

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2

**Introduced by Assembly ~~Member~~ Members Alejo and
Eduardo Garcia**
**(Coauthors: Assembly Members Brown, Chiu, Cristina Garcia,
Holden, McCarty, Mullin, Perea, and Ting)**

December 1, 2014

An act to add Division 4 (commencing with Section 62000) to Title 6 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2, as amended, Alejo. Community revitalization authority.

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

~~This bill would state the intent of the Legislature to enact legislation that would authorize certain local agencies to form a community revitalization authority within a community revitalization and investment area, as defined, to carry out provisions of the Community Redevelopment Law in that area for purposes related to, among other~~

~~things, infrastructure, affordable housing, and economic revitalization, and to provide for the financing of these activities by, among other things, the issuance of bonds serviced by tax increment revenues.~~

This bill would authorize certain local agencies to form a community revitalization authority (authority) within a community revitalization and investment area, as defined, to carry out provisions of the Community Redevelopment Law in that area for purposes related to, among other things, infrastructure, affordable housing, and economic revitalization. The bill would provide for the financing of these activities by, among other things, the issuance of bonds serviced by tax increment revenues, and would require the authority to adopt a community revitalization plan for the community revitalization and investment area that includes elements describing and governing revitalization activities. The bill would also provide for periodic audits by the Controller. The bill would also require the Department of Housing and Community Development, advised by an advisory committee appointed by the Director of Housing and Community Development, to periodically review the calculation of surplus housing under these provisions. The bill would require certain funds allocated to the authority to be deposited into a separate Low and Moderate Income Housing Fund and used by the authority for the purposes of increasing, improving, and preserving the community's supply, as specified. The bill would, if an authority failed to expend or encumber surplus in the Low and Moderate Income Housing Fund, require those funds to be disbursed towards housing needs. The bill would require an authority to make relocation provisions for persons displaced by a plan and replace certain dwelling units that are destroyed or removed as part of a plan. The bill would authorize an authority to acquire interests in real property and exercise the power of eminent domain, as specified.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
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) Certain areas of the state are generally characterized by
- 4 buildings in which it is unsafe or unhealthy for persons to live or
- 5 work, conditions that make the viable use of buildings or lots
- 6 difficult, high business vacancies and lack of employment

1 *opportunities, and inadequate public improvements, water, or*
2 *sewer utilities. It is the intent of the Legislature to create a planning*
3 *and financing tool to support the revitalization of these*
4 *communities.*

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

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

14 *SEC. 2. Division 4 (commencing with Section 62000) is added*
15 *to Title 6 of the Government Code, to read:*

16
17 *DIVISION 4. COMMUNITY REVITALIZATION AND*
18 *INVESTMENT AUTHORITIES*

19
20 *PART 1. GENERAL PROVISIONS*

21
22 *62000. As used in this division, the following terms have the*
23 *following meanings:*

24 *(a) "Authority" means the Community Revitalization and*
25 *Investment Authority created pursuant to this division.*

26 *(b) "Plan" means a community revitalization plan and shall be*
27 *deemed to be the plan described in Section 16 of Article XVI of*
28 *the California Constitution.*

29 *(c) "Plan area" means territory included within a community*
30 *revitalization and investment area.*

31 *(d) "Revitalization project" means a physical improvement to*
32 *real property funded by the authority.*

33 *62001. (a) A community revitalization and investment authority*
34 *is a public body, corporate and politic, with jurisdiction to carry*
35 *out a community revitalization plan within a community*
36 *revitalization and investment area. The authority shall be deemed*
37 *to be the "agency" described in subdivision (b) of Section 16 of*
38 *Article XVI of the California Constitution for purposes of receiving*
39 *tax increment revenues. The authority shall have only those powers*
40 *and duties specifically set forth in Section 62002.*

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

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

6 **(B)** *A city, county, city and county, and special district, as*
7 *special district is defined in subdivision (m) of Section 95 of the*
8 *Revenue and Taxation Code, or any combination thereof, may*
9 *create an authority by entering into a joint powers agreement*
10 *pursuant to Chapter 5 (commencing with Section 6500) of Division*
11 *7 of Title 1.*

12 **(2) (A)** *A school entity, as defined in subdivision (f) of Section*
13 *95 of the Revenue and Taxation Code, may not participate in an*
14 *authority created pursuant to this part.*

15 **(B)** *A successor agency, as defined in subdivision (j) of Section*
16 *34171 of the Health and Safety Code, may not participate in an*
17 *authority created pursuant to this part, and an entity created*
18 *pursuant to this part shall not receive any portion of the property*
19 *tax revenues or other moneys distributed pursuant to Section 34188*
20 *of the Health and Safety Code.*

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

27 **(A)** *The agency has received a finding of completion from the*
28 *Department of Finance pursuant to Section 34179.7 of the Health*
29 *and Safety Code.*

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

37 **(C)** *The agency has complied with all orders of the Controller*
38 *pursuant to Section 34167.5 of the Health and Safety Code.*

39 **(c) (1)** *The governing board of an authority created pursuant*
40 *to subparagraph (A) of paragraph (1) of subdivision (b) shall be*

1 appointed by the legislative body of the city, county, or city and
2 county that created the authority and shall include three members
3 of the legislative body of the city, county, or city and county that
4 created the authority and two public members. The appointment
5 of the two public members shall be subject to the provisions of
6 Section 54974. The two public members shall live or work within
7 the community revitalization and investment area.

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

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

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

25 (2) Three of the following four conditions:

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

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

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

38 (D) Deteriorated commercial or residential structures.

39 (e) As an alternative to subdivision (d), an authority may also
40 carry out a community revitalization plan within a community

1 *revitalization and investment area established within a former*
2 *military base that is principally characterized by deteriorated or*
3 *inadequate infrastructure and structures. Notwithstanding*
4 *subdivision (c), the governing board of an authority established*
5 *within a former military base shall include a member of the military*
6 *base closure commission as a public member.*

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

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

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

28 *62002. An authority may do all of the following:*

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

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

32 *(c) Remedy or remove a release of hazardous substances*
33 *pursuant to the Polanco Redevelopment Act (Article 12.5*
34 *(commencing with Section 33459) of Part 1 of Chapter 4 of*
35 *Division 24) or Chapter 6.10 (commencing with Section 25403)*
36 *of Division 20 of the Health and Safety Code.*

37 *(d) Provide for seismic retrofits of existing buildings in*
38 *accordance with all applicable laws and regulations.*

39 *(e) Acquire and transfer real property in accordance with Part*
40 *3 (commencing with Section 62200). The authority shall retain*

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

6 *(f) Issue bonds in conformity with Article 4.5 (commencing with*
7 *Section 53506) and Article 5 (commencing with Section 53510)*
8 *of Chapter 3 of Part 1 of Division 2 of Title 5.*

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

23 *(h) Adopt a community revitalization and investment plan*
24 *pursuant to Sections 62003 and 62004.*

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

28 *(j) Construct foundations, platforms, and other like structural*
29 *forms necessary for the provision or utilization of air rights sites*
30 *for buildings to be used for residential, commercial industrial, or*
31 *other uses contemplated by the revitalization plan.*

32 *(k) Provide direct assistance to businesses within the plan area*
33 *in connection with new or existing facilities for industrial or*
34 *manufacturing uses, except as specified in this division.*

35 *62003. An authority shall adopt a community revitalization*
36 *and investment plan that may include a provision for the receipt*
37 *of tax increment funds generated within the area according to*
38 *Section 62005, provided the plan includes each of the following*
39 *elements:*

1 (a) A statement of the principal goals and objectives of the plan
2 including territory to be covered by the plan.

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

6 (c) A housing program that complies with Part 2 (commencing
7 with Section 62100).

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

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

12 (f) A fiscal analysis setting forth the projected receipt of revenue
13 and projected expenses over a five-year planning horizon,
14 including the potential issuance of bonds backed by tax increment
15 during the term of the plan. Bonds shall be issued in conformity
16 with Article 4.5 (commencing with Section 53506) and Article 5
17 (commencing with Section 53510) of Chapter 3 of Part 1 of
18 Division 2 of Title 5.

19 (g) Time limits that may not exceed the following:

20 (1) Thirty years for establishing loans, advances and
21 indebtedness.

22 (2) Forty-five years for the repayment of all of the authority's
23 debts and obligations, and fulfilling all of the authority's housing
24 obligations. The plan shall specify that an authority shall dissolve
25 as a legal entity in no more than 45 years, and no further taxes
26 shall be allocated to the authority pursuant to Section 62006.
27 Nothing in this paragraph shall be interpreted to prohibit an
28 authority from refinancing outstanding debt solely to reduce
29 interest costs.

30 (h) A determination that the community revitalization investment
31 area complies with the conditions described in subdivision (d) or
32 (e) of Section 62001.

33 62004. (a) The authority shall consider adoption of the plan
34 at three public hearings that shall take place at least 30 days apart.
35 At the first public hearing, the authority shall hear all written and
36 oral comments but take no action. At the second public hearing,
37 the authority shall consider all written and oral comments and
38 take action to modify or reject the plan. If the plan is not rejected
39 at the second public hearing, then the authority shall conduct a
40 protest proceeding at the third public hearing to consider whether

1 *the property owners and residents within the plan area wish to*
2 *present oral or written protests against the creation of the*
3 *authority.*

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

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

20 *(1) Describe specifically the boundaries of the proposed area.*

21 *(2) Describe the purpose of the plan.*

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

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

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

37 *(d) At the third public hearing, the authority shall consider all*
38 *written and oral protests received prior to the close of the public*
39 *hearing and shall terminate the proceedings or adopt the plan*
40 *subject to confirmation by the voters at an election called for that*

1 purpose. The authority shall terminate the proceedings if there is
2 a majority protest. A majority protest exists if protests have been
3 filed representing over 50 percent of the combined number of
4 property owners and residents in the area who are at least 18
5 years of age. An election shall be called if between 25 percent and
6 50 percent of the combined number of property owners and
7 residents in the area who are at least 18 years of age file a protest.

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

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

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

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

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

27 (j) For the purposes of Section 62005, the plan shall be the plan
28 adopted pursuant to this section.

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

32 62005. (a) (1) The plan adopted pursuant to Section 62004
33 may include a provision that taxes levied and collected upon
34 taxable property in the area included within the territory each
35 year by or for the benefit the taxing agencies that have adopted a
36 resolution pursuant to subdivision (d), shall be divided as follows:

37 (A) That portion of the taxes that would have been produced by
38 the rate upon which the tax is levied each year by or for each of
39 the consenting local agencies upon the total sum of the assessed
40 value of the taxable property in the territory as shown upon the

1 assessment roll used in connection with the taxation of the property
2 by the consenting local agency, last equalized prior to the effective
3 date of the certification of completion, and that portion of taxes
4 by or for each school entity, shall be allocated to, and when
5 collected shall be paid to, the respective consenting local agencies
6 and school entities as taxes by or for the consenting local agencies
7 and school entities on all property are paid.

8 (B) That portion of the levied taxes each year specified in the
9 community revitalization plan adopted pursuant to Section 62004
10 for each consenting local agency that has agreed to participate
11 pursuant a resolution adopted pursuant to subdivision (d), in excess
12 of the amount specified in subparagraph (A), shall be allocated
13 to, and when collected shall be paid into a special fund of a the
14 authority to finance the improvements specified in the community
15 revitalization plan.

16 (2) A consenting local agency may advance funds to the
17 authority. The authority shall use those advanced funds solely for
18 the purposes specified in the community revitalization plan and
19 shall repay the consenting local agency with revenue from the
20 taxes received pursuant to this subdivision.

