons.

(iii) The units in the development that are affordable to, and occupied by, low- or moderate-income persons shall remain affordable for a period of at least 55 years.

(iv) The agency and the City of Walnut Creek shall determine, if applicable, whether Article XXXIV of the California Constitution permits the development.

(h) The Legislature finds and declares that expenditures or obligations incurred by the agency pursuant to this section shall constitute an indebtedness of the project.

(i) This section shall only apply to taxes allocated to a redevelopment agency for which a final redevelopment plan is adopted on or after January 1, 1977, or for any area that is added to a project by an amendment to a redevelopment plan, which amendment is adopted on or after the effective date of this section. An agency may, by resolution, elect to make all or part of the requirements of this section applicable to any redevelopment project for which a redevelopment plan was adopted prior to January 1, 1977, subject to any indebtedness incurred prior to the election.

(j) (1) (A) An action to compel compliance with the requirement of Section 33334.3 to deposit not less than ~~20~~ 10 percent of all taxes that are allocated to the agency pursuant to Section 33670 in the Low and Moderate Income Housing Fund shall be commenced within ~~10~~ 3 years of the alleged violation. A cause of action for a

violation accrues on the last day of the fiscal year in which the funds were required to be deposited in the Low and Moderate Income Housing Fund.

(B) An action to compel compliance with the requirement of this section or Section 33334.6 that money deposited in the Low and Moderate Income Housing Fund be used by the agency for purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost shall be commenced within 10 3 years of the alleged violation. A cause of action for a violation accrues on the date of the actual expenditure of the funds.

(C) An agency found to have deposited less into the Low and Moderate Income Housing Fund than mandated by Section 33334.3 or to have spent money from the Low and Moderate Income Housing Fund for purposes other than increasing, improving, and preserving the community's supply of low- and moderate-income housing, as mandated, by this section or Section 33334.6 shall repay the funds with interest in one lump sum pursuant to Section 970.4 or 970.5 of the Government Code or may do either of the following:

(i) Petition the court under Section 970.6 for repayment in installments.

(ii) Repay the portion of the judgment due to the Low and Moderate Income Housing Fund in equal installments over a period of five years following the judgment.

(2) Repayment shall not be made from the funds required to be set aside or used for low- and moderate-income housing pursuant to this section.

(3) Notwithstanding clauses (i) and (ii) of subparagraph (C) of paragraph (1), all costs, including reasonable attorney's fees if included in the judgment, are due and shall be paid upon entry of judgment or order.

(4) Except as otherwise provided in this subdivision, Chapter 2 (commencing with Section 970) of Part 5 of Division 3.6 of Title 1 of the Government Code for the enforcement of a judgment against a local public entity applies to a judgment against a local public entity that violates this section.

(5) This subdivision applies to actions filed on and after January 1, 2006 2015.

(6) The limitations period specified in subparagraphs (A) and (B) of paragraph (1) does not apply to a cause of action brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(k) (1) From July 1, 2009, to June 30, 2010, inclusive, an agency may suspend all or part of its required allocation to the Low and Moderate Income Housing Fund from taxes that are allocated to that agency pursuant to Section 33670.

(2) An agency that suspends revenue pursuant to paragraph (1) shall pay back to its low and moderate income housing fund the amount of revenue that was suspended in the 2009-10 fiscal year pursuant to this subdivision from July 1, 2010, to June 30, 2015, inclusive.

(3) An agency that suspends revenue pursuant to paragraph (1) and fails to repay or have repaid on its behalf the amount of revenue suspended pursuant to paragraph (2) shall, commencing July 1, 2015, be required to allocate an additional 5 percent of all taxes that are allocated to that agency pursuant to Section 33670 for low and moderate income housing for the remainder of the time that the agency receives allocations of tax revenue pursuant to Section 33670.

(4) An agency that fails to pay or have paid on its behalf the full amount calculated pursuant to subparagraph (f) of paragraph (2) of subdivision (a) of Section 33690, or subparagraph (f) of paragraph (2) of subdivision (a) of Section 33690.5, as the case may be, shall, commencing July 1, 2010, or July 1, 2011, as applicable, be required to allocate an additional 5 percent of all taxes that are allocated to that agency pursuant to Section 33670 for low and moderate income housing for the remainder of the time that the agency receives allocations of tax revenue pursuant to Section 33670.

SECTION 13. Amendment of Section 33334.6 of Health and Safety Code. Section 33334.6 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) The Legislature finds and declares that the provision of housing is itself a fundamental purpose of the Community Redevelopment Law and that a generally inadequate statewide supply of decent, safe, and sanitary housing affordable to persons and families of low or moderate income, as defined by Section 50093, threatens the accomplishment of the primary purposes of the Community Redevelopment Law, including job creation, attracting new private investments, and creating physical, economic, social, and environmental conditions to remove and prevent the recurrence of blight. The Legislature further finds and declares that the provision and improvement of affordable housing, as provided by Section 33334.2, outside of redevelopment project areas can be of direct benefit to those projects in assisting the accomplishment of project objectives whether or not those redevelopment projects provide for housing within the project area. The Legislature finds and determines that the provision of affordable housing by redevelopment agencies and the use of taxes allocated to the agency pursuant to subdivision (b) of Section 33670 is of statewide benefit and of particular benefit and assistance to all local governmental agencies in the areas where the housing is provided.

(b) This section is applicable to all project areas, or portions of project areas, which are not subject to Section 33334.2, except that a project area, or portion of a project area, for which a resolution was adopted pursuant to subdivision (i) of Section 33334.2 is subject to this section. Project areas subject to this section which are merged are subject to the requirements of both this section and Section 33487. The deposit of taxes into the Low and Moderate Income Housing Fund in compliance with either this section or Section 33487 shall satisfy the requirements of both sections in the year those taxes are deposited.

(c) Except as otherwise permitted by subdivisions (d) and (e), not less than 20 10 percent of the taxes allocated to the agency pursuant to Section 33670 from project areas specified in subdivision (b) for the 1985-86 fiscal year and each succeeding fiscal year shall be deposited into the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 and used for the purposes set forth in Section 33334.2, unless the agency, by resolution, makes one of the findings described in paragraphs (1) to (3), inclusive, of subdivision (a) of Section 33334.2, except that the authority to make the finding specified in paragraph (3) of subdivision (a) of that section shall expire as specified in that paragraph. Subdivisions (b)

and (c) of Section 33334.2 apply if an agency makes any of those findings.

(d) In any fiscal year, the agency may deposit less than the amount required by subdivision (c) into the Low and Moderate Income Housing Fund if the agency finds that the difference between the amount deposited and the amount required by subdivision (c) is necessary to make payments under existing obligations of amounts due or required to be committed, set aside, or reserved by the agency during that fiscal year and which are used by the agency for that purpose. For purposes of this section, "existing obligations" means the principal of, and interest on, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the agency to finance or refinance, in whole or in part, any redevelopment project existing on, and created prior to January 1, 1986, and contained on the statement of existing obligations adopted pursuant to subdivision (f). Obligations incurred on or after January 1, 1986, shall be deemed existing obligations for purposes of this section if the net proceeds are used to refinance existing obligations contained on the statement.

(e) In each fiscal year prior to July 1, 1996, the agency may deposit less than the amount required by subdivisions (c) and (d) into the Low and Moderate Income Housing Fund if the agency finds that the deposit of less than the amount required by those subdivisions is necessary in order to provide for the orderly and timely completion of public and private projects, programs, or activities approved by the agency prior to January 1, 1986, which are contained on the statement of existing programs adopted pursuant to subdivision (f). Approval of these projects, programs, and activities means approval by the agency of written documents which demonstrate an intent to implement a specific project, program, or activity and is not limited to final approval of a specific project, program, or activity.

(f) Any agency which deposits less than the amount required by subdivision (c) into the Low and Moderate Income Housing Fund pursuant to subdivision (d) or (e) shall adopt prior to September 1, 1986, by resolution, after a noticed public hearing, a statement of existing obligations or a statement of existing programs, or both.

(1) The agency shall prepare and submit the proposed statement to the legislative body and to the Department of Housing and Community Development prior to giving notice of the public

hearing. Notice of the time and place of the public hearing shall be transmitted to the Department of Housing and Community Development at least 15 days prior to the public hearing and notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the community once a week for at least two successive weeks prior to the public hearing. The legislative body shall maintain a record of the public hearing.

