

AMENDED IN SENATE APRIL 7, 2014

**SENATE BILL**

**No. 1404**

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**Introduced by Senator Leno**

February 21, 2014

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An act to amend Section ~~18613.2~~ 33333.7 of the Health and Safety Code, relating to ~~mobilehomes~~ redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1404, as amended, Leno. ~~Mobilehomes.~~—*San Francisco redevelopment: successor agencies: housing.*

*The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies that are required to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations. Existing law provides that the city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency. Existing law requires the entity assuming the housing functions of the former redevelopment agency to perform various functions.*

*Existing law authorized the former Redevelopment Agency of the City and County of San Francisco, subject to the approval of the board of supervisors of that city and county, to incur indebtedness exclusively for specified Low and Moderate Income Housing Fund activities until January 1, 2014, or until the agency replaced all of the housing units demolished prior to the enactment of the replacement housing obligations, and to receive tax increment revenues to repay indebtedness*

*incurred for those activities until no later than January 1, 2044, as specified.*

*This bill would state findings and declarations relating to the obligation of the successor agency to the former Redevelopment Agency of the City and County of San Francisco to replace specified affordable housing units.*

*This bill would instead authorize the successor agency of the City and County of San Francisco, subject to the approval of the oversight board of the City and County of San Francisco, to continue to receive property tax increment from specified redevelopment project areas, and to incur indebtedness pursuant to specified amended redevelopment plans, to fulfill the obligation to replace specified affordable housing units.*

~~The Mobilehome Parks Act requires that a copy of an installation permit for a new manufactured home or mobilehome be delivered to the county or city assessor having jurisdiction where the manufactured home or mobilehome is to be sited when the enforcement agency issues the permit.~~

~~This bill would make technical, nonsubstantive changes to this provision of law:~~

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

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

- 1     *SECTION 1. The Legislature finds and declares all of the*
- 2     *following:*
- 3     *(a) Under the authority granted by the Legislature in Senate*
- 4     *Bill No. 2113 (Chapter 661 of the Statutes of 2000), the former*
- 5     *Redevelopment Agency of the City and County of San Francisco*
- 6     *sought, prior to its dissolution, to redress the demolition of a*
- 7     *substantial number of residential dwelling units affordable to very*
- 8     *low, low-, and moderate-income households during the agency's*
- 9     *earlier urban renewal efforts. In 2003, the California Department*
- 10    *of Housing and Community Development determined that the*
- 11    *former Redevelopment Agency must replace a net loss of 6,709*
- 12    *affordable units.*
- 13    *(b) Prior to its dissolution, the Redevelopment Agency of the*
- 14    *City and County of San Francisco sought and received state and*
- 15    *local authorization to assume the replacement housing obligations*

1 *acknowledged in Senate Bill No. 2113 (Chapter 661 of the Statutes*  
2 *of 2000). Between 2005 and 2009, the Board of Supervisors of the*  
3 *City and County of San Francisco amended six redevelopment*  
4 *plans to extend the time for the receipt and expenditure of tax*  
5 *increment for the sole purpose of funding the replacement housing*  
6 *obligations. San Francisco Ordinance No. 256-09 (December 18,*  
7 *2009), amending Yerba Buena Center Redevelopment Plan, San*  
8 *Francisco Ordinance No. 316-08 (December 19, 2008), amending*  
9 *Western Addition A-2 Redevelopment Plan, San Francisco*  
10 *Ordinance No. 115-07 (May 18, 2007), amending Rincon*  
11 *Point-South Beach Redevelopment Plan, and San Francisco*  
12 *Ordinance No. 15-05 (January 21, 2005), amending the*  
13 *Embarcadero-Lower Market (Golden Gateway) Redevelopment*  
14 *Plan, the Hunters Point Redevelopment Plan, and the India Basin*  
15 *Redevelopment Plan. Under these redevelopment plan amendments,*  
16 *the Redevelopment Agency was able to finance the construction*  
17 *of 867 affordable units.*

18 *(c) It is the intent of the Legislature to confirm that the*  
19 *replacement of the remaining 5842 units that the former*  
20 *Redevelopment Agency of the City and County of San Francisco*  
21 *destroyed and did not replace is a statutory obligation that*  
22 *agencies remains under Assembly Bill No. 26 (Chapter 5 of the*  
23 *First Extraordinary Session of the Statutes of 2011), as amended*  
24 *by Assembly Bill No. 1484 (Chapter 26 of the Statutes of 2012).*  
25 *Furthermore, the Legislature finds that the ability of the Successor*  
26 *Agency to the Redevelopment Agency of the City and County of*  
27 *San Francisco to fulfill this replacement housing obligation is*  
28 *dependent on its ability to incur indebtedness for the purpose of*  
29 *financing the remaining unbuilt units.*