21 (b) For purposes of this section, the following definitions apply:

22 (1) "Taxing agency" means a local agency as defined by
23 subdivision (a) of Section 95 of the Revenue and Taxation Code,
24 and does not include any school entity as defined in subdivision
25 (f) of Section 95 of the Revenue and Taxation Code.

26 (2) "Consenting local agency" means a local agency that has
27 adopted a resolution of its governing body consenting to the
28 annexation development plan.

29 (3) "Territory" means the land that is contained within the
30 community revitalization plan.

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

34 (d) At any time prior to or after adoption of the plan, any city,
35 county, or special district, other than a school entity as defined in
36 subdivision (n) of Section 95 of the Revenue and Taxation Code
37 or a successor agency as defined in subdivision (j) of Section
38 34171, that receives ad valorem property taxes from property
39 located within an area may adopt a resolution directing the county
40 auditor-controller to allocate its share of tax increment funds

1 within the area covered by the plan according to subdivision (a)
2 to the authority. The resolution adopted pursuant to this subdivision
3 may direct the county auditor-controller to allocate less than the
4 full amount of the tax increment, establish a maximum amount of
5 time in years that the allocation takes place, or limit the use of the
6 funds by the authority for specific purposes or programs. A
7 resolution adopted pursuant to this subdivision may be repealed
8 and be of no further effect by giving the county auditor-controller
9 60 days' notice; provided, however, that the county
10 auditor-controller shall continue to allocate to the authority the
11 taxing entity's share of ad valorem property taxes that have been
12 pledged to the repayment of debt issued by the authority until the
13 debt has been fully repaid. Prior to adopting a resolution pursuant
14 to this subdivision a city, county, or special district shall approve
15 a memorandum of understanding with the authority governing the
16 authority's use of tax increment funds for administrative and
17 overhead expenses pursuant to subdivision (g) of Section 62001.

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

22 (1) If the authority was formed pursuant to subparagraph (A)
23 of paragraph (1) of subdivision (b) of Section 62001, the authority
24 shall be allocated each year specified in the plan that portion of
25 the taxes levied for each city, county, city and county, and special
26 district that has adopted a resolution pursuant to subdivision (d),
27 in excess of the amount specified in paragraph (1) of subdivision
28 (a).

29 (2) If the authority was formed pursuant to subparagraph (B)
30 of paragraph (1) of subdivision (b) of Section 62001, the authority
31 shall be allocated each year specified in the plan that portion of
32 the taxes levied for each jurisdiction as provided in the joint powers
33 agreement in excess of the amount specified in paragraph (1) of
34 subdivision (a).

35 (f) If an area includes, in whole or in part, land formerly or
36 currently designated as a part of a redevelopment project area,
37 as defined in Section 33320.1 of the Health and Safety Code, any
38 plan adopted pursuant to this part that includes a provision for
39 the receipt of tax increment revenues according to subdivision (a)
40 shall include a provision that tax increment amounts collected and

1 received by an authority are subject and subordinate to any
2 preexisting enforceable obligation as that term is defined by
3 Section 34171 of the Health and Safety Code.

4 62006. (a) The authority shall review the plan at least annually
5 and make any amendments that are necessary and appropriate in
6 accordance with the procedures set forth in Section 62004 and
7 shall require the preparation of an annual independent financial
8 audit paid for from revenues of the authority.

9 (b) An authority shall adopt an annual report on or before June
10 30 of each year after holding a public hearing. Written copies of
11 the draft report shall be made available to the public 30 days prior
12 to the public hearing. The authority shall cause the draft report
13 to be posted in an easily identifiable and accessible location on
14 the authority's Internet Web site and shall mail a written notice
15 of the availability of the draft report on the Internet Web site to
16 each owner of land and each resident within the area covered by
17 the plan and to each taxing entity that has adopted a resolution
18 pursuant to subdivision (d) of Section 62005. The notice shall be
19 mailed by first-class mail, but may be addressed to "occupant."

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

21 (1) A description of the projects undertaken in the fiscal year,
22 including any rehabilitation of structures, and a comparison of
23 the progress expected to be made on those projects compared to
24 the actual progress.

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

28 (3) The amount of tax increment revenues received.

29 (4) The amount of revenues expended for low- and
30 moderate-income housing.

31 (5) An assessment of the status regarding completion of the
32 authority's projects.

33 (6) The amount of revenues expended to assist private
34 businesses.

35 (d) If the authority fails to provide the annual report required
36 by subdivision (a), the authority shall not spend any funds received
37 pursuant to a resolution adopted pursuant to subdivision (d) of
38 Section 62005.

39 (e) Every 10 years, at the public hearing held pursuant to
40 subdivision (b), the authority shall conduct a protest proceeding

1 to consider whether the property owners and residents within the
2 plan area wish to present oral or written protests against the
3 authority. Notice of this protest proceeding shall be included in
4 the written notice of the hearing on the annual report and shall
5 inform the property owner and resident of his or her right to submit
6 an oral or written protest before the close of the public hearing.
7 The protest may state that the property owner or resident objects
8 to the authority taking action to implement the plan on and after
9 the date of the election described in subdivision (f). The authority
10 shall consider all written and oral protests received prior to the
11 close of the public hearing.

12 (f) If there is a majority protest, the authority shall not take any
13 further action to implement the plan on and after the date the
14 existence of a majority protest is determined. If between 25 percent
15 and 50 percent of the property owners and residents file protests,
16 then the authority shall call an election of the property owners
17 and residents in the area covered by the plan, and shall not initiate
18 or authorize any new projects until the election is held. A majority
19 protest exists if protests have been filed representing over 50
20 percent of the combined number of property owners and residents,
21 at least 18 years of age or older, in the area.

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

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

35 62007. (a) Every five years, beginning in the calendar year
36 in which the authority has allocated a cumulative total of more
37 than one million dollars (\$1,000,000) in tax increment revenues,
38 including any proceeds of a debt issuance, for the purposes of
39 subdivision (c) or Section 62003, the authority shall contract for
40 an independent audit to determine compliance with the affordable

housing set-aside, maintenance and replacement requirements of Chapter 1 (commencing with Section 62100) and Chapter 2 (commencing with Section 62115) of Part 2, including provisions to ensure that the requirements are met within each five-year period covered by the audit. The audit shall be conducted according to guidelines established by the Controller, which shall be established on or before December 31, 2021. A copy of the completed audit shall be provided to the Controller. The Controller shall not be required to review and approve the completed audits.

(b) Where the audit demonstrates a failure to comply with the requirements of Chapter 1 (commencing with Section 62100) and Chapter 2 (commencing with Section 62115) of Part 2, the authority shall adopt and submit to the Controller, as part of the audit, a plan to achieve compliance with those provisions as soon as feasible, but in not less than two years following the audit findings. The Controller shall review and approve the plan, and require the plan to stay in effect until compliance is achieved. The Controller shall ensure that the plan includes one or more of the following means of achieving compliance:

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

(2) An increase in the production, by an additional 10 percent, of housing for very low income households as required by paragraph (2) of subdivision (b) of Section 62120.

(3) The targeting of expenditures pursuant to Section 62100 exclusively to rental housing affordable to, and occupied by, persons of very low and extremely low income.

(c) If an authority is required to conduct an audit pursuant to subdivision (a) in advance of the issuance of the Controller's guidelines, then it shall prepare an updated audit pursuant to the Controller's guidelines on or before January 1, 2023.

62008. (a) If an authority fails to provide a copy of the completed audit to the Controller as required by paragraph (2) of subdivision (c) within 20 days following receipt of a written notice of the failure from the Controller, the authority shall forfeit to the state:

(1) Two thousand five hundred dollars (\$2,500) in the case of an authority with a total revenue, in the prior year, of less than

1 one hundred thousand dollars (\$100,000), as reported in the
2 Controller's annual financial reports.

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

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

12 (b) If an authority fails to provide a copy of the completed audit
13 to the Controller as required by paragraph (2) of subdivision (c)
14 within 20 days after receipt of a written notice pursuant to
15 subdivision (a) for two consecutive years, the authority shall forfeit
16 an amount that is double the amount of the forfeiture assessed
17 pursuant to subdivision (a).

18 (c) (1) If an authority fails to provide a copy of the completed
19 audit to the Controller as required by paragraph (2) of subdivision
20 (c) within 20 days after receipt of a written notice pursuant to
21 subdivision (a) for three or more consecutive years, the authority
22 shall forfeit an amount that is triple the amount of the forfeiture
23 assessed pursuant to subdivision (a).

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

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

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

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

33 34 PART 2. HOUSING

35 36 CHAPTER 1. HOUSING FOR PERSONS OF LOW AND MODERATE 37 INCOME

38
39 62100. (a) Not less than 25 percent of all taxes that are
40 allocated to the authority pursuant to Section 62006 shall be

1 deposited into a separate Low and Moderate Income Housing
2 Fund pursuant to Section 62101 and used by the authority for the
3 purposes of increasing, improving, and preserving the community's
4 supply of low- and moderate-income housing available at
5 affordable housing cost, as defined by the following sections of
6 the Health and Safety Code: Section 50052.5, to persons and
7 families of low or moderate income, as defined in Section 50093,
8 lower income households, as defined by Section 50079.5, very low
9 income households, as defined in Section 50105, and extremely
10 low income households, as defined by Section 50106, that is
11 occupied by these persons and families unless the authority makes
12 a finding that combining funding received under this program with
13 other funding for the same purpose shall reduce administrative
14 costs or expedite the construction of affordable housing. If the
15 authority makes such a finding, then (1) an authority may transfer
16 funding from the program adopted pursuant to subdivision (c) of
17 Section 62003 to the housing authority within the territorial
18 jurisdiction of the local jurisdiction that created the authority or
19 to the entity that received the housing assets of the former
20 redevelopment agency pursuant to Section 34176 of the Health
21 and Safety Code, and (2) Section 34176.1 of the Health and Safety
22 Code shall not apply to funds transferred. Funding shall be spent
23 within the project area in which the funds were generated. Any
24 recipient of funds transferred pursuant to this subdivision shall
25 comply with all applicable provisions of this part.

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

31 (1) Acquire real property or building sites subject to Section
32 62112.

33 (2) (A) Improve real property or building sites with onsite or
34 offsite improvements, but only if both (i) the improvements are
35 part of the new construction or rehabilitation of affordable housing
36 units for low- or moderate-income persons that are directly
37 benefited by the improvements, and are a reasonable and
38 fundamental component of the housing units, and (ii) the authority
39 requires that the units remain available at affordable housing cost
40 to, and occupied by, persons and families of extremely low, very

1 low, low, or moderate income for the same time period and in the
2 same manner as provided in subdivision (c) and paragraph (2) of
3 subdivision (f) of Section 62101.

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

15 (3) Donate real property to private or public persons or entities.

16 (4) Finance insurance premiums necessary for the provision of
17 insurance during the construction or rehabilitation of properties
18 that are administered by governmental entities or nonprofit
19 organizations to provide housing for lower income households,
20 as defined in Section 50079.5 of the Health and Safety Code,
21 including rental properties, emergency shelters, transitional
22 housing, or special residential care facilities.

23 (5) Construct buildings or structures.

24 (6) Acquire buildings or structures.

25 (7) Rehabilitate buildings or structures.

26 (8) Provide subsidies to, or for the benefit of, extremely low
27 income households, as defined by Section 50106 of the Health and
28 Safety Code, very low income households, as defined by Section
29 50105 of the Health and Safety Code, lower income households,
30 as defined by Section 50079.5 of the Health and Safety Code, or
31 persons and families of low or moderate income, as defined by
32 Section 50093 of the Health and Safety Code, to the extent those
33 households cannot obtain housing at affordable costs on the open
34 market. Housing units available on the open market are those units
35 developed without direct government subsidies.