(2) A copy of the resolution adopted by the agency, together with any amendments to the statement of the agency, shall be transmitted to the Department of Housing and Community Development within 10 days following adoption of the resolution by the agency.

(3) A statement of existing obligations shall describe each existing obligation and, based upon the best available information, as determined by the agency, list the total amount of the existing obligation, the annual payments required to be made by the agency pursuant to the existing obligation, and the date the existing obligation will be discharged in full.

(4) A statement of existing programs shall list the specific public and private projects, programs, or activities approved prior to January 1, 1986, which are necessary for the orderly completion of the redevelopment plan as it existed on January 1, 1986. No project, program, or activity shall be included on the statement of existing programs unless written evidence of the existence and approval of the project, program, or activity prior to January 1, 1986, is attached to the statement of existing programs.

(g) If, pursuant to subdivision (d) or (e), the agency deposits less than 20 10 percent of the taxes allocated to the agency pursuant to Section 33670 in the 1985-86 fiscal year or any subsequent fiscal year in the Low and Moderate Income Housing Fund, the amount equal to the difference between 20 10 percent of the taxes allocated to the agency pursuant to Section 33670 for each affected project and the amount deposited that year shall constitute a deficit of the project. The agency shall adopt a plan to eliminate the deficit in subsequent years as determined by the agency.

(h) The obligations imposed by this section, including deficits, if any, created under this section, are hereby declared to be an indebtedness of the redevelopment project to which they relate, payable from taxes allocated to the agency pursuant to Section

33670, and shall constitute an indebtedness of the agency with respect to the redevelopment project until paid in full.

(i) In any litigation to challenge or attack a statement of existing obligations, the decision by the agency after the public hearing to include an existing obligation on the statement of existing obligations, or the decision by the agency after the public hearing to include a project, program, or activity on the statement of existing programs, the court shall uphold the action of the agency unless the court finds that the agency has abused its discretion. The Legislature finds and declares that this standard of review is necessary in order to protect against the possible impairment of existing obligations, programs, and activities because agencies with project areas adopted prior to January 1, 1977, have incurred existing obligations and have adopted projects, programs, and activities with the authority to receive and pledge the entire allocation of funds authorized by Section 33670.

SECTION 14. Amendment of Section 33391 of Health and Safety Code. Section 33391 of the Health and Safety Code is hereby amended to read in its entirety as follows:

Within the survey area or for purposes of redevelopment an agency may:

(a) Purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property, any interest in property, and any improvements on it, including repurchase of developed property previously owned by the agency.

(b) Acquire real property by eminent domain *consistent with the limitations set forth in Article I, section 19 of the California Constitution as adopted by the voters as Proposition 99 on June 3, 2008.*

SECTION 15. Amendment of Section 33445 of Health and Safety Code. Section 33445 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) Notwithstanding Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly

owned and is located inside or contiguous to either within or without the project area, if the legislative body determines all of the following:

(1) That the acquisition of land or the installation or construction of the buildings, facilities, structures, or other improvements ~~that are publicly owned~~ are of benefit to the project area by helping to eliminate blight within the project area or providing housing for low- or moderate-income persons or the immediate neighborhood in which the project is located, regardless of whether the improvement is within another project area, or in the case of a project area in which substantially all of the land is publicly owned that the improvement is of benefit to an adjacent project area of the agency.

(2) That no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures, or other improvements ~~that are publicly owned~~, are available to the community.

(3) That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements ~~that are publicly owned~~ will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low- or moderate-income persons, and is consistent with the implementation plan adopted pursuant to Section 33490.

(b) (1) The determinations made by the agency and the local legislative body pursuant to subdivision (a) shall be final and conclusive.

(2) For redevelopment plans, and amendments to those plans that add territory to a project, adopted after October 1, 1976, acquisition of property and installation or construction of each facility shall be provided for in the redevelopment plan.

(3) A redevelopment agency shall not pay for the normal maintenance or operations of buildings, facilities, structures, or other improvements that are publicly owned. Normal maintenance or operations do not include the construction, expansion, addition to, or reconstruction of, buildings, facilities, structures, or other improvements that are publicly owned otherwise undertaken pursuant to this section.

(c) (1) When the value of the land or the cost of the installation and construction of the building, facility, structure, or other improvement ~~that is publicly owned~~, or both, has been, or will be, paid or provided for initially by the community or other public corporation, the agency may enter into a contract with the community or other public corporation under which it agrees to reimburse the community or other public corporation for all or part of the value of the land or all or part of the cost of the building, facility, structure, or other improvement ~~that is publicly owned~~, or both, by periodic payments over a period of years.

(2 d) The obligation of the agency under the contract shall constitute an indebtedness of the agency for the purpose of carrying out the redevelopment project for the project area, ~~and the~~ *which* indebtedness may be made payable out of taxes levied in the project area and allocated to the agency under subdivision (b) of Section 33670, or out of any other available funds.

(d e) In a case where the land has been or will be acquired by, or the cost of the installation and construction of the building, facility, structure, or other improvement ~~that is publicly owned~~ has been paid by, a parking authority, joint powers entity, or other public corporation to provide a building, facility, structure, or other improvement that has been or will be leased to the community, the contract may be made with, and the reimbursement may be made payable to, the community.

(f) With respect to the financing, acquisition, or construction of a transportation, collection, and distribution system and related peripheral parking facilities, in a county with a population of 4,000,000 persons or more, the agency shall, in order to exercise the powers granted by this section, enter into an agreement with the rapid transit district that includes the county, or a portion thereof, in which the agreement the rapid transit district shall be given all of the following responsibilities:

(1) To participate with the other parties to the agreement to design, determine the location and extent of the necessary rights-of-way for, and construct, the transportation, collection, and distribution systems and related peripheral parking structures and facilities.

(2) To operate and maintain the transportation, collection, and distribution systems and related peripheral parking structures and facilities in accordance with the rapid transit district's outstanding agreements and the agreement required by this paragraph.

(e g) (1) Notwithstanding any other authority granted in this section, an agency shall not pay for, either directly or indirectly, with tax increment funds the construction, including land acquisition, related site clearance, and design costs, or rehabilitation of a building that is, or that will be used as, a city hall or county administration building.

(2) This subdivision shall not preclude an agency from making payments to construct, rehabilitate, or replace a city hall if an agency does any of the following:

(A) Allocates tax increment funds for this purpose during the 1988-89 fiscal year and each fiscal year thereafter in order to comply with federal and state seismic safety and accessibility standards.

(B) Uses tax increment funds for the purpose of rehabilitating or replacing a city hall that was seriously damaged during an earthquake that was declared by the President of the United States to be a natural disaster.

(C) Uses the proceeds of bonds, notes, certificates of participation, or other indebtedness that was issued prior to January 1, 1994, for the purpose of constructing or rehabilitating a city hall, as evidenced by documents approved at the time of the issuance of the indebtedness.

~~(f) As used in this section, "contiguous" means that the parcel on which the building, facility, structure, or other improvement that is publicly owned is located shares a boundary with the project area or is separated from the project area only by a public street or highway, flood control channel, waterway, railroad right-of-way, or similar feature.~~

~~(g) Notwithstanding Section 33445.1, an agency may pay for all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is partially located in the project area, but extends beyond the project area's boundaries, if the legislative body makes the determinations required by subdivision (a).~~

SECTION 16. Repeal of Section 33445.1 of Health and Safety Code.

Section 33445.1 of the Health and Safety Code is hereby repealed in its entirety as follows:

(a) Notwithstanding Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located outside and not contiguous to the project area, but is located within the community, if the legislative body finds, based on substantial evidence in the record, all of the following:

(1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of primary benefit to the project area.

(2) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned benefits the project area by helping to eliminate blight within the project area, or will directly assist in the provision of housing for low- or moderate-income persons.

(3) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community, including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds, or bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code). In determining whether other means of financing are feasible, the legislative body may take into account any relevant factors, including, but not limited to:

(A) Legal factors, such as the eligibility of the improvements for funding under the governing statutes.

(B) Economic factors, such as prevailing interest rates and market conditions.