30 *(d) Authorizing the Successor Agency to the Redevelopment*  
31 *Agency of the City and County of San Francisco to continue to*  
32 *receive property tax revenues under the formulas of Senate Bill*  
33 *No. 2113, which ensure that school entities receive their full share*  
34 *of property tax revenues as if the redevelopment plans had expired,*  
35 *will not have a fiscal impact on the state.*

36 *(e) San Francisco's housing situation is unique, in that median*  
37 *rents and sales prices are among the highest in the state even*  
38 *though it exceeded the housing production goals of the Community*  
39 *Redevelopment Law and used local funds beyond redevelopment*  
40 *funding to assist affordable housing development. Nonetheless,*

1 *San Francisco's early redevelopment activities, including the*  
2 *removal of previously existing dwelling units serving a lower*  
3 *income population, have compounded the effects of the private*  
4 *market that have led to the city's current affordable housing crisis.*

5 *(f) After dissolution of the redevelopment agency, the oversight*  
6 *board for the City and County of San Francisco acknowledged the*  
7 *unfulfilled replacement housing obligations of the redevelopment*  
8 *agency and approved the successor agency's expenditures of funds*  
9 *to fulfill those obligations (see Oversight Board Resolution*  
10 *No. 5-2012 at pp. 5-6 (April 10, 2012)). Subsequently, the oversight*  
11 *board approved expenditures for the replacement housing*  
12 *obligations on each of the recognized obligation payment schedules*  
13 *required under Redevelopment Dissolution Law and submitted to*  
14 *the Department of Finance.*

15 *SEC. 2. Section 33333.7 of the Health and Safety Code is*  
16 *amended to read:*

17 *33333.7. (a) Notwithstanding the time limits in paragraph (1)*  
18 *of subdivision (a) of Section 33333.6, as that paragraph (1) read*  
19 *on December 31, 2001, the Redevelopment Agency of the City*  
20 *and County of San Francisco may, subject to the approval of the*  
21 *Board of Supervisors of the City and County of San Francisco,*  
22 *retain its ability to incur indebtedness exclusively for Low and*  
23 *Moderate Income Housing Fund activities eligible under Sections*  
24 *33334.2 and 33334.3 until January 1, 2014, or until the agency*  
25 *replaces all of the housing units demolished prior to the enactment*  
26 *of the replacement housing obligations in Chapter 970 of the*  
27 *Statutes of 1975, whichever occurs earlier. The ability of the*  
28 *agency to receive tax increment revenues to repay indebtedness*  
29 *incurred for these Low and Moderate Income Housing Fund*  
30 *activities may be extended until no later than January 1, 2044.*  
31 *Nothing in this shall be construed to extend a plan's effectiveness,*  
32 *except to incur additional indebtedness for Low and Moderate*  
33 *Income Housing Fund activities, to pay previously incurred*  
34 *indebtedness, and to enforce existing covenants, contracts, or other*  
35 *obligations. The successor agency to the Redevelopment Agency*  
36 *of the City and County of San Francisco may, subject to the*  
37 *approval of the oversight board of the City and County of San*  
38 *Francisco, replace all of the housing units demolished prior to the*  
39 *enactment of the replacement housing obligations in Chapter 970*  
40 *of the Statutes of 1975 and further described in Section 3333.7 of*

1 *the Health and Safety Code, as added by Chapter 661 of the*  
2 *Statutes of 2000. The successor agency shall not use more than*  
3 *six redevelopment project areas under redevelopment plans that*  
4 *were amended for this purpose prior to enactment of the law*  
5 *dissolving redevelopment agencies, and that may be merged,*  
6 *subject to approval by the oversight board pursuant to subdivision*  
7 *(d) of Section 34180, to fulfill these replacement housing*  
8 *obligations.*