36 (9) Develop plans, pay principal and interest on bonds, loans,
37 advances, or other indebtedness, or pay financing or carrying
38 charges.

39 (10) Maintain the community's supply of mobilehomes.

1 (11) Preserve the availability to lower income households of
2 affordable housing units in housing developments that are assisted
3 or subsidized by public entities and that are threatened with
4 imminent conversion to market rates.

5 (c) The authority may use these funds to meet, in whole or in
6 part, the replacement housing provisions in Section 62120.
7 However, this section shall not be construed as limiting in any
8 way the requirements of that section.

9 (d) The authority may use these funds inside or outside the plan
10 area. The authority may only use these funds outside the plan area
11 upon a resolution of the authority that the use will be of benefit to
12 the plan. The determination by the authority shall be final and
13 conclusive as to the issue of benefit to the plan area. The
14 Legislature finds and declares that the provision of replacement
15 housing pursuant to Section 62120 is always of benefit to a plan.
16 Unless the authority finds, before the plan is adopted, that the
17 provision of low- and moderate-income housing outside the plan
18 area will be of benefit to the plan, the plan area shall include
19 property suitable for low- and moderate-income housing.

20 (e) (1) (A) An action to compel compliance with the
21 requirement of this section to deposit not less than 25 percent of
22 all taxes that are allocated to the authority pursuant to Section
23 62005 in the Low and Moderate Income Housing Fund shall be
24 commenced within 10 years of the alleged violation. A cause of
25 action for a violation accrues on the last day of the fiscal year in
26 which the funds were required to be deposited in the Low and
27 Moderate Income Housing Fund.

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

36 (C) An agency found to have deposited less into the Low and
37 Moderate Income Housing Fund than mandated by Section 62101
38 or to have spent money from the Low and Moderate Income
39 Housing Fund for purposes other than increasing, improving, and
40 preserving the community's supply of low- and moderate-income

1 housing, as mandated by this section, shall repay the funds with
2 interest in one lump sum pursuant to Section 970.4 or 970.5 or
3 may do either of the following:

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

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

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

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

16 (4) Except as otherwise provided in this subdivision, Chapter
17 2 (commencing with Section 970) of Part 5 of Division 3.6 of Title
18 1 for the enforcement of a judgment against a local public entity
19 applies to a judgment against a local public entity that violates
20 this section.

21 (5) This subdivision applies to actions filed on and after January
22 1, 2016.

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

27 62101. (a) The funds that are required by Section 62100 or
28 62103 to be used for the purposes of increasing, improving, and
29 preserving the community's supply of low- and moderate-income
30 housing shall be held in a separate Low and Moderate Income
31 Housing Fund until used.

32 (b) Any interest earned by the Low and Moderate Income
33 Housing Fund and any repayments or other income to the authority
34 for loans, advances, or grants, of any kind from the Low and
35 Moderate Income Housing Fund, shall accrue to and be deposited
36 in, the fund and may only be used in the manner prescribed for
37 the Low and Moderate Income Housing Fund.

38 (c) The moneys in the Low and Moderate Income Housing Fund
39 shall be used to increase, improve, and preserve the supply of low-

1 *and moderate-income housing within the territorial jurisdiction*
2 *of the authority.*

3 *(d) It is the intent of the Legislature that the Low and Moderate*
4 *Income Housing Fund be used to the maximum extent possible to*
5 *defray the costs of production, improvement, and preservation of*
6 *low- and moderate-income housing and that the amount of money*
7 *spent for planning and general administrative activities associated*
8 *with the development, improvement, and preservation of that*
9 *housing not be disproportionate to the amount actually spent for*
10 *the costs of production, improvement, or preservation of that*
11 *housing. The authority shall determine annually that the planning*
12 *and administrative expenses are necessary for the production,*
13 *improvement, or preservation of low- and moderate-income*
14 *housing.*

15 *(e) (1) Planning and general administrative costs which may*
16 *be paid with moneys from the Low and Moderate Income Housing*
17 *Fund are those expenses incurred by the authority which are*
18 *directly related to the programs and activities authorized under*
19 *subdivision (e) of Section 62100 and are limited to the following:*

20 *(A) Costs incurred for salaries, wages, and related costs of the*
21 *authority's staff or for services provided through interagency*
22 *agreements, and agreements with contractors, including usual*
23 *indirect costs related thereto.*

24 *(B) Costs incurred by a nonprofit corporation which are not*
25 *directly attributable to a specific project.*

26 *(2) Legal, architectural, and engineering costs and other*
27 *salaries, wages, and costs directly related to the planning and*
28 *execution of a specific project that are authorized under*
29 *subdivision (e) of Section 62100 and that are incurred by a*
30 *nonprofit housing sponsor are not planning and administrative*
31 *costs for the purposes of this section, but are instead project costs.*

32 *(f) (1) The requirements of this subdivision apply to all new or*
33 *substantially rehabilitated housing units developed or otherwise*
34 *assisted with moneys from the Low and Moderate Income Housing*
35 *Fund. Except to the extent that a longer period of time may be*
36 *required by other provisions of law, the authority shall require*
37 *that housing units subject to this subdivision shall remain available*
38 *at affordable housing cost to, and occupied by, persons and*
39 *families of low or moderate income and very low income and*

1 extremely low income households for the longest feasible time, but
2 for not less than the following periods of time:

3 (A) Fifty-five years for rental units. However, the authority may
4 replace rental units with equally affordable and comparable rental
5 units in another location within the community if (i) the
6 replacement units are available for occupancy prior to the
7 displacement of any persons and families of low or moderate
8 income residing in the units to be replaced, and (ii) the comparable
9 replacement units are not developed with moneys from the Low
10 and Moderate Income Housing Fund.

11 (B) Forty-five years for owner-occupied units. However, the
12 authority may permit sales of owner-occupied units prior to the
13 expiration of the 45-year period for a price in excess of that
14 otherwise permitted under this subdivision pursuant to an adopted
15 program which protects the agency's investment of moneys from
16 the Low and Moderate Income Housing Fund, including, but not
17 limited to, an equity sharing program which establishes a schedule
18 of equity sharing that permits retention by the seller of a portion
19 of those excess proceeds based on the length of occupancy. The
20 remainder of the excess proceeds of the sale shall be allocated to
21 the authority and deposited in the Low and Moderate Income
22 Housing Fund. Only the units originally assisted by the authority
23 shall be counted towards the agency's obligations under Section
24 62102.

25 (C) Fifteen years for mutual self-help housing units that are
26 occupied by and affordable to very low and low-income
27 households. However, the authority may permit sales of mutual
28 self-help housing units prior to expiration of the 15-year period
29 for a price in excess of that otherwise permitted under this
30 subdivision pursuant to an adopted program that (i) protects the
31 agency's investment of moneys from the Low and Moderate Income
32 Housing Fund, including, but not limited to, an equity sharing
33 program that establishes a schedule of equity sharing that permits
34 retention by the seller of a portion of those excess proceeds based
35 on the length of occupancy, and (ii) ensures through a recorded
36 regulatory agreement, deed of trust, or similar recorded instrument
37 that if a mutual self-help housing unit is sold at any time after
38 expiration of the 15-year period and prior to 45 years after the
39 date of recording of the covenants or restrictions required pursuant
40 to paragraph (2), the authority recovers, at a minimum, its original

1 principal from the Low and Moderate Income Housing Fund from
2 the proceeds of the sale and deposits those funds into the Low and
3 Moderate Income Housing Fund. The remainder of the excess
4 proceeds of the sale not retained by the seller shall be allocated
5 to the agency and deposited in the Low and Moderate Income
6 Housing Fund. For the purposes of this subparagraph, “mutual
7 self-help housing unit” means an owner-occupied housing unit
8 for which persons and families of very low and low income
9 contribute no fewer than 500 hours of their own labor in individual
10 or group efforts to provide a decent, safe, and sanitary ownership
11 housing unit for themselves, their families, and others authorized
12 to occupy that unit. This subparagraph shall not preclude the
13 authority and the developer of the mutual self-help housing units
14 from agreeing to 45-year deed restrictions.

15 (2) If land on which those dwelling units are located is deleted
16 from the plan area, the authority shall continue to require that
17 those units remain affordable as specified in this subdivision.

18 (3) The authority shall require the recording in the office of the
19 county recorder of the following documents:

20 (A) The covenants or restrictions implementing this subdivision
21 for each parcel or unit of real property subject to this subdivision.
22 The authority shall obtain and maintain a copy of the recorded
23 covenants or restrictions for not less than the life of the covenant
24 or restriction.

25 (B) For all new or substantially rehabilitated units developed
26 or otherwise assisted with moneys from the Low and Moderate
27 Income Housing Fund, a separate document called “Notice of
28 Affordability Restrictions on Transfer of Property,” set forth in
29 14-point type or larger. This document shall contain all of the
30 following information:

31 (i) A recitation of the affordability covenants or restrictions. If
32 the document recorded under this subparagraph is recorded
33 concurrently with the covenants or restrictions recorded under
34 subparagraph (A), the recitation of the affordability covenants or
35 restrictions shall also reference the concurrently recorded
36 document. If the document recorded under this subparagraph is
37 not recorded concurrently with the covenants or restrictions
38 recorded under subparagraph (A), the recitation of the affordability
39 covenants or restrictions shall also reference the recorder’s

1 identification number of the document recorded under
2 subparagraph (A).
3 (ii) The date the covenants or restrictions expire.
4 (iii) The street address of the property, including, if applicable,
5 the unit number, unless the property is used to confidentially house
6 victims of domestic violence.
7 (iv) The assessor's parcel number for the property.
8 (v) The legal description of the property.
9 (4) The authority shall require the recording of the document
10 required under subparagraph (B) of paragraph (3) not more than
11 30 days after the date of recordation of the covenants or
12 restrictions required under subparagraph (A) of paragraph (3).
13 (5) The county recorder shall index the documents required to
14 be recorded under paragraph (3) by the authority and current
15 owner.
16 (6) Notwithstanding Section 27383, a county recorder may
17 charge all authorized recording fees to any party, including a
18 public agency, for recording the document specified in
19 subparagraph (B) of paragraph (3).
20 (7) Notwithstanding any other law, the covenants or restrictions
21 implementing this subdivision shall run with the land and shall be
22 enforceable against any owner who violates a covenant or
23 restriction and each successor in interest who continues the
24 violation, by any of the following:
25 (A) The authority.
26 (B) The city or county that established the authority.
27 (C) A resident of a unit subject to this subdivision.
28 (D) A residents' association with members who reside in units
29 subject to this subdivision.
30 (E) A former resident of a unit subject to this subdivision who
31 last resided in that unit.
32 (F) An applicant seeking to enforce the covenants or restrictions
33 for a particular unit that is subject to this subdivision, if the
34 applicant conforms to all of the following:
35 (i) Is of low or moderate income, as defined in Section 50093
36 of the Health and Safety Code.
37 (ii) Is able and willing to occupy that particular unit.
38 (iii) Was denied occupancy of that particular unit due to an
39 alleged breach of a covenant or restriction implementing this
40 subdivision.

1 (G) A person on an affordable housing waiting list who is of
2 low or moderate income, as defined in Section 50093, and who is
3 able and willing to occupy a unit subject to this subdivision.

4 (8) A dwelling unit shall not be counted as satisfying the
5 affordable housing requirements of this part, unless covenants for
6 that dwelling unit are recorded in compliance with subparagraph
7 (A) of paragraph (3).