(C) Political factors, such as the priority of commitments of other public funding sources, the ability or willingness of property owners or taxpayers to bear the cost of any special assessments, taxes, or other charges, and the likelihood of obtaining voter approval, if required.

~~(4) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490.~~

~~(5) The acquisition of land and the installation of each building, facility, structure, or improvement that is publicly owned is provided for in the redevelopment plan.~~

~~(b) An agency shall not pay for the normal maintenance or operations of buildings, facilities, structures, or other improvements that are publicly owned. Normal maintenance or operations do not include the construction, expansion, addition to, or reconstruction of, buildings, facilities, structures, or other improvements that are publicly owned otherwise undertaken pursuant to this section.~~

~~(c) An action to challenge the findings required by this section shall be filed and served within 60 days after the date of the resolution containing the findings.~~

~~(d) The provisions of this section shall not apply and the provisions of Section 33445 shall apply if the financing, construction, or installation of the land, buildings, facilities, structures, or other improvements is an obligation of the agency under a contract existing on December 31, 2009, specifically described in the implementation plan prepared by the agency as of July 1, 2009, pursuant to Section 33490, or specifically provided for in the redevelopment plan as of December 31, 2009.~~

SECTION 17. Amendment of Section 33492.13 of Health and Safety Code. Section 33492.13 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) Except as provided in subdivision (c), a redevelopment plan, adopted pursuant to this chapter and containing the provisions set forth in Section 33670, shall contain all of the following limitations:

(1) A limitation on the number of dollars of taxes which may be divided and allocated to the redevelopment agency pursuant thereto. Taxes shall not be divided and shall not be allocated to the redevelopment agency beyond this limitation, except by

amendment of the redevelopment plan pursuant to Section 33354.6, or as necessary to comply with subdivision (a) of Section 33333.8.

(2) (A) The time limit on the establishing of loans, advances, and indebtedness to be paid with the proceeds of property taxes received pursuant to Section 33670 to finance in whole or in part the redevelopment project, which may not exceed 20 years from the date the county auditor certifies pursuant to Section 33492.9, except by amendment of the redevelopment plan as authorized by subparagraph (B). The loans, advances, or indebtedness may be repaid over a period of time longer than the time limit as provided in this section. No loans, advances, or indebtedness to be repaid from the allocation of taxes shall be established or incurred by the agency beyond this time limitation, except as necessary to comply with subdivision (a) of Section 33333.8.

(B) The time limitation established by subparagraph (A) may be extended only by amendment of the redevelopment plan after the agency finds, based on substantial evidence, that (i) substantial blight remains within the project area; (ii) this blight cannot be eliminated without the establishment of additional debt; and (iii) the elimination of blight cannot reasonably be accomplished by private enterprise acting alone or by the legislative body's use of financing alternatives other than tax increment financing. However, this amended time limitation may not exceed 30 years from the date the county auditor certifies pursuant to Section 33492.9, except as necessary to comply with subdivision (a) of Section 33333.8.

(3) A time limit, not to exceed 30 years from the date the county auditor certifies pursuant to Section 33492.9, on the effectiveness of the redevelopment plan. After the time limit on the effectiveness of the redevelopment plan, the agency shall have no authority to act pursuant to the redevelopment plan except to pay previously incurred indebtedness, comply with subdivision (a) of Section 33333.8, and enforce existing covenants or contracts.

(4) A time limit, not to exceed 45 years from the date the county auditor certifies pursuant to Section 33492.9, to repay indebtedness with the proceeds of property taxes received pursuant to Section 33670. After the time limit established pursuant to this paragraph, an agency may not receive property taxes pursuant to Section 33670, except as necessary to comply with subdivision (a) of Section 33333.8.

(5) The limitations contained in a redevelopment plan adopted pursuant to this section shall not be applied to limit allocation of taxes to an agency to the extent required to comply with Section 33333.8. In the event of a conflict between these limitations and the obligations under Section 33333.8 the limitation established in the ordinance shall be suspended pursuant to Section 33333.8.

(b) (1) A redevelopment plan, adopted pursuant to this chapter, that does not contain the provisions set forth in Section 33670 shall contain the limitations in paragraph (2).

(2) A time limit, not to exceed 12 years from the date the county auditor certifies pursuant to Section 33492.9, for commencement of eminent domain proceedings to acquire property within the project area. This time limitation may be extended only by amendment of the redevelopment plan.

(c) (1) Notwithstanding subdivision (a), and provided the agency has timely adopted the resolution described in Part 1.8 (commencing with Section 34161), all of the following provisions shall apply both to a redevelopment project for which a redevelopment plan was adopted under this chapter but prior to the effective date of the act adding this subdivision (provided that the time limit on the effectiveness of the redevelopment plan was not reached prior to the effective date of the act adding this subdivision), and an amendment to a redevelopment plan that added territory and was adopted prior to June 28, 2011 (provided that the time limit on the effectiveness of the amendment was not reached prior to June 28, 2011).

(A) The limitation set forth in paragraph (1) of subdivision (a) shall not apply.

(B) The time limit required under paragraph (2) of subdivision (a) shall not apply.

(C) The time limit required under paragraph (3) of subdivision (a) is extended for an additional 40 years from the date of adoption of the resolution described in Part 1.8 (commencing with Section 34161).

(D) The time limit required under paragraph (4) of subdivision (a) shall be extended for such additional period as is necessary to repay all indebtedness with the proceeds of property taxes received pursuant to Section 33670 for the debt service on any bonds issued prior to the expiration of the effectiveness of the redevelopment plan as extended under subparagraph (C).

(E) In the event that a redevelopment plan or amendment as described in paragraph (1) of subdivision (f) allowed for the use of eminent domain to acquire property, a time limit, not to exceed 12 years from the adoption of the resolution described in Part 1.8 (commencing with Section 34161), for commencement of eminent domain proceedings to acquire property within the project area. This time limit may be extended only by amendment of the redevelopment plan after the agency finds, based on substantial evidence, both of the following:

(i) That significant blight remains within the project area.

(ii) That this blight cannot be eliminated without the use of eminent domain.

(2) Paragraph (1) shall apply notwithstanding any term, provision, or condition set forth in any agreement between the agency and an affected taxing agency, as defined in Section 33353.2, including, but not limited to, agreements entered into pursuant to Section 33401 or 33676, as those sections existed prior to January 1, 1994, that sets or purports to set (A) more restrictive time limits on the redevelopment project than the limits set forth in paragraph (1); (B) any limit on the amount of property tax increment an agency may be allocated or may receive; or (C) any limit on the amount of bonded indebtedness of the agency that may be outstanding at any one time or in total.

(3) Within 12 months of the effective date of the act adding this subdivision, and if the agency has timely adopted the resolution set forth in Part 1.8 (commencing with Section 34161), the legislative body shall adopt an ordinance conforming the applicable redevelopment plan to the requirements of this subdivision. In adopting this ordinance, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans. The provisions of this subdivision shall be effective as to the applicable redevelopment plan or amendment that added territory notwithstanding the failure of the legislative body to adopt the ordinance described in this paragraph.

