

AMENDED IN SENATE APRIL 27, 2000

AMENDED IN SENATE MARCH 30, 2000

SENATE BILL

No. 2113

Introduced by Senator Burton

February 25, 2000

An act to amend Section 33333.6 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 2113, as amended, Burton. Redevelopment plans: extension.

Existing law prescribes time limits on the effectiveness of, and the establishing and payment of debt and the receipt of property taxes pursuant to, redevelopment plans adopted on or before December 31, 1993, and authorizes a 10-year extension of those time limits, as specified.

This bill would authorize specified activities in connection with a redevelopment plan *of a redevelopment agency of a city and county* to be extended for additional prescribed periods if certain conditions are met.

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

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

- 1 SECTION 1. *(a) It is the intent of the Legislature to*
- 2 *provide an extension in the time limits of paragraph (1)*
- 3 *of subdivision (a) of Section 33333.6 of the Health and*

1 Safety Code to further the Legislature's purpose to
2 remedy an inadequate statewide supply of decent, safe,
3 and sanitary housing affordable to persons and families of
4 low and moderate income, as defined by Section 50093 of
5 the Health and Safety Code, that threatens the
6 accomplishment of the primary purpose of the
7 Community Redevelopment Law, including job creation,
8 attracting new private investment, and creating physical,
9 economic, social, and environmental conditions to
10 remove and prevent the recurrence of blight in the City
11 and County of San Francisco.

12 (b) The Legislature finds and declares that an
13 extension in the time limits of paragraph (1) of
14 subdivision (a) of Section 33333.6 of the Health and Safety
15 Code should be provided to the City and County of San
16 Francisco solely to fund Low and Moderate Income
17 Housing Fund activities. The City and County of San
18 Francisco has among the highest median rents and
19 median sales prices in the state; has exceeded the housing
20 production goals of the Community Redevelopment
21 Law, yet housing need remains; has used local funds
22 beyond the Low and Moderate Income Housing Fund to
23 fund affordable housing; has issued general obligation
24 bonds in support of affordable housing; and has blight in
25 the jurisdiction's remaining project areas.

26 (c) The Legislature further finds and declares that
27 among the consequences of redevelopment projects in
28 the City and County of San Francisco is an unintentional
29 loss of affordable housing units, and that the extension in
30 the time limits of paragraph (1) of subdivision (a) of
31 Section 33333.6 of the Health and Safety Code made by
32 this act will provide the City and County of San Francisco
33 the opportunity to provide for the replacement of those
34 lost housing units.

35 (d) The Legislature further finds and declares that the
36 provision of an extension in the time limits of paragraph
37 (1) of subdivision (a) of Section 33333.6 of the Health and
38 Safety Code should be provided to the City and County
39 of San Francisco and will have no fiscal impact on the
40 state but will provide the City and County of San



1 *Francisco the ability to continue funding Low and*
2 *Moderate Income Housing Fund activities subject to the*
3 *approval of the local governing bodies and oversight by*
4 *the Department of Housing and Community*
5 *Development.*

6 SEC. 2. Section 33333.6 of the Health and Safety Code
7 is amended to read:

8 33333.6. The limitations of this section shall apply to
9 every redevelopment plan adopted on or before
10 December 31, 1993.

11 (a) (1) The time limit on the establishing of loans,
12 advances, and indebtedness adopted pursuant to
13 paragraph (2) of subdivision (a) of Section 33333.2 or
14 paragraph (2) of subdivision (a) of Section 33333.4 shall
15 not exceed 20 years from the adoption of the
16 redevelopment plan or January 1, 2004, whichever is
17 later. This limit, however, shall not prevent agencies from
18 incurring debt to be paid from the Low and Moderate
19 Income Housing Fund or establishing more debt in order
20 to fulfill the agency's housing obligations under Section
21 33413. This limit shall not prevent agencies from
22 refinancing, refunding, or restructuring indebtedness
23 after the time limit if the indebtedness is not increased
24 and the time during which the indebtedness is to be
25 repaid does not exceed the date on which the
26 indebtedness would have been paid.

27 (2) The time limitation established by this subdivision
28 may be extended, only by amendment of the
29 redevelopment plan, after the agency finds, based on
30 substantial evidence that: (A) significant blight remains
31 within the project area; and (B) this blight cannot be
32 eliminated without the establishment of additional debt.
33 However, this amended time limitation may not exceed
34 10 years from the time limit established pursuant to this
35 subdivision or the time limit on the effectiveness of the
36 plan established pursuant to subdivision (b), whichever
37 is earlier.

38 (b) The effectiveness of every redevelopment plan to
39 which this section applies shall terminate at a date which
40 shall not exceed 40 years from the adoption of the



1 redevelopment plan or January 1, 2009, whichever is
2 later. After the time limit on the effectiveness of the
3 redevelopment plan, the agency shall have no authority
4 to act pursuant to the redevelopment plan except to pay
5 previously incurred indebtedness and to enforce existing
6 covenants, contracts, or other obligations.

7 (c) (1) Except as provided in paragraph (2) and
8 subdivisions (g) and (h), a redevelopment agency shall
9 not pay indebtedness or receive property taxes pursuant
10 to Section 33670 after 10 years from the termination of the
11 effectiveness of the redevelopment plan pursuant to
12 subdivision (b).