8 (9) Failure to comply with the requirements of subparagraph
9 (B) of paragraph (3) shall not invalidate any covenants or
10 restrictions recorded pursuant to subparagraph (A) of paragraph
11 (3).

12 (g) "Housing," as used in this section, includes residential
13 hotels, as defined in subdivision (k) of Section 37912 of the Health
14 and Safety Code. The definitions of "lower income households,"
15 "very low income households," and "extremely low income
16 households" in Sections 50079.5, 50105, and 50106 of the Health
17 and Safety Code shall apply to this section. "Longest feasible
18 time," as used in this section, includes, but is not limited to,
19 unlimited duration.

20 (h) "Increasing, improving, and preserving the community's
21 supply of low- and moderate-income housing," as used in this
22 section and in Section 62100, includes the preservation of rental
23 housing units assisted by federal, state, or local government on
24 the condition that units remain affordable to, and occupied by,
25 low- and moderate-income households, including extremely low
26 and very low income households, for the longest feasible time, but
27 not less than 55 years, beyond the date the subsidies and use
28 restrictions could be terminated and the assisted housing units
29 converted to market rate rentals. In preserving these units the
30 authority shall require that the units remain affordable to, and
31 occupied by, persons and families of low- and moderate-income
32 and extremely low and very low income households for the longest
33 feasible time, but not less than 55 years. However, the authority
34 may replace rental units with equally affordable and comparable
35 rental units in another location within the community if (1) the
36 replacement units in another location are available for occupancy
37 prior to the displacement of any persons and families of low or
38 moderate income residing in the units to be replaced and (2) the
39 comparable replacement units are not developed with moneys from
40 the Low and Moderate Income Housing Fund.

1 (i) *Funds from the Low and Moderate Income Housing Fund*
2 *shall not be used to the extent that other reasonable means of*
3 *private or commercial financing of the new or substantially*
4 *rehabilitated units at the same level of affordability and quantity*
5 *are reasonably available to the agency or to the owner of the units.*
6 *Prior to the expenditure of funds from the Low and Moderate*
7 *Income Housing Fund for new or substantially rehabilitated*
8 *housing units, where those funds will exceed 50 percent of the cost*
9 *of producing the units, the authority shall find, based on substantial*
10 *evidence, that the use of the funds is necessary because the*
11 *authority or owner of the units has made a good faith attempt but*
12 *has been unable to obtain commercial or private means of*
13 *financing the units at the same level of affordability and quantity.*

14 62102. (a) *Except as specified in subdivision (d), each*
15 *authority shall expend over each 10-year period of the community*
16 *revitalization plan the moneys in the Low and Moderate Income*
17 *Housing Fund to assist housing for persons of low income and*
18 *housing for persons of very low income in at least the same*
19 *proportion as the total number of housing units needed that each*
20 *of those income groups bears to the total number of units needed*
21 *for persons of moderate, low, and very low income within the*
22 *community, as those needs have been determined for the community*
23 *pursuant to Section 65584. In determining compliance with this*
24 *obligation, the authority may adjust the proportion by subtracting*
25 *from the need identified for each income category, the number of*
26 *units for persons of that income category that are newly*
27 *constructed over the duration of the implementation plan with*
28 *other locally controlled government assistance and without agency*
29 *assistance and that are required to be affordable to, and occupied*
30 *by, persons of the income category for at least 55 years for rental*
31 *housing and 45 years for ownership housing, except that in making*
32 *an adjustment the agency may not subtract units developed*
33 *pursuant to a replacement housing obligation under state or federal*
34 *law.*

35 (b) *Each authority shall expend over the duration of each*
36 *implementation plan, the moneys in the Low and Moderate Income*
37 *Housing Fund to assist housing that is available to all persons*
38 *regardless of age in at least the same proportion as the number*
39 *of low-income households with a member under 65 years of age*
40 *bears to the total number of low-income households of the*

1 *community as reported in the most recent census of the United*
2 *States Census Bureau.*

3 *(c) An authority that has deposited in the Low and Moderate*
4 *Income Housing Fund over the first five years of the period of an*
5 *implementation plan an aggregate that is less than two million*
6 *dollars (\$2,000,000) shall have an extra five years to meet the*
7 *requirements of this section.*

8 *(d) For the purposes of this section, “locally controlled” means*
9 *government assistance where the city or county that created the*
10 *authority or other local government entity has the discretion and*
11 *the authority to determine the recipient and the amount of the*
12 *assistance, whether or not the source of the funds or other*
13 *assistance is from the state or federal government. Examples of*
14 *locally controlled government assistance include, but are not*
15 *limited to, the Community Development Block Grant Program (42*
16 *U.S.C. Sec. 5301 et seq.) funds allocated to a city or county, the*
17 *Home Investment Partnership Program (42 U.S.C. Sec. 12721 et*
18 *seq.) funds allocated to a city or county, fees or funds received by*
19 *a city or county pursuant to a city or county authorized program,*
20 *and the waiver or deferral of city or other charges.*

21 *62103. Every community revitalization plan shall contain a*
22 *provision that whenever dwelling units housing persons and*
23 *families of low or moderate income are destroyed or removed from*
24 *the low- and moderate-income housing market as part of a*
25 *revitalization project the authority shall, within two years of such*
26 *destruction or removal, rehabilitate, develop, or construct, or*
27 *cause to be rehabilitated, developed, or constructed, for rental or*
28 *sale to persons and families of low or moderate income an equal*
29 *number of replacement dwelling units at affordable housing costs,*
30 *as defined by Section 50052.5 of the Health and Safety Code, within*
31 *the territorial jurisdiction of the authority, in accordance with all*
32 *of the provisions of Sections 62120 and 62120.5.*

33 *62104. Programs to assist or develop low- and*
34 *moderate-income housing pursuant to this part shall be entitled*
35 *to priority consideration for assistance in housing programs*
36 *administered by the California Housing Finance Agency, the*
37 *Department of Housing and Community Development, and other*
38 *state agencies and departments, if those agencies or departments*
39 *determine that the housing is otherwise eligible for assistance*
40 *under a particular program.*

1 62105. *The same notice requirements as specified in Section*
2 *65863.10 shall apply to multifamily rental housing that receives*
3 *financial assistance pursuant to Sections 62100 and 62101.*

4 62106. *Notwithstanding Sections 62100 and 62101, assistance*
5 *provided by an authority to preserve the availability to lower*
6 *income households of affordable housing units which are assisted*
7 *or subsidized by public entities and which are threatened with*
8 *imminent conversion to market rates may be credited and offset*
9 *against an agency's obligations under Section 62100.*

10 62107. (a) *Except as otherwise provided in this subdivision,*
11 *not later than six months following the close of any fiscal year of*
12 *an authority in which excess surplus accumulates in the authority's*
13 *Low and Moderate Income Housing Fund, the authority may adopt*
14 *a plan pursuant to this section for expenditure of all moneys in*
15 *the Low and Moderate Income Housing Fund within five years*
16 *from the end of that fiscal year. The plan may be general and need*
17 *not be site-specific, but shall include objectives respecting the*
18 *number and type of housing to be assisted, identification of the*
19 *entities, which will administer the plan, alternative means of*
20 *ensuring the affordability of housing units for the longest feasible*
21 *time, as specified in subdivision (e) of Section 62101 the income*
22 *groups to be assisted, and a schedule by fiscal year for expenditure*
23 *of the excess surplus.*

24 (b) *The authority shall separately account for each excess*
25 *surplus either as part of or in addition to a Low and Moderate*
26 *Income Housing Fund.*

27 (c) *If the authority develops a plan for expenditure of excess*
28 *surplus or other moneys in the Low and Moderate Income Housing*
29 *Fund, a copy of that plan and any amendments to that plan shall*
30 *be included in the authority's annual report pursuant to Section*
31 *62006.*

32 62108. (a) (1) *Upon failure of the authority to expend or*
33 *encumber excess surplus in the Low and Moderate Income Housing*
34 *Fund within one year from the date the moneys become excess*
35 *surplus, as defined in paragraph (1) of subdivision (g), the*
36 *authority shall do either of the following:*

37 (A) *Disburse voluntarily its excess surplus to the county housing*
38 *authority or to another public agency exercising housing*
39 *development powers within the territorial jurisdiction of the agency*
40 *in accordance with subdivision (b).*

1 (B) *Expend or encumber its excess surplus within two additional*
2 *years.*

3 (2) *If an authority, after three years has elapsed from the date*
4 *that the moneys become excess surplus, has not expended or*
5 *encumbered its excess surplus, the authority shall be subject to*
6 *sanctions pursuant to subdivision (e), until the authority has*
7 *expended or encumbered its excess surplus plus an additional*
8 *amount, equal to 50 percent of the amount of the excess surplus*
9 *that remains at the end of the three-year period. The additional*
10 *expenditure shall not be from the authority's Low and Moderate*
11 *Income Housing Fund, but shall be used in a manner that meets*
12 *all requirements for expenditures from that fund.*

13 (b) *The housing authority or other public agency to which the*
14 *money is transferred shall utilize the moneys for the purposes of,*
15 *and subject to the same restrictions that are applicable to, the*
16 *authority under this part, and for that purpose may exercise all of*
17 *the powers of a housing authority under Part 2 (commencing with*
18 *Section 34200) of Division 24 of the Health and Safety Code to an*
19 *extent not inconsistent with these limitations.*

20 (c) *Notwithstanding Section 34209 of the Health and Safety*
21 *Code or any other law, for the purpose of accepting a transfer of,*
22 *and using, moneys pursuant to this section, the housing authority*
23 *of a county or other public agency may exercise its powers within*
24 *the territorial jurisdiction of an authority located in that county.*

25 (d) *The amount of excess surplus that shall be transferred to*
26 *the housing authority or other public agency because of a failure*
27 *of the authority to expend or encumber excess surplus within one*
28 *year shall be the amount of the excess surplus that is not so*
29 *expended or encumbered. The housing authority or other public*
30 *agency to which the moneys are transferred shall expend or*
31 *encumber these moneys for authorized purposes not later than*
32 *three years after the date these moneys were transferred from the*
33 *Low and Moderate Income Housing Fund.*

34 (e) (1) *Until a time when the authority has expended or*
35 *encumbered excess surplus moneys pursuant to subdivision (a),*
36 *the authority shall be prohibited from encumbering any funds or*
37 *expending any moneys derived from any source, except that the*
38 *authority may encumber funds and expend moneys to pay the*
39 *following obligations, if any, that were incurred by the authority*

1 prior to three years from the date the moneys became excess
2 surplus:

3 (A) Bonds, notes, interim certificates, debentures, or other
4 obligations issued by an authority, whether funded, refunded,
5 assumed, or otherwise, pursuant to subdivision (f) of Section 62003.

6 (B) Loans or moneys advanced to the authority, including, but
7 not limited to, loans from federal, state, or local agencies, or a
8 private entity.

9 (C) Contractual obligations which, if breached, could subject
10 the authority to damages or other liabilities or remedies.

11 (D) Indebtedness incurred pursuant to Section 62100 or 62104.

12 (E) An amount, to be expended for the operation and
13 administration of the authority, that may not exceed 75 percent of
14 the amount spent for those purposes in the preceding fiscal year.

15 (2) This subdivision shall not be construed to prohibit the
16 expenditure of excess surplus funds or other funds to meet the
17 requirement in paragraph (2) of subdivision (a) that the agency
18 spend or encumber excess surplus funds, plus an amount equal to
19 50 percent of excess surplus, prior to spending or encumbering
20 funds for any other purpose.