SECTION 18. Amendment of Section 33500 of Health and Safety Code. Section 33500 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) Notwithstanding any other provision of law, including Section 33501, an action may be brought to review the validity of the

adoption or amendment of a redevelopment plan at any time within 90 days after the date of the adoption of the ordinance adopting or amending the plan, ~~if the adoption of the ordinance occurred prior to January 1, 2011.~~

(b) Notwithstanding any other provision of law, including Section 33501, an action may be brought to review the validity of any findings or determinations by the agency or the legislative body at any time within 90 days after the date on which the agency or the legislative body made those findings or determinations, ~~if the findings or determinations occurred prior to January 1, 2011.~~

~~(c) Notwithstanding any other law, including Section 33501, an action may be brought to review the validity of the adoption or amendment of a redevelopment plan at any time within two years after the date of the adoption of the ordinance adopting or amending the plan, if the adoption of the ordinance occurred after January 1, 2011.~~

~~(d) Notwithstanding any other law, including Section 33501, an action may be brought to review the validity of any findings or determinations by the agency or the legislative body at any time within two years after the date on which the agency or the legislative body made those findings or determinations, if the findings or determinations occurred after January 1, 2011.~~

~~(e) The time limit for bringing an action under subdivision (c) or (d) shall be tolled with respect to the adoptions, findings, and determinations of any former redevelopment agency or its legislative body until the Department of Finance has issued a finding of completion to the successor agency of that former redevelopment agency pursuant to Section 34179.7. Subdivisions (c) and (d) shall not apply to any adoption, finding, or determination of any former redevelopment agency or its legislative body after the department has issued a finding of completion to the successor agency of that former redevelopment agency pursuant to Section 34179.7.~~

SECTION 19. Amendment of Section 33501 of Health and Safety Code. Section 33501 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of bonds and the redevelopment plan to be financed or refinanced, in whole or in part, by the bonds, or to determine the validity of a redevelopment plan not financed by bonds, including without limiting the generality of the foregoing, the legality and validity of all proceedings theretofore taken for or in any way connected with the establishment of the agency, its authority to transact business and exercise its powers, the designation of the survey area, the selection of the project area, the formulation of the preliminary plan, the validity of the finding and determination that the project area is predominantly urbanized, and the validity of the adoption of the redevelopment plan, and also including the legality and validity of all proceedings theretofore taken and (as provided in the bond resolution) proposed to be taken for the authorization, issuance, sale, and delivery of the bonds, and for the payment of the principal thereof and interest thereon.

(b) Notwithstanding subdivision (a), an action to determine the validity of a redevelopment plan, or amendment to a redevelopment plan ~~that was adopted prior to January 1, 2011~~, may be brought within 90 days after the date of the adoption of the ordinance adopting or amending the plan.

~~(c) Any action that is commenced on or after January 1, 2011, which is brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity or legality of any issue, document, or action described in subdivision (a), may be brought within two years after any triggering event that occurred after January 1, 2011. The time limit for bringing an action under this subdivision shall be tolled with respect to the validity or legality of any issue, document, or action described in subdivision (a) of any former redevelopment agency or its legislative body until the Department of Finance has issued a finding of completion to the successor agency of that former redevelopment agency pursuant to Section 34179.7. This subdivision shall not apply to any adoption, finding, or determination of any former redevelopment agency or its legislative body after the department has issued a finding of completion to the successor agency of that former redevelopment agency pursuant to Section 34179.7.~~

(d c) For the purposes of protecting the interests of the state, the Attorney General and the Department of Finance are interested persons pursuant to Section 863 of the Code of Civil Procedure in any action brought with respect to the validity of an ordinance adopting or amending a redevelopment plan pursuant to this section.

(e d) For purposes of contesting the inclusion in a project area of lands that are enforceably restricted, as that term is defined in Sections 422 and 422.5 of the Revenue and Taxation Code, or lands that are in agricultural use, as defined in subdivision (b) of Section 51201 of the Government Code, the Department of Conservation, the county agricultural commissioner, the county farm bureau, the California Farm Bureau Federation, and agricultural entities and general farm organizations that provide a written request for notice, are interested persons pursuant to Section 863 of the Code of Civil Procedure, in any action brought with respect to the validity of an ordinance adopting or amending a redevelopment plan pursuant to this section.

SECTION 20. Amendment of Section 33607.5 of Health and Safety Code. Section 33607.5 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) (1) This section shall apply to each redevelopment project area that, pursuant to a redevelopment plan which contains the provisions required by Section 33670, is either: (A) adopted on or after January 1, 1994, including later amendments to these redevelopment plans; or (B) adopted prior to January 1, 1994, but amended, after January 1, 1994, to include new territory. For plans amended after January 1, 1994, only the tax increments from territory added by the amendment shall be subject to this section. All the amounts calculated pursuant to this section shall be calculated after the amount required to be deposited in the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 has been deducted from the total amount of tax increment funds received by the agency in the applicable fiscal year.

(2) The payments made pursuant to this section shall be in addition to any amounts the affected taxing entities receive pursuant to subdivision (a) of Section 33670. The payments made pursuant to this section to the affected taxing entities, including the community, shall be allocated among the affected taxing entities, including the

community if the community elects to receive payments, in proportion to the percentage share of property taxes each affected taxing entity, including the community, receives during the fiscal year the funds are allocated, which percentage share shall be determined without regard to any amounts allocated to a city, a city and county, or a county pursuant to Sections 97.68 and 97.70 of the Revenue and Taxation Code, and without regard to any allocation reductions to a city, a city and county, a county, a special district, or a redevelopment agency pursuant to Sections 97.71, 97.72, and 97.73 of the Revenue and Taxation Code and Section 33681.12. The agency shall reduce its payments pursuant to this section to an affected taxing entity by any amount the agency has paid, directly or indirectly, pursuant to Section 33445, 33445.5, 33445.6, 33446, or any other provision of law other than this section for, or in connection with, a public facility owned or leased by that affected taxing agency, except: (A) any amounts the agency has paid directly or indirectly pursuant to an agreement with a taxing entity adopted prior to January 1, 1994; or (B) any amounts that are unrelated to the specific project area or amendment governed by this section. The reduction in a payment by an agency to a school district, community college district, or county office of education, or for special education, shall be subtracted only from the amount that otherwise would be available for use by those entities for educational facilities pursuant to paragraph (4). If the amount of the reduction exceeds the amount that otherwise would have been available for use for educational facilities in any one year, the agency shall reduce its payment in more than one year.

(3) If an agency reduces its payment to a school district, community college district, or county office of education, or for special education, the agency shall do all of the following:

(A) Determine the amount of the total payment that would have been made without the reduction.

(B) Determine the amount of the total payment without the reduction which: (i) would have been considered property taxes; and (ii) would have been available to be used for educational facilities pursuant to paragraph (4).

(C) Reduce the amount available to be used for educational facilities.

(D) Send the payment to the school district, community college district, or county office of education, or for special education, with a statement that the payment is being reduced and including the calculation required by this subdivision showing the amount to be considered property taxes and the amount, if any, available for educational facilities.

(4) (A) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to school districts, 43.3 percent shall be considered to be property taxes for the purposes of paragraph (1) of subdivision (h) of Section 42238 of the Education Code, as it read on January 1, 2013, and paragraph (1) of subdivision (j) of Section 42238.02 of the Education Code, and 56.7 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011-12 fiscal year through the 2015-16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(B) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to community college districts, 47.5 percent shall be considered to be property taxes for the purposes of Section 84751 of the Education Code, and 52.5 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011-12 fiscal year through the 2015-16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(C) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to county offices of education, 19 percent shall be considered to be property taxes for the purposes of Section 2558 of the Education Code, as it read on January 1, 2013, and Section 2575 of the Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities, including, in the case of amounts paid during the 2011-12 fiscal year through the 2015-16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(D) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section for special education, 19 percent shall be considered to be property taxes for the purposes of Section 56712 of the Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for education facilities, including, in the case of amounts paid during the 2011-12 fiscal year through the 2015-16 fiscal year, inclusive, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(E) If, pursuant to paragraphs (2) and (3), an agency reduces its payments to an educational entity, the calculation made by the agency pursuant to paragraph (3) shall determine the amount considered to be property taxes and the amount available to be used for educational facilities in the year the reduction was made.

(5) Local education agencies that use funds received pursuant to this section for school facilities shall spend these funds at schools that are: (A) within the project area, (B) attended by students from the project area, (C) attended by students generated by projects that are assisted directly by the redevelopment agency, or (D) determined by the governing board of a local education agency to be of benefit to the project area.

(b) Commencing with the first fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency (i) shall pay to the affected taxing entities, including the community if the community elects to receive a payment, *but excluding a local education agency*, an amount equal to 25 percent of the tax increments received by the agency after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted, and (ii) *shall pay to affected local education agencies an amount equal to 30 percent of the share of tax increments received by the redevelopment agency to which the local education agencies are entitled pursuant to subdivision (a), prior to the deduction of the amount required to be deposited in the Low and Moderate Income Housing Fund.* In any fiscal year in which the agency receives tax increments, the community that has adopted the redevelopment project area may elect to receive the amount authorized by this paragraph.