9 *(b) In addition to the powers granted to each successor agency,*  
10 *and notwithstanding anything in Part 1.8 (commencing with*  
11 *Section 34161) and Part 1.85 (commencing with Section 34170),*  
12 *including, but not limited to, Sections 34162 and 34189, the*  
13 *successor agency to the former redevelopment agency of the City*  
14 *and County of San Francisco shall have the authority, rights, and*  
15 *powers of the Redevelopment Agency of the City and County of*  
16 *San Francisco, subject to the approval of the Oversight Board of*  
17 *the City and County of San Francisco, and may incur indebtedness,*  
18 *backed by property tax revenues from the six project areas*  
19 *referenced in subdivision (a) exclusively for the purpose of fulfilling*  
20 *the replacement housing obligations, provided, however, that the*  
21 *standards for issuance of bonds specified in subdivisions (c) to*  
22 *(h), inclusive, of Section 34177.5, as that section read on December*  
23 *31, 2014, shall apply to the sale of those bonds. Bonds issued*  
24 *pursuant to this subdivision may be sold pursuant to either a*  
25 *negotiated or competitive sale. Any time limit on incurring debt*  
26 *or receiving property tax revenues to repay that debt, pursuant to*  
27 *this subdivision, shall not apply until the successor agency replaces*  
28 *all of the units demolished prior to the enactment of the*  
29 *replacement housing obligations in Chapter 970 of the Statutes of*  
30 *1975. The successor agency may issue new bonds or other*  
31 *obligations on a parity basis with outstanding bonds or other*  
32 *obligations of the successor agency relating to the six project areas*  
33 *referenced in subdivision (a), and may pledge the revenues pledged*  
34 *to those outstanding bonds or other obligations to a new issuance*  
35 *of bonds or other obligation, and that pledge, when made in*  
36 *connection with the issuance of those bonds or other obligations*  
37 *shall have the same lien priority as the pledge of outstanding bonds*  
38 *or other obligations, and shall be valid, binding, and enforceable*  
39 *in accordance with its terms.*

40 ~~(b)~~

1 (c) Annual revenues *authorized under this section* shall not  
2 exceed the amount necessary to fund the ~~Low and Moderate~~  
3 ~~Income Housing Fund~~ activities of the *successor agency in*  
4 *fulfilling these replacement housing obligations*. The agency shall  
5 neither collect nor spend more than 10 percent for the planning  
6 and administrative costs authorized pursuant to subdivision (e) of  
7 Section 33334.3. Revenues received under this ~~paragraph~~  
8 *subdivision* shall not exceed the amount of tax increment received  
9 and allocated to the agency pursuant to the ~~plan, as it has been~~  
10 ~~amended~~ *amended redevelopment plans*, less the amount necessary  
11 to pay prior outstanding indebtedness, and less the amount of the  
12 project area's property tax revenue that school entities are entitled  
13 to receive pursuant to Chapter 3 (commencing with Section 75)  
14 and Chapter 6 (commencing with Section 95) of Part 0.5 of  
15 Division 1 of the Revenue and Taxation Code if the plan had not  
16 been amended. Additionally, revenues collected under this  
17 paragraph are subject to the payments to affected taxing entities  
18 pursuant to Section 33607.

19 (e)

20 (d) The activities conducted with revenues received under this  
21 paragraph shall be consistent with the *affordable housing*  
22 *requirements of this part and the* policies and objectives of the  
23 community's housing element, ~~as reviewed and approved by the~~  
24 ~~department~~, and shall address the unmet housing needs of very  
25 low, low- and moderate-income households. The activities shall  
26 also be consistent with the community's most recently approved  
27 consolidated and annual action plans submitted to the United States  
28 Department of Housing and Urban ~~Development~~, and if the director  
29 deems it necessary, the annual action plans shall be submitted to  
30 ~~the department on an annual basis~~. *Development*. No less than 50  
31 percent of the revenues received shall be devoted to assisting in  
32 the development of housing that is affordable to very low income  
33 households.

34 ~~(d) The agency shall not incur any indebtedness pursuant to this~~  
35 ~~paragraph until the director certifies, after consulting with the~~  
36 ~~agency, the net difference between the number of housing units~~  
37 ~~affordable to persons and families of low and moderate income~~  
38 ~~that the agency destroyed or removed prior to January 1, 1976,~~  
39 ~~and the number of housing units affordable to persons and families~~  
40 ~~of low and moderate income that the agency rehabilitated,~~

1 developed, or constructed, or caused to be rehabilitated, developed,  
2 or constructed within the project areas adopted prior to January 1,  
3 1976.

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

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

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

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

16 (4) ~~The agency has complied with subdivision (a) of Section~~  
17 ~~33334.2.~~

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

22 SECTION 1. ~~Section 18613.2 of the Health and Safety Code~~  
23 ~~is amended to read:~~

24 ~~18613.2. When the enforcement agency issues an installation~~  
25 ~~permit for a new manufactured home or mobilehome, a copy of~~  
26 ~~the permit shall be delivered to the county or city assessor having~~  
27 ~~jurisdiction where the manufactured home or mobilehome is to be~~  
28 ~~sited.~~