21 (f) This section shall not be construed to limit any authority an
22 authority may have under other provisions of this part to contract
23 with a housing authority for increasing or improving the
24 community's supply of low- and moderate-income housing.

25 (g) For purposes of this section:

26 (1) "Excess surplus" means any unexpended and unencumbered
27 amount in an authority's Low and Moderate Income Housing Fund
28 that exceeds the greater of one million dollars (\$1,000,000) or the
29 aggregate amount deposited into the Low and Moderate Income
30 Housing Fund pursuant to Sections 62100 and 62104 during the
31 authority's preceding four fiscal years. The first fiscal year to be
32 included in this computation is the 2016–17 fiscal year, and the
33 first date on which an excess surplus may exist is July 1, 2021.

34 (2) Moneys shall be deemed encumbered if committed pursuant
35 to a legally enforceable contract or agreement for expenditure for
36 purposes specified in Sections 62100 and 62101.

37 (3) (A) For purposes of determining whether an excess surplus
38 exists, it is the intent of the Legislature to give credit to authorities
39 which convey land for less than fair market value, on which low-
40 and moderate-income housing is built or is to be built if at least

1 49 percent of the units developed on the land are available at an
2 affordable housing cost to lower income households for at least
3 the time specified in subdivision (e) of Section 62101, and
4 otherwise comply with all of the provisions of this division
5 applicable to expenditures of moneys from a low- and
6 moderate-income housing fund established pursuant to Section
7 62101. Therefore, for the sole purpose of determining the amount,
8 if any, of an excess surplus, an authority may make the following
9 calculation: if an authority sells, leases, or grants land acquired
10 with moneys from the Low and Moderate Income Housing Fund,
11 established pursuant to Section 62101, for an amount which is
12 below fair market value, and if at least 49 percent of the units
13 constructed or rehabilitated on the land are affordable to lower
14 income households, as defined in Section 50079.5 of the Health
15 and Safety Code, the difference between the fair market value of
16 the land and the amount the authority receives may be subtracted
17 from the amount of moneys in an agency's Low and Moderate
18 Income Housing Fund.

19 (B) If taxes that are deposited in the Low and Moderate Income
20 Housing Fund are used as security for bonds or other indebtedness,
21 the proceeds of the bonds or other indebtedness, and income and
22 expenditures related to those proceeds, shall not be counted in
23 determining whether an excess surplus exists. The unspent portion
24 of the proceeds of bonds or other indebtedness, and income related
25 thereto, shall be excluded from the calculation of the unexpended
26 and unencumbered amount in the Low and Moderate Income
27 Housing Fund when determining whether an excess surplus exists.

28 (C) This subdivision shall not be construed to restrict the
29 authority of an authority provided in any other provision of this
30 part to expend funds from the Low and Moderate Income Housing
31 Fund.

32 (D) The Department of Housing and Community Development
33 shall develop and periodically revise the methodology to be used
34 in the calculation of excess surplus as required by this section.
35 The director shall appoint an advisory committee to advise in the
36 development of this methodology. The advisory committee shall
37 include department staff, affordable housing advocates, and
38 representatives of the League of California Cities, the California
39 Society of Certified Public Accountants, the Controller, and any

1 *other authorities or persons interested in the field that the director*
2 *deems necessary and appropriate.*

3 *(h) Communities in which an agency has disbursed excess*
4 *surplus funds pursuant to this section shall not disapprove a low-*
5 *or moderate-income housing project funded in whole or in part*
6 *by the excess surplus funds if the project is consistent with*
7 *applicable building codes and the land use designation specified*
8 *in any element of the general plan as it existed on the date the*
9 *application was deemed complete. A local agency may require*
10 *compliance with local development standards and policies*
11 *appropriate to and consistent with meeting the quantified objectives*
12 *relative to the development of housing, as required in housing*
13 *elements of the community pursuant to subdivision (b) of Section*
14 *65583.*

15 *62109. (a) Notwithstanding Sections 50079.5, 50093, and*
16 *50105 of the Health and Safety Code, for purposes of providing*
17 *assistance to mortgagors participating in a homeownership*
18 *residential mortgage revenue bond program pursuant to Section*
19 *33750 of the Health and Safety Code, or a home financing program*
20 *pursuant to Section 52020 of the Health and Safety Code, or a*
21 *California Housing Finance Agency home financing program,*
22 *“area median income” means the highest of the following:*

23 *(1) Statewide median household income.*

24 *(2) Countywide median household income.*

25 *(3) Median family income for the area, as determined by the*
26 *United States Department of Housing and Urban Development*
27 *with respect to either a standard metropolitan statistical area or*
28 *an area outside of a standard metropolitan statistical area.*

29 *Nothing in Section 50093 of the Health and Safety Code shall*
30 *prevent the agency from adopting separate family size adjustment*
31 *factors or programmatic definitions of income to qualify*
32 *households, persons, and families for the programs of the agency.*

33 *(b) To the extent that any portion of the Low and Moderate*
34 *Income Housing Fund is expended to provide assistance to*
35 *mortgagors participating in programs whose income exceeds that*
36 *of persons and families of low or moderate income, as defined in*
37 *Section 50093 of the Health and Safety Code, the authority shall,*
38 *within two years, expend or enter into a legally enforceable*
39 *agreement to expend twice that sum exclusively to increase and*
40 *improve the community’s supply of housing available at an*

1 *affordable housing cost, as defined in Section 50052.5, to lower*
2 *income households, as defined in Section 50079.5 of the Health*
3 *and Safety Code, of which at least 50 percent shall be very low*
4 *income households, as defined in Section 50105 of the Health and*
5 *Safety Code.*

6 *(c) In addition to the requirements of subdivision (c) of Section*
7 *33413 of the Health and Safety Code, the authority shall require*
8 *that the lower and very low income dwelling units developed*
9 *pursuant to this subdivision remain available at an affordable*
10 *housing cost to lower and very low income households for at least*
11 *30 years, except as to dwelling units developed with the assistance*
12 *of federal or state subsidy programs which terminate in a shorter*
13 *period and cannot be extended or renewed.*

14 *(d) The authority shall include within the report required by*
15 *Section 62008 information with respect to compliance by the*
16 *agency with the requirements of this subdivision.*

17 *62110. The covenants or restrictions imposed by the authority*
18 *pursuant to subdivision (f) of Section 62101 may be subordinated*
19 *under any of the following alternatives:*

20 *(a) To a lien, encumbrance, or regulatory agreement under a*
21 *federal or state program when a federal or state agency is*
22 *providing financing, refinancing, or other assistance to the housing*
23 *units or parcels, if the federal or state agency refuses to consent*
24 *to the seniority of the agency's covenant or restriction on the basis*
25 *that it is required to maintain its lien, encumbrance, or regulatory*
26 *agreement or restrictions due to statutory or regulatory*
27 *requirements, adopted or approved policies, or other guidelines*
28 *pertaining to the financing, refinancing, or other assistance of the*
29 *housing units or parcels.*

30 *(b) To a lien, encumbrance, or regulatory agreement of a lender*
31 *other than the authority or from a bond issuance providing*
32 *financing, refinancing, or other assistance of owner-occupied units*
33 *or parcels where the agency makes a finding that an economically*
34 *feasible alternative method of financing, refinancing, or assisting*
35 *the units or parcels on substantially comparable terms and*
36 *conditions, but without subordination, is not reasonably available.*

37 *(c) To an existing lien, encumbrance, or regulatory agreement*
38 *of a lender other than the authority or from a bond issuance*
39 *providing financing, refinancing, or other assistance of rental*

1 units, where the agency's funds are utilized for rehabilitation of
2 the rental units.

3 (d) To a lien, encumbrance, or regulatory agreement of a lender
4 other than the authority or from a bond issuance providing
5 financing, refinancing, or other assistance of rental units or parcels
6 where the agency makes a finding that an economically feasible
7 alternative method of financing, refinancing, or assisting the units
8 or parcels on substantially comparable terms and conditions, but
9 without subordination, is not reasonably available, and where the
10 agency obtains written commitments reasonably designed to protect
11 the agency's investment in the event of default, including, but not
12 limited to, any of the following:

13 (1) A right of the authority to cure a default on the loan.

14 (2) A right of the authority to negotiate with the lender after
15 notice of default from the lender.

16 (3) An agreement that if prior to foreclosure of the loan, the
17 authority takes title to the property and cures the default on the
18 loan, the lender will not exercise any right it may have to
19 accelerate the loan by reason of the transfer of title to the agency.

20 (4) A right of the authority to purchase property from the owner
21 at any time after a default on the loan.

22 62111. Subsidies provided pursuant to subdivision (e) of
23 Section 62100 may include payment of a portion of the principal
24 and interest on bonds issued by a public agency to finance housing
25 for persons and families specified in that paragraph if the authority
26 ensures by contract that the benefit of the subsidy will be passed
27 on to those persons and families in the form of lower housing costs.

28 62112. For each interest in real property acquired using
29 moneys from the Low and Moderate Income Housing Fund, the
30 authority shall, within five years from the date it first acquires the
31 property interest for the development of housing affordable to
32 persons and families of low and moderate income, initiate activities
33 consistent with the development of the property for that purpose.
34 These activities may include, but are not limited to, zoning changes
35 or agreements entered into for the development and disposition
36 of the property. If these activities have not been initiated within
37 this period, the city or county that created the authority may, by
38 resolution, extend the period during which the authority may retain
39 the property for one additional period not to exceed five years.
40 The resolution of extension shall affirm the intention of the city or

1 county that the property be used for the development of housing
2 affordable to persons and families of low and moderate income.
3 In the event that physical development of the property for this
4 purpose has not begun by the end of the extended period, or if the
5 authority does not comply with this requirement, the property shall
6 be sold and the moneys from the sale, less reimbursement to the
7 agency for the cost of the sale, shall be deposited in the agency's
8 Low and Moderate Income Housing Fund.

10 *CHAPTER 2. REPLACEMENT AND LOCATION*

11
12 62115. The authority shall prepare a feasible method or plan
13 for relocation of all of the following:

14 (a) Families and persons to be temporarily or permanently
15 displaced from housing facilities in the plan area.

16 (b) Nonprofit local community institutions to be temporarily or
17 permanently displaced from facilities actually used for institutional
18 purposes in the project area.

19 62116. The city, county, or city and county that created the
20 authority shall insure that the method or plan of the authority for
21 the relocation of families or single persons to be displaced by a
22 revitalization project shall provide that no persons or families of
23 low and moderate income shall be displaced unless and until there
24 is a suitable housing unit available and ready for occupancy by
25 the displaced person or family at rents comparable to those at the
26 time of their displacement. The housing units shall be suitable to
27 the needs of those displaced persons or families and must be
28 decent, safe, sanitary, and otherwise standard dwellings. The
29 authority shall not displace the person or family until the housing
30 units are available and ready for occupancy.

31 62117. Whenever all or any portion of a revitalization project
32 is developed with low- or moderate-income housing units and
33 whenever any low- or moderate-income housing units are
34 developed with any authority assistance or pursuant to Section
35 62120, the authority shall require by contract or other appropriate
36 means that the housing be made available for rent or purchase to
37 the persons and families of low or moderate income displaced by
38 the revitalization project. Those persons and families shall be
39 given priority in renting or buying that housing. However, failure
40 to give that priority shall not affect the validity of title to real

1 property. The authority shall keep a list of persons and families
2 of low and moderate income displaced by the revitalization project
3 who are to be given priority, and may establish reasonable rules
4 for determining the order or priority on the list.