(c) Commencing with the 11th fiscal year in which the agency receives tax increments and continuing through the last fiscal year

in which the agency receives tax increments, a redevelopment agency (i) shall pay to the affected taxing entities, other than the community which has adopted the project, *but excluding a local education agency*, in addition to the amounts paid pursuant to subdivision (b) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 21 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the first adjusted base year assessed value, *and (ii) shall pay to affected local education agencies an amount equal to 30 percent of the share of tax increments received by the redevelopment agency to which the local education agencies are entitled pursuant to subdivision (a), prior to the deduction of the amount required to be deposited in the Low and Moderate Income Housing Fund.* The first adjusted base year assessed value is the assessed value of the project area in the 10th fiscal year in which the agency receives tax increment revenues.

(d) Commencing with the 31st fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency (i) shall pay to the affected taxing entities, other than the community which has adopted the project, *but excluding a local education agency*, in addition to the amounts paid pursuant to subdivisions (b) and (c) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 14 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the second adjusted base year assessed value, *and (ii) shall pay to affected local education agencies an amount equal to 30 percent of the share of tax increments received by the redevelopment agency to which the local education agencies are entitled pursuant to subdivision (a), prior to the deduction of the amount required to be deposited in the Low and Moderate Income Housing Fund.* The second adjusted base year assessed value is the assessed value of the project area in the 30th fiscal year in which the agency receives tax increments.

(e) (1) Prior to incurring any loans, bonds, or other indebtedness, except loans or advances from the community, the agency may subordinate to the loans, bonds, or other indebtedness the amount required to be paid to an affected taxing entity by this section,

provided that the affected taxing entity has approved these subordinations pursuant to this subdivision.

(2) At the time the agency requests an affected taxing entity to subordinate the amount to be paid to it, the agency shall provide the affected taxing entity with substantial evidence that sufficient funds will be available to pay both the debt service and the payments required by this section, when due.

(3) Within 45 days after receipt of the agency's request, the affected taxing entity shall approve or disapprove the request for subordination. An affected taxing entity may disapprove a request for subordination only if it finds, based upon substantial evidence, that the agency will not be able to pay the debt payments and the amount required to be paid to the affected taxing entity. If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive.

(f) (1) The Legislature finds and declares both of the following:

(A) The payments made pursuant to this section are necessary in order to alleviate the financial burden and detriment that affected taxing entities may incur as a result of the adoption of a redevelopment plan, and payments made pursuant to this section will benefit redevelopment project areas.

(B) The payments made pursuant to this section are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan.

(2) Notwithstanding any other provision of law, a redevelopment agency shall not be required, either directly or indirectly, as a measure to mitigate a significant environmental effect or as part of any settlement agreement or judgment brought in any action to contest the validity of a redevelopment plan pursuant to Section 33501, to make any other payments to affected taxing entities, or to pay for public facilities that will be owned or leased to an affected taxing entity.

(g) As used in this section, a "local education agency" is a school district, a community college district, or a county office of education.

SECTION 21. Amendment of Section 33670 of Health and Safety Code. Section 33670 of the Health and Safety Code is hereby amended to read in its entirety as follows:

~~Any~~ *Notwithstanding any provision of law to the contrary, any redevelopment plan may contain, at the election of the legislative body of the community, a provision that taxes, if any, levied upon taxable property in a redevelopment project each year by or for the benefit of the State of California, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, 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 taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of that property by the taxing agency, last equalized prior to the effective date of the ordinance, shall be allocated to and when collected shall be paid to the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of the ordinance but to which that territory has been annexed or otherwise included after that effective date, the assessment roll of the county last equalized on the effective date of the ordinance shall be used in determining the assessed valuation of the taxable property in the project on the effective date); and

(b) Except as provided in subdivision (e) or in Section 33492.15, that portion of the levied taxes each year in excess of that amount shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in that project 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 redevelopment project shall be paid to the respective taxing agencies. When the loans, advances, and

indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the redevelopment project shall be paid to the respective taxing agencies as taxes on all other property are paid.

(c) In any redevelopment project in which taxes have been divided pursuant to this section prior to 1968, located within any county with total assessed valuation subject to general property taxes for the 1967-68 fiscal year between two billion dollars (\$2,000,000,000) and two billion one hundred million dollars (\$2,100,000,000), if the total assessed valuation of taxable property within the redevelopment project for the 1967-68 fiscal year was reduced, the total sum of the assessed value of taxable property used as the basis for apportionment of taxes under subdivision (a) shall be reduced by 10 percent for the 1968-69 fiscal year and fiscal years thereafter.

(d) For the purposes of this section, taxes shall not include taxes from the supplemental assessment roll levied pursuant to Chapter 3.5 (commencing with Section 75) of Part 0.5 of Division 1 of the Revenue and Taxation Code for the 1983-84 fiscal year.

(e) That portion of the taxes in excess of the amount identified in subdivision (a) which are attributable to a tax rate levied by a taxing agency 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 agency. This subdivision shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

SECTION 22. Amendment of Section 33670.5 of Health and Safety Code. Section 33670.5 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) Section 33670 fulfills the intent of Section 16 of Article XVI of the Constitution. To further carry out the intent of Section 16 of Article XVI of the Constitution, whenever that provision requires the allocation of money between agencies such allocation shall be consistent with the intent of the people when they approved Section 16 of Article XVI of the Constitution. Whenever money is allocated between agencies by means of a comparison of assessed

values for different years, that comparison shall be based on the same assessment ratio. When there are different assessment ratios for the years compared, the assessed value shall be changed so that it is based on the same assessment ratio for the years so compared.

(b) Section 33670 shall be construed to further the intent of the people with the adoption of the act adding this subdivision, which, among other provisions, authorizes a legislative body to reactivate a previously existing redevelopment agency pursuant to Part 1.8 (commencing with Section 341613) or establish a new redevelopment project area pursuant to this part, authorizes an agency to resume the receipt of property taxes allocated to agencies pursuant to subdivision (b) of Section 33670, and reactivates this part (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).

(c) Section 33670 shall be construed as authorization of the Legislature, by virtue of the people exercising their coextensive right to legislate by adopting this act in accordance with the provisions of Section 8 of Article II of the California Constitution, to provide that any redevelopment plan may contain a provision that taxes, if any, so levied upon the taxable property in a redevelopment project each year by or for the benefit of taxing agencies (as defined in Section 16 of Article XVI of the California Constitution) shall be allocated as provided in Section 33670. In furtherance of the intent of the people, the Legislature hereafter shall enact no law modifying the allocation of taxes as provided in Section 33670.

SECTION 23. Repeal of Part 1.8 (commencing with Section 34161) of Health and Safety Code. Part 1.8 (commencing with Section 34161) of the Health and Safety Code is hereby repealed in its entirety as follows:

~~Part 1.8—Restrictions on Redevelopment Agency
Operations~~

~~Chapter 1—Suspension of Agency Activities and
Prohibition on Creation of New Debts~~

~~34161. 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, no agency shall incur new or expand existing monetary or legal obligations except as provided in this part. All of the provisions of this part shall take~~

effect and be operative on the effective date of the act adding this part.

34162. (a) 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 act, an agency shall be unauthorized and shall not take any action to incur indebtedness, including, but not limited to, any of the following:

(1) Issue or sell bonds, for any purpose, regardless of the source of repayment of the bonds. As used in this section, the term "bonds," includes, but is not limited to, any bonds, notes, bond anticipation notes, interim certificates, debentures, certificates of participation, refunding bonds, or other obligations issued by an agency pursuant to Part 1 (commencing with Section 33000), and Section 53583 of the Government Code, pursuant to any charter city authority or any revenue bond law.

(2) Incur indebtedness payable from prohibited sources of repayment, which include, but are not limited to, income and revenues of an agency's redevelopment projects, taxes allocated to the agency, taxes imposed by the agency pursuant to Section 7280.5 of the Revenue and Taxation Code, assessments imposed by the agency, loan repayments made to the agency pursuant to Section 33746, fees or charges imposed by the agency, other revenues of the agency, and any contributions or other financial assistance from the state or federal government.

(3) Refund, restructure, or refinance indebtedness or obligations that existed as of January 1, 2011, including, but not limited to, any of the following:

(A) Refund bonds previously issued by the agency or by another political subdivision of the state, including, but not limited to, those issued by a city, a housing authority, or a nonprofit corporation acting on behalf of a city or a housing authority.