5 62118. If insufficient suitable housing units are available in
6 the community for low- and moderate-income persons and families
7 to be displaced from a community revitalization area, the city
8 council or board of supervisors that created the authority shall
9 assure that sufficient land be made available for suitable housing
10 for rental or purchase by low- and moderate-income persons and
11 families. If insufficient suitable housing units are available in the
12 community for use by persons and families of low and moderate
13 income displaced by the revitalization project, the authority may,
14 to the extent of that deficiency, direct or cause the development,
15 rehabilitation, or construction of housing units within the
16 community, both inside and outside of revitalization project areas.

17 62119. Permanent housing facilities shall be made available
18 within two years from the time occupants are displaced and that
19 pending the development of such facilities there will be available
20 to such displaced occupants adequate temporary housing facilities
21 at rents comparable to those in the community at the time of their
22 displacement.

23 62120. (a) Whenever dwelling units housing persons and
24 families of low or moderate income are destroyed or removed from
25 the low- and moderate-income housing market as part of a
26 revitalization project that is subject to a written agreement with
27 the authority or where financial assistance has been provided by
28 the authority, the authority shall, within two years of the
29 destruction or removal, rehabilitate, develop, or construct, or
30 cause to be rehabilitated, developed, or constructed, for rental or
31 sale to persons and families of low or moderate income, an equal
32 number of replacement dwelling units that have an equal or greater
33 number of bedrooms as those destroyed or removed units at
34 affordable housing costs within the territorial jurisdiction of the
35 agency. One hundred percent of the replacement dwelling units
36 shall be available at an affordable housing cost to persons in the
37 same or a lower income category (low, very low, or moderate), as
38 the persons displaced from those destroyed or removed units.

39 (b) (1) Prior to the time limit on the effectiveness of the
40 community revitalization plan established pursuant to subdivision

1 (f) of Section 62004 at least 30 percent of all new and substantially
2 rehabilitated dwelling units developed by an authority shall be
3 available at affordable housing cost to, and occupied by, persons
4 and families of low or moderate income. Not less than 50 percent
5 of the dwelling units required to be available at affordable housing
6 cost to, and occupied by, persons and families of low or moderate
7 income shall be available at affordable housing cost to, and
8 occupied by, very low income households.

9 (2) (A) (i) Prior to the time limit on the effectiveness of the
10 revitalization plan established pursuant to subdivision (f) of Section
11 62003 at least 15 percent of all new and substantially rehabilitated
12 dwelling units developed within a plan area under the jurisdiction
13 of an authority by public or private entities or persons other than
14 the agency shall be available at affordable housing cost to, and
15 occupied by, persons and families of low or moderate income. Not
16 less than 40 percent of the dwelling units required to be available
17 at affordable housing cost to, and occupied by, persons and
18 families of low or moderate income shall be available at affordable
19 housing cost to, and occupied by, very low income households.

20 (ii) To satisfy this paragraph, in whole or in part, the authority
21 may cause, by regulation or agreement, to be available, at an
22 affordable housing cost, to, and occupied by, persons and families
23 of low or moderate income or to very low income households, as
24 applicable, two units outside a project area for each unit that
25 otherwise would have been required to be available inside a project
26 area.

27 (iii) "Substantially rehabilitated dwelling units" means all units
28 substantially rehabilitated, with authority assistance.

29 (iv) As used in this paragraph and in paragraph (1), "substantial
30 rehabilitation" means rehabilitation, the value of which constitutes
31 25 percent of the after rehabilitation value of the dwelling,
32 inclusive of the land value.

33 (v) To satisfy this paragraph, the authority may aggregate new
34 or substantially rehabilitated dwelling units in one or more project
35 areas, if the authority finds, based on substantial evidence, after
36 a public hearing, that the aggregation will not cause or exacerbate
37 racial, ethnic, or economic segregation.

38 (B) To satisfy the requirements of paragraph (1) and
39 subparagraph (A), the authority may purchase, or otherwise
40 acquire or cause by regulation or agreement the purchase or other

1 acquisition of, long-term affordability covenants on multifamily
2 units that restrict the cost of renting or purchasing those units that
3 either: (i) are not presently available at affordable housing cost
4 to persons and families of low- or very low income households, as
5 applicable; or (ii) are units that are presently available at
6 affordable housing cost to this same group of persons or families,
7 but are units that the authority finds, based upon substantial
8 evidence, after a public hearing, cannot reasonably be expected
9 to remain affordable to this same group of persons or families.

10 (C) To satisfy the requirements of paragraph (1) and
11 subparagraph (A), the long-term affordability covenants purchased
12 or otherwise acquired pursuant to subparagraph (B) shall be
13 required to be maintained on dwelling units at affordable housing
14 cost to, and occupied by, persons and families of low or very low
15 income, for the longest feasible time but not less than 55 years for
16 rental units and 45 years for owner-occupied units. Not more than
17 50 percent of the units made available pursuant to paragraph (1)
18 and subparagraph (A) may be assisted through the purchase or
19 acquisition of long-term affordability covenants pursuant to
20 subparagraph (B). Not less than 50 percent of the units made
21 available through the purchase or acquisition of long-term
22 affordability covenants pursuant to subparagraph (B) shall be
23 available at affordable housing cost to, and occupied by, very low
24 income households.

25 (D) To satisfy the requirements of paragraph (1) and
26 subparagraph (A), each mutual self-help housing unit, as defined
27 in subparagraph (C) of paragraph (1) of subdivision (f) of Section
28 62101, that is subject to a 15-year deed restriction shall count as
29 one-third of a unit.

30 (3) The requirements of this subdivision shall apply
31 independently of the requirements of subdivision (a). The
32 requirements of this subdivision shall apply, in the aggregate, to
33 housing made available pursuant to paragraphs (1) and (2),
34 respectively, and not to each individual case of rehabilitation,
35 development, or construction of dwelling units, unless an agency
36 determines otherwise.

37 (4) Each authority, as part of the implementation plan required
38 by Section 62003, shall adopt a plan to comply with the
39 requirements of this subdivision. The plan shall be consistent with,
40 and may be included within, the community's housing element.

1 *The plan shall be reviewed and, if necessary, amended at least in*
2 *conjunction with either the housing element cycle or the plan*
3 *implementation cycle. The plan shall ensure that the requirements*
4 *of this subdivision are met every 10 years. If the requirements of*
5 *this subdivision are not met by the end of each 10-year period, the*
6 *agency shall meet these goals on an annual basis until the*
7 *requirements for the 10-year period are met. If the agency has*
8 *exceeded the requirements within the 10-year period, the agency*
9 *may count the units that exceed the requirement in order to meet*
10 *the requirements during the next 10-year period.*

11 *(c) (1) The authority shall require that the aggregate number*
12 *of replacement dwelling units and other dwelling units*
13 *rehabilitated, developed, constructed, or price restricted pursuant*
14 *to subdivision (a) or (b) remain available at affordable housing*
15 *cost to, and occupied by, persons and families of low-income,*
16 *moderate-income, and very low income households, respectively,*
17 *for the longest feasible time, but for not less than 55 years for*
18 *rental units, 45 years for home ownership units, and 15 years for*
19 *mutual self-help housing units, as defined in subparagraph (C) of*
20 *paragraph (1) of subdivision (f) of Section 62101, except as set*
21 *forth in paragraph (2). Nothing in this paragraph precludes the*
22 *agency and the developer of the mutual self-help housing units*
23 *from agreeing to 45-year deed restrictions.*

24 *(2) Notwithstanding paragraph (1), the authority may permit*
25 *sales of owner-occupied units prior to the expiration of the 45-year*
26 *period, and mutual self-help housing units prior to the expiration*
27 *of the 15-year period, established by the agency for a price in*
28 *excess of that otherwise permitted under this subdivision pursuant*
29 *to an adopted program that protects the agency's investment of*
30 *moneys from the Low and Moderate Income Housing Fund,*
31 *including, but not limited to, an equity sharing program that*
32 *establishes a schedule of equity sharing that permits retention by*
33 *the seller of a portion of those excess proceeds, based on the length*
34 *of occupancy. The remainder of the excess proceeds of the sale*
35 *shall be allocated to the agency, and deposited into the Low and*
36 *Moderate Income Housing Fund. The agency shall, within three*
37 *years from the date of sale pursuant to this paragraph of each*
38 *home ownership or mutual self-help housing unit subject to a*
39 *45-year deed restriction, and every third mutual self-help housing*
40 *unit subject to a 15-year deed restriction, expend funds to make*

1 *affordable an equal number of units at the same or lowest income*
2 *level as the unit or units sold pursuant to this paragraph, for a*
3 *period not less than the duration of the original deed restrictions.*
4 *Only the units originally assisted by the agency shall be counted*
5 *towards the authority's obligations under Section 62120.*

6 *(3) The requirements of this section shall be made enforceable*
7 *in the same manner as provided in paragraph (7) of subdivision*
8 *(f) of Section 62101.*

9 *(4) If land on which the dwelling units required by this section*
10 *are located is deleted from the plan area, the agency shall continue*
11 *to require that those units remain affordable as specified in this*
12 *subdivision.*

13 *(5) For each unit counted towards the requirements of*
14 *subdivisions (a) and (b), the authority shall require the recording*
15 *in the office of the county recorder of covenants or restrictions*
16 *that ensure compliance with this subdivision and shall comply*
17 *with the requirements of paragraphs (3) and (4) of subdivision (f)*
18 *of Section 62101.*

19 *(d) Except as otherwise authorized by law, this section does not*
20 *authorize an authority to operate a rental housing development*
21 *beyond the period reasonably necessary to sell or lease the housing*
22 *development.*

23 *(e) Notwithstanding subdivision (a), the authority may replace*
24 *destroy or remove dwelling units with a fewer number of*
25 *replacement dwelling units if the replacement dwelling units meet*
26 *both of the following criteria:*

27 *(1) The total number of bedrooms in the replacement dwelling*
28 *units equals or exceeds the number of bedrooms in the destroyed*
29 *or removed units. Destroyed or removed units having one or no*
30 *bedroom are deemed for this purpose to have one bedroom.*

31 *(2) The replacement units are affordable to, and occupied by,*
32 *the same income level of households as the destroyed or removed*
33 *units.*

34 *(f) "Longest feasible time," as used in this section, includes,*
35 *but is not limited to, unlimited duration.*

36 *62120.5. Not less than 30 days prior to the execution of an*
37 *agreement for acquisition of real property, or the execution of an*
38 *agreement for the disposition and development of property, or the*
39 *execution of an owner participation agreement, which agreement*
40 *would lead to the destruction or removal of dwelling units from*

1 *the low- and moderate-income housing market, the authority shall*
2 *adopt by resolution a replacement housing plan. For a reasonable*
3 *time prior to adopting a replacement housing plan by resolution,*
4 *the authority shall make available a draft of the proposed*
5 *replacement housing plan for review and comment by property*
6 *owners and residents within the plan area, any persons who have*
7 *requested notice of that replacement housing plan, other public*
8 *agencies, and the general public.*

9 *The replacement housing plan shall include: (1) the general*
10 *location of housing to be rehabilitated, developed, or constructed*
11 *pursuant to Section 62120; (2) an adequate means of financing*
12 *such as rehabilitation, development, or construction; (3) a finding*
13 *that the replacement housing does not require the approval of the*
14 *voters pursuant to Article XXXIV of the California Constitution,*
15 *or that such approval has been obtained; (4) the number of*
16 *dwelling units housing persons and families of low or moderate*
17 *income planned for construction or rehabilitation; and (5) the*
18 *timetable for meeting the plan's relocation, rehabilitation, and*
19 *replacement housing objectives. A dwelling unit whose replacement*
20 *is required by Section 62120 but for which no replacement housing*
21 *plan has been prepared, shall not be destroyed or removed from*
22 *the low- and moderate-income housing market until the agency*
23 *has by resolution adopted a replacement housing plan.*

24 *Nothing in this section shall prevent an authority from destroying*
25 *or removing from the low- and moderate-income housing market*
26 *a dwelling unit which the authority owns and which is an*
27 *immediate danger to health and safety. The authority shall, as*
28 *soon as practicable, adopt by resolution a replacement housing*
29 *plan with respect to that dwelling unit.*

30 *62120.7. An authority causing the rehabilitation, development,*
31 *or construction of replacement dwelling units, other than*
32 *single-family residences, pursuant to Section 62120, or pursuant*
33 *to a replacement housing plan as required by Section 62120.5, or*
34 *pursuant to provisions of a revitalization plan required by Section*
35 *62103, primarily for persons of low income, as defined in Section*
36 *50093 of the Health and Safety Code, shall give preference to those*
37 *developments that are proposed to be organized as limited-equity*
38 *housing cooperatives, when so requested as part of the public*
39 *review, provided the project is achievable in an efficient and timely*
40 *manner.*

1 *The limited-equity housing cooperatives shall, in addition to the*
2 *provisions of Section 817 of the Civil Code, be organized so that*
3 *the consideration paid for memberships or shares by the first*
4 *occupants following construction or acquisition by the corporation,*
5 *including the principal amount of obligations incurred to finance*
6 *the share or membership purchase, does not exceed 3 percent of*
7 *the development cost or acquisition cost, or of the fair market*
8 *value appraisal by the permanent lender, whichever is greater.*

9 62121. *An authority shall provide relocation assistance and*
10 *shall make all of the payments required by Chapter 16*
11 *(commencing with Section 7260) of Division 7 of Title 1, including*
12 *the making of those payments financed by the federal government.*

13 *This section shall not be construed to limit any other authority*
14 *which an authority may have to make other relocation assistance*
15 *payments, or to make any relocation assistance payment in an*
16 *amount which exceeds the maximum amount for that payment*
17 *authorized by Chapter 16 (commencing with Section 7260) of*
18 *Division 7 of Title 1.*

19 62122. *In order to facilitate the rehousing of families and single*
20 *persons displaced by any governmental action, an authority, at*
21 *the request of the city council or board of supervisors that created*
22 *the authority, may dispose of the real property acquired under the*
23 *provisions of subdivision (b) of section 62201, by sale or long-term*
24 *lease, for use as, or development of, housing for those displaced*
25 *persons.*

26 62123. (a) *An authority shall monitor, on an ongoing basis,*
27 *any housing affordable to persons and families of low or moderate*
28 *income developed or otherwise made available pursuant to any*
29 *provisions of this part. As part of this monitoring, an authority*
30 *shall require owners or managers of the housing to submit an*
31 *annual report to the authority. The annual reports shall include*
32 *for each rental unit the rental rate and the income and family size*
33 *of the occupants, and for each owner-occupied unit whether there*
34 *was a change in ownership from the prior year and, if so, the*
35 *income and family size of the new owners. The income information*
36 *required by this section shall be supplied by the tenant in a certified*
37 *statement on a form provided by the agency.*

38 (b) *The data specified in subdivision (a) shall be obtained by*
39 *the authority from owners and managers of the housing specified*
40 *therein and current data shall be included in any reports required*

1 by law to be submitted to the Department of Housing and
2 Community Development or the Controller. The information on
3 income and family size that is required to be reported by the owner
4 or manager shall be supplied by the tenant and shall be the only
5 information on income or family size that the owner or manager
6 shall be required to submit on his or her annual report to the
7 agency.

8 (c) (1) The authority shall compile and maintain a database of
9 existing, new, and substantially rehabilitated, housing units
10 developed or otherwise assisted with moneys from the Low and
11 Moderate Income Housing Fund, or otherwise counted towards
12 the requirements of subdivision (a) or (b) of Section 62120. The
13 database shall be made available to the public on the Internet and
14 updated on an annual basis and shall include the date the database
15 was last updated. The database shall require all of the following
16 information for each owner-occupied unit or rental unit, or for
17 each group of units, if more than one unit is subject to the same
18 covenant:

19 (A) The street address and the assessor's parcel number of the
20 property.

21 (B) The size of each unit, measured by the number of bedrooms.

22 (C) The year in which the construction or substantial
23 rehabilitation of the unit was completed.

24 (D) The date of recordation and document number of the
25 affordability covenants or restrictions required under subdivision
26 (f) of Section 33334.3 of the Health and Safety Code.

27 (E) The date on which the covenants or restrictions expire.

28 (F) For owner-occupied units that have changed ownership
29 during the reporting year, as described in subdivision (a), the date
30 and document number of the new affordability covenants or other
31 documents recorded to assure that the affordability restriction is
32 enforceable and continues to run with the land.

33 (G) Whether occupancy in the unit or units is restricted to any
34 special population, including senior citizens.

35 (2) Notwithstanding subparagraphs (A) and (D) of paragraph
36 (1), the database shall omit any property used to confidentially
37 house victims of domestic violence.

38 (3) Upon establishment of a database under this section, the
39 authority shall provide reasonable notice to the community
40 regarding the existence of the database.

1 (d) *The authority shall adequately fund its monitoring activities*
2 *as needed to insure compliance of applicable laws and agreements*
3 *in relation to affordable units. For purposes of defraying the cost*
4 *of complying with the requirements of this section and the changes*
5 *in reporting requirements enacted by the act enacting this section,*
6 *an authority may establish and impose fees upon owners of*
7 *properties monitored pursuant to this section.*

8
9 **PART 3. PROPERTY ACQUISITION**

10
11 62200. *“Real property” means any of the following:*

12 (a) *Land, including land under water and waterfront property.*
13 (b) *Buildings, structures, fixtures, and improvements on the*
14 *land.*

15 (c) *Any property appurtenant to or used in connection with the*
16 *land.*

17 (d) *Every estate, interest, privilege, easement, franchise, and*
18 *right in land, including rights-of-way, terms for years, and liens,*
19 *charges, or encumbrances by way of judgment, mortgage, or*
20 *otherwise and the indebtedness secured by those liens.*

21 62201. *Within the plan area or for purposes of revitalization*
22 *an authority may:*

23 (a) *Purchase, lease, obtain option upon, acquire by gift, grant,*
24 *bequest, devise, or otherwise, any real or personal property, any*
25 *interest in property, and any improvements on it, including*
26 *repurchase of developed property previously owned by the*
27 *authority. An authority shall obtain an appraisal from a qualified*
28 *independent appraiser to determine the fair market value of*
29 *property before the authority acquires or purchases real property.*

30 (b) *Accept, at the request of the legislative body of the*
31 *community, a conveyance of real property (located either within*
32 *or outside the plan area) owned by a public entity and declared*
33 *surplus by the public entity, or owned by a private entity. The*
34 *authority may dispose of that property to private persons or to*
35 *public or private entities, by sale or long-term lease for*
36 *development. All or any part of the funds derived from the sale or*
37 *lease of that property may, at the discretion of the legislative body*
38 *of the community, be paid to the community, or to the public entity*
39 *from which any that property was acquired.*

1 (c) Sell, lease, grant, or donate real property owned or acquired
2 by the agency in a survey area to a housing authority or to any
3 public agency for public housing projects.

4 (d) Offer for resale property acquired by an authority for
5 rehabilitation and resale within one year after completion of
6 rehabilitation. Properties held by the authority in excess of
7 one-year period shall be listed in the authority's annual report
8 with information conveying the reasons that property remains
9 unsold and indicating plans for its disposition.

10 (e) Acquire real property by eminent domain, provided that
11 authority is exercised within 12 years from the adoption of the
12 plan.

13 (1) Every plan adopted by an authority which contemplates
14 property owner participation in the revitalization of the area shall
15 contain alternative provisions for revitalization of the property if
16 the owners fail to participate in the revitalization as agreed. Prior
17 to the adoption of a plan, each property owner whose property
18 would be subject to acquisition by purchase or condemnation
19 under the plan shall be sent a statement in nontechnical language
20 and in a clear and coherent manner using words with common
21 and everyday meaning to that effect attached to the notice of the
22 hearing. Alternatively, a list or map of all properties which would
23 be subject to acquisition by purchase or condemnation under the
24 plan may be mailed to affected property owners with the notices
25 of hearing pursuant to Section 62004.

26 (2) Without the consent of an owner, an authority shall not
27 acquire any real property on which an existing building is to be
28 continued on its present site and in its present form and use unless
29 that building requires structural alteration, improvement,
30 modernization, or rehabilitation, or the site or lot on which the
31 building is situated requires modification in size, shape, or use,
32 or it is necessary to impose upon that property any of the
33 standards, restrictions, and controls of the plan and the owner
34 fails or refuses to agree to participate in the plan.

35 (3) Property already devoted to a public use may be acquired
36 by the agency through eminent domain, but property of a public
37 body shall not be acquired without its consent.

38 (4) An authority shall not acquire from any of its members or
39 officers any property or interest in property except through eminent
40 domain proceedings.

1 62202. *An authority shall not provide any form of direct*
2 *assistance to:*

3 (a) *An automobile dealership that will be or is on a parcel of*
4 *land which has not previously been developed for urban use.*

5 (b) *A development that will be or is on a parcel of land of five*
6 *acres or more which has not previously been developed for urban*
7 *use and that will, when developed, generate sales or use tax*
8 *pursuant to Part 1.5 (commencing with Section 7200) of Division*
9 *2 of the Revenue and Taxation Code, unless the principal permitted*
10 *use of the development is office, hotel, manufacturing, or industrial.*
11 *For the purposes of this subdivision, a parcel shall include land*
12 *on an adjacent or nearby parcel on which a use exists that is*
13 *necessary for the legal development of the parcel.*

14 (c) *A development or business, either directly or indirectly, for*
15 *the acquisition, construction, improvement, rehabilitation, or*
16 *replacement of property that is or would be used for gambling or*
17 *gaming of any kind whatsoever, including, but not limited to,*
18 *casinos, gaming clubs, bingo operations, or any facility wherein*
19 *banked or percentage games, any form of gambling device, or*
20 *lotteries, other than the California State Lottery, are or will be*
21 *played.*

22 (d) *The prohibition in subdivision (c) is not intended to prohibit*
23 *an authority from acquiring property on or in which an existing*
24 *gambling enterprise is located, for the purpose of selling or leasing*
25 *the property for uses other than gambling, provided that the agency*
26 *acquires the property for fair market value.*

27 (e) *This section shall not be construed to apply to an authority's*
28 *assistance in the construction of public improvements that serve*
29 *all or a portion of a project area and that are not required to be*
30 *constructed as a condition of approval of a development described*
31 *in subdivision (a), (b), or (c), or to prohibit assistance in the*
32 *construction of public improvements that are being constructed*
33 *for a development that is not described in subdivision (a), (b), or*
34 *(c).*

35 62203. (a) *Any covenants, conditions, or restrictions existing*
36 *on any real property within a plan area prior to the time the*
37 *authority acquires title to that property, which covenants,*
38 *conditions, or restrictions restrict or purport to restrict the use of,*
39 *or building upon, that real property, shall be void and*
40 *unenforceable as to the authority and any other subsequent owners,*

1 tenants, lessees, easement holders, mortgagees, trustees,
2 beneficiaries under a deed of trust, or any other persons or entities
3 acquiring an interest in that real property from that time as title
4 to the real property is acquired by an authority whether acquisition
5 is by gift, purchase, eminent domain, or otherwise.