~~(B) Exercise the right of optional redemption of any of its outstanding bonds or elect to purchase any of its own outstanding bonds.~~

~~(C) Modify or amend the terms and conditions, payment schedules, amortization or maturity dates of any of the agency's bonds or other obligations that are outstanding or exist as of January 1, 2011.~~

~~(4) Take out or accept loans or advances, for any purpose, from the state or the federal government, any other public agency, or any private lending institution, or from any other source. For purposes of this section, the term "loans" include, but are not limited to, agreements with the community or any other entity for the purpose of refinancing a redevelopment project and moneys advanced to the agency by the community or any other entity for the expenses of redevelopment planning, expenses for dissemination of redevelopment information, other administrative expenses, and overhead of the agency.~~

~~(5) Execute trust deeds or mortgages on any real or personal property owned or acquired by it.~~

~~(6) Pledge or encumber, for any purpose, any of its revenues or assets. As used in this part, an agency's "revenues and assets" include, but are not limited to, agency tax revenues, redevelopment project revenues, other agency revenues, deeds of trust and mortgages held by the agency, rents, fees, charges, moneys, accounts receivable, contracts rights, and other rights to payment of whatever kind or other real or personal property. As used in this part, to "pledge or encumber" means to make a commitment of, by the grant of a lien on and a security interest in, an agency's revenues or assets, whether by resolution, indenture, trust agreement, loan agreement, lease, installment sale agreement, reimbursement agreement, mortgage, deed of trust, pledge agreement, or similar agreement in which the pledge is provided for or created.~~

~~(b) Any actions taken that conflict with this section are void from the outset and shall have no force or effect.~~

~~(c) Notwithstanding subdivision (a), a redevelopment agency may issue refunding bonds, which are referred to in this part as Emergency Refunding Bonds, only where all of the following conditions are met:~~

~~(1) The issuance of Emergency Refunding Bonds is the only means available to the agency to avoid a default on outstanding agency bonds.~~

~~(2) Both the county treasurer and the Treasurer have approved the issuance of Emergency Refunding Bonds.~~

~~(3) Emergency Refunding Bonds are issued only to provide funds for any single debt service payment that is due prior to October 1, 2011, and that is more than 20 percent larger than a level debt service payment would be for that bond.~~

~~(4) The principal amount of outstanding agency bonds is not increased.~~

~~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) 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.~~

~~34164. 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 lack the authority to, and shall not, engage in any of the following redevelopment activities:~~

~~(a) Prepare, approve, adopt, amend, or merge a redevelopment plan, including, but not limited to,~~

~~modifying, extending, or otherwise changing the time limits on the effectiveness of a redevelopment plan.~~

~~(b) Create, designate, merge, expand, or otherwise change the boundaries of a project area.~~

~~(c) Designate a new survey area or modify, extend, or otherwise change the boundaries of an existing survey area.~~

~~(d) Approve or direct or cause the approval of any program, project, or expenditure where approval is not required by law.~~

~~(e) Prepare, formulate, amend, or otherwise modify a preliminary plan or cause the preparation, formulation, modification, or amendment of a preliminary plan.~~

~~(f) Prepare, formulate, amend, or otherwise modify an implementation plan or cause the preparation, formulation, modification, or amendment of an implementation plan.~~

~~(g) Prepare, formulate, amend, or otherwise modify a relocation plan or cause the preparation, formulation, modification, or amendment of a relocation plan where approval is not required by law.~~

~~(h) Prepare, formulate, amend, or otherwise modify a redevelopment housing plan or cause the preparation, formulation, modification, or amendment of a redevelopment housing plan.~~

~~(i) Direct or cause the development, rehabilitation, or construction of housing units within the community, unless required to do so by an enforceable obligation.~~

~~(j) Make or modify a declaration or finding of blight, blighted areas, or slum and blighted residential areas.~~

~~(k) Make any new findings or declarations that any areas of blight cannot be remedied or redeveloped by private enterprise alone.~~

~~(l) Provide or commit to provide relocation assistance, except where the provision of relocation assistance is required by law.~~

~~(m) Provide or commit to provide financial assistance.~~

~~34165. 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 lack the authority to, and shall not, do any of the following:~~

~~(a) Enter into new partnerships, become a member in a joint powers authority, form a joint powers authority, create new entities, or become a member of any entity of which it is not currently a member, nor take on nor agree to any new duties or obligations as a member or otherwise of any entity to which the agency belongs or with which it is in any way associated.~~

~~(b) Impose new assessments pursuant to Section 7280.5 of the Revenue and Taxation Code.~~

~~(c) Increase the pay, benefits, or contributions of any sort for any officer, employee, consultant, contractor, or any other goods or service provider that had not previously been contracted.~~

~~(d) Provide optional or discretionary bonuses to any officers, employees, consultants, contractors, or any other service or goods providers.~~

~~(e) Increase numbers of staff employed by the agency beyond the number employed as of January 1, 2011.~~

~~(f) Bring an action pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of any issuance or proposed issuance of revenue bonds under this chapter and the legality and validity of all proceedings previously taken or proposed in a resolution of an agency to be taken for the~~

authorization, issuance, sale, and delivery of the revenue bonds and for the payment of the principal thereof and interest thereon.

(g) ~~Begin any condemnation proceeding or begin the process to acquire real property by eminent domain.~~

(h) ~~Prepare or have prepared a draft environmental impact report. This subdivision shall not alter or eliminate any requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).~~

~~34166. No legislative body or local governmental entity shall have any statutory authority to create or otherwise establish a new redevelopment agency or community development commission. No chartered city or chartered county shall exercise the powers granted in Part 1 (commencing with Section 33000) to create or otherwise establish a redevelopment agency.~~

~~34167. (a) This part is intended to preserve, to the maximum extent possible, the revenues and assets of redevelopment agencies so that those assets and revenues that are not needed to pay for enforceable obligations may be used by local governments to fund core governmental services including police and fire protection services and schools. It is the intent of the Legislature that redevelopment agencies take no actions that would further deplete the corpus of the agencies' funds regardless of their original source. All provisions of this part shall be construed as broadly as possible to support this intent and to restrict the expenditure of funds to the fullest extent possible.~~

~~(b) For purposes of this part, "agency" or "redevelopment agency" means a redevelopment agency created or formed pursuant to Part 1 (commencing with Section 33000) or its predecessor or a community development commission created or formed pursuant to Part 1.7 (commencing with Section 34100) or its predecessor.~~

(c) ~~Nothing in this part in any way impairs the authority of a community development commission, other than in its authority to act as a redevelopment agency, to take any actions in its capacity as a housing authority or for any other community development purpose of the jurisdiction in which it operates.~~

(d) ~~For purposes of this part, "enforceable obligation" means any of the following:~~

(1) ~~Bonds, as defined by Section 33602 and bonds issued pursuant to Section 5850 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 redevelopment agency.~~

(2) ~~Loans of moneys borrowed by the redevelopment agency for a lawful purpose, including, but not limited to, moneys borrowed from the Low and Moderate Income Housing Fund, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.~~

(3) ~~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, and unemployment payments.~~

(4) ~~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.~~

~~(5) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.~~

~~(6) Contracts or agreements necessary for the continued administration or operation of the redevelopment agency to the extent permitted by this part, including, but not limited to, 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.~~

~~(e) To the extent that any provision of Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100) conflicts with this part, the provisions of this part shall control. Further, if any provision in Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), or Part 1.7 (commencing with Section 34100) provides an authority that this part is restricting or eliminating, the restriction and elimination provisions of this part shall control.~~

~~(f) Nothing in this part shall be construed to interfere with a redevelopment agency's authority, pursuant to enforceable obligations as defined in this chapter, to (1) make payments due, (2) enforce existing covenants and obligations, or (3) perform its obligations.~~

~~(g) The existing terms of any memorandum of understanding with an employee organization representing employees of a redevelopment agency adopted pursuant to the Meyers-Milius-Brown Act that is in force on the effective date of this part shall continue in force until September 30, 2011, unless a new agreement is reached with a recognized employee organization prior to that date.~~

~~(h) After the enforceable obligation payment schedule is adopted pursuant to Section 34169, or after 60 days from the effective date of this part, whichever is sooner, the agency shall not make a payment unless it is listed in an adopted enforceable obligation payment schedule, other than payments required to meet obligations with respect to bonded indebtedness.~~

~~(i) 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.~~

~~(j) For purposes of this part, "auditor-controller" means the officer designated in subdivision (e) of Section 24000 of the Government Code.~~

~~34167.5. Commencing on the effective date of the act adding this part, the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency. If such an asset transfer did occur during that period and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170). Upon receiving that order from the Controller, an affected local agency shall, as soon as practicable, reverse the transfer and return the applicable assets to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is~~

established pursuant to Part 1.85 (commencing with Section 34170). The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in the furtherance of the Community Redevelopment Law and is thereby unauthorized.