6 (b) Thirty days prior to the acquisition of real property other
7 than by eminent domain, the authority shall provide notice of that
8 acquisition and the provisions of this section to holders of interests
9 which would be made void and unenforceable pursuant to this
10 section, as follows:

11 (1) The authority shall publish notice once in a newspaper of
12 general circulation in the community in which the agency is
13 functioning.

14 (2) The authority shall mail notice to holders of those interests
15 if those holders appear of record 60 days prior to the date of
16 acquisition.

17 The authority may accept any release by written instrument from
18 the holder of any interest or may commence action to acquire that
19 interest after the date of acquisition of the real property.

20 (c) This section shall not apply to covenants, conditions, or
21 restrictions imposed by an authority pursuant to a plan. This
22 section also shall not apply to covenants, conditions, or restrictions
23 where an authority in writing expressly acquires or holds property
24 subject to those covenants, conditions, or restrictions.

25 This section shall not limit or preclude any rights of reversion
26 of owners, assignees, or beneficiaries of those covenants,
27 conditions, or restrictions limiting the use of land in gifts of land
28 to cities, counties, or other governmental entities. This section
29 shall not limit or preclude the rights of owners or assignees of any
30 land benefited by any covenants, conditions, or restrictions to
31 recover damages against the agency if under law that owner or
32 assignee has any right to damages. No right to damages shall exist
33 against any purchaser from the authority or his or her successors
34 or assignees, or any other persons or entities.

35 62204. (a) If an authority has adopted a plan but has not
36 commenced an eminent domain proceeding to acquire any
37 particular parcel of property subject to eminent domain thereunder
38 within three years after the date of adoption of the plan, the owner
39 or owners of the entire fee at any time thereafter may offer in
40 writing to sell the property to the authority for its fair market value.

1 *If the authority does not, within 18 months from the date of receipt*
2 *of the original offer, acquire or institute eminent domain*
3 *proceedings to acquire the property, the property owner or owners*
4 *may file an action against the authority in inverse condemnation*
5 *to recover damages from the authority for any interference with*
6 *the possession and use of the real property resulting from the plan,*
7 *provided that this section shall not be construed as establishing*
8 *or creating a presumption to any right to damages or relief solely*
9 *by reason of the failure of the authority to acquire the property*
10 *within the time set forth in this section.*

11 *(b) No claim need be presented against an authority under Part*
12 *3 (commencing with Section 900) of Division 3.6 of Title 1 as a*
13 *prerequisite to commencement or maintenance of an action under*
14 *subdivision (a), but any action shall be commenced within one*
15 *year and six months after the expiration of the 18 months period.*

16 *(c) An authority may commence an eminent domain proceeding*
17 *or designate the property to be exempt from eminent domain under*
18 *the plan at any time before the property owner commences an*
19 *action under this section. If the authority commences an eminent*
20 *domain proceeding or designates the property to be exempt from*
21 *acquisition by eminent domain before the property owner*
22 *commences an action under this section, the property owner may*
23 *not thereafter bring an action under this section.*

24 *(d) After a property owner has commenced an action under this*
25 *section, the authority may declare the property to be exempt from*
26 *acquisition by eminent domain and abandon the taking of the*
27 *property only under the same circumstances and subject to the*
28 *same conditions and consequences as abandonment of an eminent*
29 *domain proceeding.*

30 *(e) Commencement of an action under this section does not*
31 *affect any authority an authority may have to commence an eminent*
32 *domain proceeding, take possession of the property pursuant to*
33 *Article 3 (commencing with Section 1255.410) of Chapter 6 of*
34 *Title 7 of the Code of Civil Procedure, or abandon the eminent*
35 *domain proceeding.*

36 *(f) In lieu of bringing an action under subdivision (a) or if the*
37 *limitations period provided in subdivision (b) has run, the property*
38 *owner may obtain a writ of mandate to compel the authority, within*
39 *that time as the court deems appropriate, to declare the property*

1 *acquisition exempt or to commence an eminent domain proceeding*
2 *to acquire the property.*

3 *(g) A declaration that property is exempt from acquisition by*
4 *eminent domain shall be by resolution and shall be recordable. It*
5 *shall exempt the property from eminent domain under the plan,*
6 *and the authority shall have no power of eminent domain as to the*
7 *property.*

8 *62205. Section 1245.260 of the Code of Civil Procedure shall*
9 *not apply to any resolution or ordinance adopting, approving, or*
10 *amending the amendment of plan. Section 1245.260 of the Code*
11 *of Civil Procedure shall apply to a resolution adopted by an*
12 *authority pursuant to Section 1245.220 of the Code of Civil*
13 *Procedure with respect to a particular parcel or parcels of real*
14 *property.*

15 *62206. (a) Authorities shall obligate lessees and purchasers*
16 *of real property acquired in revitalization projects undertaken or*
17 *assisted by the authority and owners of property improved as a*
18 *part of a revitalization project to refrain from restricting the rental,*
19 *sale, or lease of the property on any basis listed in subdivision (a)*
20 *or (d) of Section 12955, as those basis are defined in Sections*
21 *12926, 12926.1, subdivision (m) and paragraph (1) of subdivision*
22 *(p) of Section 12955, and Section 12955.2. All deeds, leases, or*
23 *contracts for the sale, lease, sublease, or other transfer of any land*
24 *in a revitalization project shall contain or be subject to the*
25 *nondiscrimination or nonsegregation clauses hereafter prescribed.*

26 *(b) Notwithstanding subdivision (a), with respect to familial*
27 *status, subdivision (a) shall not be construed to apply to housing*
28 *for older persons, as defined in Section 12955.9. With respect to*
29 *familial status, nothing in subdivision (a) shall be construed to*
30 *affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the*
31 *Civil Code, relating to housing for senior citizens. Subdivision (d)*
32 *of Section 51, Section 4760, and Section 6714 of the Civil Code,*
33 *and subdivisions (n), (o), and (p) of Section 12955 shall apply to*
34 *subdivision (a).*

35 *62207. Express provisions shall be included in all deeds, leases,*
36 *and contracts that the authority proposes to enter into with respect*
37 *to the sale, lease, sublease, transfer, use, occupancy, tenure, or*
38 *enjoyment of any land in a revitalization project in substantially*
39 *the following form:*

40 *(a) (1) In deeds the following language shall appear:*

1
2 *“The grantee herein covenants by and for himself or herself, his*
3 *or her heirs, executors, administrators, and assigns, and all*
4 *persons claiming under or through them, that there shall be no*
5 *discrimination against or segregation of, any person or group of*
6 *persons on account of any basis listed in subdivision (a) or (d) of*
7 *Section 12955 of the Government Code, as those basis are defined*
8 *in Sections 12926, 12926.1 of, subdivision (m) and paragraph (1)*
9 *of subdivision (p) of Section 12955 of, and Section 12955.2 of, the*
10 *Government Code, in the sale, lease, sublease, transfer, use,*
11 *occupancy, tenure, or enjoyment of the premises herein conveyed,*
12 *nor shall the grantee or any person claiming under or through*
13 *him or her, establish or permit any practice or practices of*
14 *discrimination or segregation with reference to the selection,*
15 *location, number, use, or occupancy of tenants, lessees, subtenants,*
16 *sublessees, or vendees in the premises herein conveyed. The*
17 *foregoing covenants shall run with the land.”*
18

19 *(2) Notwithstanding paragraph (1), with respect to familial*
20 *status, paragraph (1) shall not be construed to apply to housing*
21 *for older persons, as defined in Section 12955.9. With respect to*
22 *familial status, nothing in paragraph (1) shall be construed to*
23 *affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the*
24 *Civil Code, relating to housing for senior citizens. Subdivision (d)*
25 *of Section 51 of, and Sections 4760 and 6714 of, the Civil Code,*
26 *and subdivisions (n), (o), and (p) of Section 12955 shall apply to*
27 *paragraph (1).*

28 *(b) (1) In leases the following language shall appear:*
29

30 *“The lessee herein covenants by and for himself or herself, his*
31 *or her heirs, executors, administrators, and assigns, and all*
32 *persons claiming under or through him or her, and this lease is*
33 *made and accepted upon and subject to the following conditions:*
34 *That there shall be no discrimination against or segregation of*
35 *any person or group of persons, on account of any basis listed in*
36 *subdivision (a) or (d) of Section 12955 of the Government Code,*
37 *as those basis are defined in Sections 12926, 12926.1 of,*
38 *subdivision (m) and paragraph (1) of subdivision (p) of Section*
39 *12955 of, and Section 12955.2 of, the Government Code, in the*
40 *leasing, subleasing, transferring, use, occupancy, tenure, or*

1 *enjoyment of the premises herein leased nor shall the lessee himself*
2 *or herself, or any person claiming under or through him or her,*
3 *establish or permit any such practice or practices of discrimination*
4 *or segregation with reference to the selection, location, number,*
5 *use, or occupancy, of tenants, lessees, sublessees, subtenants, or*
6 *vendees in the premises herein leased.”*
7

8 *(2) Notwithstanding paragraph (1), with respect to familial*
9 *status, paragraph (1) shall not be construed to apply to housing*
10 *for older persons, as defined in Section 12955.9. With respect to*
11 *familial status, nothing in paragraph (1) shall be construed to*
12 *affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the*
13 *Civil Code, relating to housing for senior citizens. Subdivision (d)*
14 *of Section 51 of, and Sections 4760 and 6714 of, the Civil Code,*
15 *and subdivisions (n), (o), and (p) of Section 12955 shall apply to*
16 *paragraph (1).*

17 *(c) In contracts entered into by the agency relating to the sale,*
18 *transfer, or leasing of land or any interest therein acquired by the*
19 *agency within any survey area or redevelopment project the*
20 *foregoing provisions in substantially the forms set forth shall be*
21 *included and the contracts shall further provide that the foregoing*
22 *provisions shall be binding upon and shall obligate the contracting*
23 *party or parties and any subcontracting party or parties, or other*
24 *transferees under the instrument.*

25 *62208. (a) The authority shall retain controls and establish*
26 *restrictions or covenants running with land sold or leased for*
27 *private use for those periods of time and under those conditions*
28 *as are provided in the plan. The establishment of those controls*
29 *is a public purpose under this division.*

30 *(b) An authority shall obligate lessees or purchasers of property*
31 *acquired in a revitalization project to:*

32 *(1) Use the property for the purpose designated in the*
33 *revitalization plans.*

34 *(2) Begin the revitalization of the project area within a period*
35 *of time which the authority fixes as reasonable.*

36 *(3) Comply with the covenants, conditions, or restrictions that*
37 *the authority deems necessary to prevent speculation or excess*
38 *profittaking in undeveloped land, including right of reverter to the*
39 *agency. Covenants, conditions, and restrictions imposed by an*
40 *authority may provide for the reasonable protection of lenders.*

1 (4) *Comply with other conditions which the authority deems*
2 *necessary to carry out the purposes of this part.*

3 ~~SECTION 1. It is the intent of the Legislature to enact~~
4 ~~legislation that would authorize certain local agencies to form a~~
5 ~~community revitalization authority within a community~~
6 ~~revitalization and investment area, as defined, to carry out~~
7 ~~provisions of the Community Redevelopment Law in that area for~~
8 ~~purposes related to, among other things, infrastructure, affordable~~
9 ~~housing, and economic revitalization, and to provide for the~~
10 ~~financing of these activities by, among other things, the issuance~~
11 ~~of bonds serviced by tax increment revenues.~~