~~34167.10. (a) Notwithstanding any other law, for purposes of this part and Part 1.85 (commencing with Section 34170), the definition of a city, county, or city and county includes, but is not limited to, the following entities:~~

~~(1) Any reporting entity of the city, county, or city and county for purposes of its comprehensive annual financial report or similar report.~~

~~(2) Any component unit of the city, county, or city and county.~~

~~(3) Any entity which is controlled by the city, county, or city and county, or for which the city, county, or city and county is financially responsible or accountable.~~

~~(b) The following factors shall be considered in determining that an entity is controlled by the city, county, or city and county, and are therefore included in the definition of a city, county, or city and county for purposes of this part and Part 1.85 (commencing with Section 34170):~~

~~(1) The city, county, or city and county exercises substantial municipal control over the entity's operations, revenues, or expenditures.~~

~~(2) The city, county, or city and county has ownership or control over the entity's property or facilities.~~

~~(3) The city, county, or city and county and the entity share common or overlapping governing boards, or coterminous boundaries.~~

~~(4) The city, county, or city and county was involved in the creation or formation of the entity.~~

~~(5) The entity performs functions customarily or historically performed by municipalities and financed thorough levies of property taxes.~~

~~(6) The city, county, or city and county provides administrative and related business support for the entity, or assumes the expenses incurred in the normal daily operations of the entity.~~

~~(c) For purposes of this section, it shall not be relevant that the entity is formed as a separate legal entity, nonprofit corporation, or otherwise, or is not subject to the constitution debt limitation otherwise applicable to a city, county, or city and county. The provisions in this section are declarative of existing law as the entities described herein are and were intended to be included within the requirements of this part and Part 1.85 (commencing with Section 34170) and any attempt to determine otherwise would thwart the intent of these two parts.~~

~~34168. (a) Notwithstanding any other law, any action contesting the validity of this part or Part 1.85 (commencing with Section 34170) or challenging acts taken pursuant to these parts shall be brought in the Superior Court of the County of Sacramento.~~

~~(b) If any provision of this part or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this part which can be given effect without the invalid provision or application, and to this end, the provisions of this part are severable.~~

~~Chapter 2 Redevelopment Agency Responsibilities~~

~~34169. Until successor agencies are authorized pursuant to Part 1.85 (commencing with Section 34170), redevelopment agencies shall do all of the following:~~

~~(a) Continue to make all scheduled payments for enforceable obligations, as defined in subdivision (d) of Section 34167.~~

~~(b) Perform obligations required pursuant to any enforceable obligations, including, but not limited to, observing covenants for continuing disclosure obligations and those aimed at preserving the tax-exempt status of interest payable on any outstanding agency bonds.~~

~~(c) Set aside or maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.~~

~~(d) Consistent with the intent declared in subdivision (a) of Section 34167, preserve all assets, minimize all liabilities, and preserve all records of the redevelopment agency.~~

~~(e) Cooperate with the successor agencies, if established pursuant to Part 1.85 (commencing with Section 34170), and provide all records and information necessary or desirable for audits, making of payments required by enforceable obligations, and performance of enforceable obligations by the successor agencies.~~

~~(f) Take all reasonable measures to avoid triggering an event of default under any enforceable obligations as defined in subdivision (d) of Section 34167.~~

~~(g) (1) Within 60 days of the effective date of this part, adopt an Enforceable Obligation Payment Schedule that lists all of the obligations that are enforceable within the meaning of subdivision (d) of Section 34167 which includes the following information about each obligation:~~

~~(A) The project name associated with the obligation.~~

~~(B) The payee.~~

~~(C) A short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made.~~

~~(D) The amount of payments obligated to be made, by month, through December 2011.~~

~~(2) Payment schedules for issued bonds may be aggregated, and payment schedules for payments to employees may be aggregated. This schedule shall be adopted at a public meeting and shall be posted on the agency's Internet Web site or, if no Internet Web site exists, on the Internet Web site of the legislative body, if that body has an Internet Web site. The schedule may be amended at any public meeting of the agency. Amendments shall be posted to the Internet Web site for at least three business days before a payment may be made pursuant to an amendment. The Enforceable Obligation Payment Schedule shall be transmitted by mail or electronic means to the county auditor-controller, the Controller, and the Department of Finance. A notification providing the Internet Web site location of the posted schedule and notifications of any amendments shall suffice to meet this requirement.~~

~~(h) Prepare a preliminary draft of the initial recognized obligation payment schedule, no later than September 30, 2011, and provide it to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170).~~

~~(i) The Department of Finance may review a redevelopment agency action taken pursuant to subdivision (g) or (h). As such, all agency actions shall not be effective for three business days, pending a request for review by the department. Each agency shall designate an official to whom the department may make these requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given agency action, the department shall have 10 days from the date of its request to approve the agency action or return it to the agency for reconsideration and this action shall not be~~

effective until approved by the department. In the event that the department returns the agency action to the agency for reconsideration, the agency must resubmit the modified action for department approval and the modified action shall not become effective until approved by the department. This subdivision shall apply to a successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170), as a successor entity to a dissolved redevelopment agency, with respect to the preliminary draft of the initial recognized obligation payment schedule.

~~Chapter 3 Application of Part to Former Participants of the Alternative Voluntary Redevelopment Program~~

~~34169.5. (a) It is the intent of the Legislature that a redevelopment agency, that formerly operated pursuant to the Alternative Voluntary Redevelopment Program (Part 1.9 (commencing with Section 34192)), but that becomes subject to this part pursuant to Section 34195, shall be subject to all of the requirements of this part, except that dates and deadlines shall be appropriately modified, as provided in this section, to reflect the date that the agency becomes subject to this part.~~

~~(b) For purposes of a redevelopment agency that becomes subject to this part pursuant to Section 34195, the following shall apply:~~

~~(1) Any reference to "January 1, 2011," shall be construed to mean January 1 of the year preceding the year that the redevelopment agency became subject to this part, but no earlier than January 1, 2011.~~

~~(2) Any reference to a date "60 days from the effective date of this part" shall be construed to mean 60 days from the date that the redevelopment agency becomes subject to this part.~~

~~(3) Except as provided in paragraphs (1) and (2), any reference to a date certain shall be construed to be the date, measured from the date that the redevelopment~~

~~agency became subject to this part, that is equivalent to the duration of time between the effective date of this part and the date certain identified in statute.~~

SECTION 24. Addition of new Part 1.8 (commencing with Section 34161) to Health and Safety Code. A new Part 1.8 (commencing with Section 34161) is hereby added to the Health and Safety Code to read in its entirety as follows:

Part 1.8 Reactivation of Previously Dissolved Redevelopment Agencies as Jobs and Education Development Initiative (JEDI) Agencies

34161. Notwithstanding any provision of law, a city, county, or city and county that adopted either a redevelopment plan prior to June 28, 2011 (for which the time limit on the effectiveness of the redevelopment plan was not reached prior to June 28, 2011) or an amendment to a redevelopment plan that added territory and was adopted prior to June 28, 2011 (for which the time limit on the effectiveness of the amendment was not reached prior to June 28, 2011), or both, may reactivate its redevelopment agency (previously dissolved pursuant to former Part 1.8), which reactivated agency may also be referred to as a Jobs and Education Development Initiative (JEDI) Agency, upon the timely adoption of a resolution by its legislative body in compliance with this part.

34162. A previously dissolved redevelopment agency that is reactivated in compliance with this part shall be constituted, shall be authorized to exist, shall operate and exercise all powers, and shall be subject to all obligations in accordance with the provisions of 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), and any other law applicable to agencies except Part 1.85 (commencing with Section 34170). All plans, amended plans, amendments to plans, policies, rules, regulations, methods, processes, and procedures in force and effect at the time of the previous dissolution shall be deemed reactivated upon adoption of the resolution pursuant to Section 34163. Nothing shall preclude the reactivated agency from thereafter modifying or rescinding such plans, amended plans, amendments to plans, policies, rules, regulations, methods, processes, and procedures in accordance with the requirements of applicable law.

34163. (a) This part shall apply to an applicable redevelopment project if the legislative body of a city, county, or city and county adopts a resolution within 180 days following the effective date of the act adding this part to reactivate its redevelopment agency (previously dissolved pursuant to former Part 1.8).

(b) In adopting such a resolution, the legislative body shall find that the previous redevelopment plan was lawfully adopted and that, at the time of adoption, furthered and effectuated the purposes of Part 1 (commencing with Section 33000). The foregoing finding made by the legislative body in the resolution shall be a legislative finding and shall be final and conclusive.

(c) In adopting such a resolution, the legislative body, notwithstanding the provisions of Section 33334.1, may elect to retain any limit of the previously dissolved redevelopment agency on the amount of bonded indebtedness which can be outstanding at one time without an amendment of the plan.

(d) In adopting such a resolution, the legislative body may elect to pay to local education agencies an amount greater than the share of tax increments provided by Section 33607.5.

(e) In adopting such a resolution, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of the Community Redevelopment Law relating to the adoption or amendment of redevelopment plans. In addition, adopting such a resolution does not constitute a "project" for purposes of the California Environmental Quality Act (commencing with Public Resources Code Section 21000).

34164. A certified copy of a resolution adopted pursuant to Section 34163 shall be forwarded to the county auditor-controller, the Controller and the Department of Finance within 30 days following its adoption.

34165. The base year for determining the amount of tax increment allocated pursuant to subdivision (b) of Section 33670 to a previously dissolved redevelopment agency that is reactivated in compliance with this part shall be the year in which the reactivated redevelopment plan was originally adopted. The receipt of tax increment allocated pursuant to subdivision (b) of Section 33670 to the reactivated agency shall recommence after the date that the resolution was adopted and shall exclude the period between February 1, 2012 and the date that the resolution was adopted. Such allocations shall be in accordance with the provisions of Part 1 (commencing with Section 33000).

SECTION 25. Amendment to Section 34178.8 of Health and Safety Code. Section 34178.8 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) Commencing on the effective date of the act adding this section, the Controller shall review the activities of successor agencies in the state to determine if an asset transfer has occurred after January 31, 2012, between the successor agency and the city, county, or city and county that created a redevelopment agency, or any other public agency, that was not made pursuant to an enforceable obligation on an approved and valid Recognized Obligation Payment Schedule. If such an asset transfer did occur, to the extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the successor agency. Upon receiving that order from the Controller, an affected local agency shall, as soon as practicable, reverse the transfer and return the applicable assets to the successor agency. This section shall not apply to housing assets as defined in subdivision (e) of Section 34176.

(b) Commencing on the effective date of Chapter 5 of the Statutes of 2011 (First Extraordinary Session), the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency. If such an asset transfer did occur during that period and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170). Upon receiving that order from the Controller, an affected local agency shall, as soon as practicable, reverse the transfer and return the applicable assets to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170). A transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in the furtherance of the Community Redevelopment Law and is thereby unauthorized.

(c) This section shall not apply to those previously dissolved redevelopment agencies that have been reactivated pursuant to Part 1.8 (commencing with Section 34161). Any order pursuant to a review by the Controller in accordance with subdivision (a) or (b), which order was issued prior to the effective date of the act adding this subdivision, shall have no further force and effect with respect to a previously dissolved redevelopment agency that is reactivated pursuant to Part 1.8 (commencing with Section 34161), or to successor agency, a city, county, or city and county, or any other public agency.

SECTION 26. Amendment to Section 34170 of Health and Safety Code. Section 34170 of the Health and Safety Code is hereby amended to read in its entirety as follows:

(a) The provisions of this part shall apply only to those agencies whose legislative bodies determine not to adopt a resolution pursuant to Part 1.8 (commencing with Section 34161) and determine instead to continue with the dissolution of their former redevelopment agencies in accordance with the provisions of this part. Nothing in the act adding this subdivision is intended to preclude or restrict the ability of any such agency or its successor agency or a legislative body to exercise its rights or remedies available under the law relating to any determination, ruling, or order with regard to the dissolution of a former redevelopment agency.

(~~a~~ b) Unless otherwise specified, all provisions of this part shall become operative on February 1, 2012.

(~~b~~ c) If any provision of this part or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application, and to this end, the provisions of this part are severable.

SECTION 27. Effective date. The Jobs and Education Development Initiative (JEDI) Act and all provisions thereof shall, unless otherwise expressly herein provided, take effect and become operative on the date the Secretary of State certifies the results of the election at which the Jobs and Education Development Initiative (JEDI) Act was approved.

SECTION 28. Competing, regulatory alternative.

A. In the event that another measure ("competing measure") appears on the same ballot as the Jobs and Education Development Initiative (JEDI) Act that seeks to adopt or impose provisions or requirements that differ in any regard to, or supplement, the provisions or requirements contained in the Jobs and Education Development Initiative (JEDI) Act, the voters hereby expressly declare their intent that if both the competing measure and the Jobs and Education Development Initiative (JEDI) Act receive a majority of votes cast, and if the Jobs and Education Development Initiative (JEDI) Act receives a greater number of votes than the competing measure, the Jobs and Education Development Initiative (JEDI) Act shall prevail in its entirety over the competing

measure without regard to whether specific provisions of each measure directly conflict with each other.

B. In the event that both the competing measure and the Jobs and Education Development Initiative (JEDI) Act receive a majority of votes cast, and the competing measure receives a greater number of votes than the Jobs and Education Development Initiative (JEDI) Act, the Jobs and Education Development Initiative (JEDI) Act shall be deemed complementary to the competing measure. To this end, and to the maximum extent permitted by law, the provisions of the Jobs and Education Development Initiative (JEDI) Act shall be fully adopted except to the extent that specific provisions contained in each measure are deemed to be in direct conflict with each other on a "provision-by-provision" basis pursuant to *Yoshisato v. Superior Court* (1992) 2 Cal.4th 978.

SECTION 29. Further implementation. The Legislature shall pass all laws necessary to carry out the provisions of the Jobs and Education Development Initiative (JEDI) Act.

SECTION 30. Amendment. The Jobs and Education Development Initiative (JEDI) Act may be amended only by a vote of four-fifths of the membership of both houses of the Legislature. All amendments to the Jobs and Education Development Initiative (JEDI) Act shall be to further the Jobs and Education Development Initiative (JEDI) Act and must be consistent with its purposes.

SECTION 31. Liberal construction. The provisions of the Jobs and Education Development Initiative (JEDI) Act shall be liberally construed to effectuate its stated purpose and intent.

SECTION 32. Standing.

A. In the event that the necessary or appropriate elected state officials decline, refuse or fail to defend the Jobs and Education Development Initiative (JEDI) Act against a legal challenge hereto, the proponents of this measure as identified in the records of the Secretary of State shall be empowered and authorized to defend the Jobs and Education Development Initiative (JEDI) Act through legal counsel of their choosing.

B. The proponents of this measure shall be entitled to recover from the state their costs of defense, including reasonable attorneys' fees and litigation expenses. The state shall transmit payment of such costs of defense within 60 days following receipt of the proponents' itemized and verified statement of costs. The proponents of this measure shall also be entitled to recover their reasonable attorneys' fees and litigation expenses in the event of an action by the

proponents against the state for recovery of their costs of defense. Notwithstanding any other provision of law, the proponents shall not be required to comply with Article 2 (commencing with Section 905) of Part 3 of Division 3.6 of Title 1 of the Government Code and shall not otherwise be required to present a pre-litigation claim to the state as a condition to recovering such costs, expenses, and fees. In no event shall the state be entitled to recover any of its costs, expenses, or fees against the proponents or the proponents' representatives.

SECTION 33. Severability. If any provision of the Jobs and Education Development Initiative (JEDI) Act, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of the Jobs and Education Development Initiative (JEDI) Act are severable.