13 (2) (A) With respect to a plan *of any redevelopment*
14 *agency of a city and county* for which the time limits of
15 paragraph (1) of subdivision (a) ~~of Section 33333.6~~ apply,
16 the agency may extend the time limit to incur
17 indebtedness exclusively for Low and Moderate Income
18 Housing Fund activities eligible under ~~Section 33334.2~~
19 *Sections 33334.2 and 33334.3* until no later than January 1,
20 2014, and may extend the time limit to complete Low and
21 Moderate Income Housing Fund activities until no later
22 than January 1, 2024. The ability of the agency to receive
23 tax increment revenues to repay indebtedness incurred
24 for Low and Moderate Income Housing Fund activities
25 may be extended until no later than January 1, 2044.

26 (B) Annual revenues shall not exceed the amount
27 necessary to fund the Low and Moderate Income
28 Housing Fund activities of the agency, ~~including not~~. *The*
29 *agency shall neither collect nor spend* more than 10
30 percent for the planning and administrative costs
31 authorized pursuant to subdivision (e) of Section 33334.3.
32 Revenues received under this paragraph shall not exceed
33 the amount of tax increment received and allocated to
34 the agency pursuant to the plan, as it has been amended,
35 less the amount necessary to pay prior outstanding
36 indebtedness, and less the amount of the project area's
37 property tax revenue that school entities are entitled to
38 receive pursuant to Chapter 3 (commencing with Section
39 75) and Chapter 6 (commencing with Section 95) of Part
40 0.5 of Division 1 of the Revenue and Taxation Code if the



1 plan had not been amended. Additionally, revenues
2 collected under this paragraph are subject to the
3 payments to affected taxing entities pursuant to Section
4 33607.

5 (C) *The activities conducted with revenues received*
6 *under this paragraph shall be consistent with the policies*
7 *and objectives of the community's housing element, as*
8 *reviewed and approved by the department, and shall*
9 *address the unmet housing needs of very low, low- and*
10 *moderate-income households. The activities shall also be*
11 *consistent with the community's most recently approved*
12 *consolidated and annual action plans submitted to the*
13 *United States Department of Housing and Urban*
14 *Development, and if the director deems it necessary, the*
15 *annual action plans shall be submitted to the department*
16 *on an annual basis. No less than 50 percent of the revenues*
17 *received shall be devoted to assisting in the development*
18 *of housing that is affordable to very low income*
19 *households.*

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

24 (i) The community has ~~adopted~~ *a current* housing
25 element that substantially complies with the
26 requirements of Article 10.6 (commencing with Section
27 65580) of Chapter 3 of Division 1 of Title 7 of the
28 Government Code.

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

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

35 (iv) The agency has complied with subdivision (a) of
36 Section 33334.2.

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



1 ~~Project areas that currently do not meet the~~
2 ~~requirements of this paragraph shall have until January~~
3 ~~1, 2009, to meet these requirements in order to bring the~~
4 ~~project area within this paragraph.~~

5 (d) (1) If plans that had different dates of adoption
6 were merged on or before December 31, 1993, the time
7 limitations required by this section shall be counted
8 individually for each merged plan from the date of the
9 adoption of each plan. If an amendment to a
10 redevelopment plan added territory to the project area
11 on or before December 31, 1993, the time limitations
12 required by this section shall commence, with respect to
13 the redevelopment plan, from the date of the adoption of
14 the redevelopment plan, and, with respect to the added
15 territory, from the date of the adoption of the
16 amendment.

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

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

33 (2) The limitations established in the ordinance
34 adopted pursuant to this section shall apply to the
35 redevelopment plan as if the redevelopment plan had
36 been amended to include those limitations. However, in
37 adopting the ordinance required by this section, neither
38 the legislative body nor the agency is required to comply
39 with Article 12 (commencing with Section 33450) or any



1 other provision of this part relating to the amendment of
2 redevelopment plans.

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

9 (2) A redevelopment plan adopted prior to January 1,
10 1994, that has a limitation shorter than the terms provided
11 in this section may be amended by a legislative body by
12 adoption of an ordinance on or after January 1, 1999, but
13 on or before December 31, 1999, to extend the limitation,
14 provided that the plan as so amended does not exceed the
15 terms provided in this section. The ordinance authorized
16 by this subdivision shall not be used to extend a limitation
17 pursuant to the authority in paragraph (2) of subdivision
18 (a). In adopting this ordinance, neither the legislative
19 body nor the agency is required to comply with Section
20 33354.6 or Article 12 (commencing with Section 33450) or
21 any other provision of this part relating to the
22 amendment of redevelopment plans.

23 (g) The limitations established in the ordinance
24 adopted pursuant to this section shall not be applied to
25 limit allocation of taxes to an agency to the extent
26 required to eliminate project deficits created under
27 subdivision (e) of Section 33320.5, subdivision (g) of
28 Section 33334.6, or subdivision (d) of Section 33487, in
29 accordance with the plan adopted pursuant thereto for
30 the purpose of eliminating the deficits or to implement a
31 replacement housing program pursuant to Section 33413.
32 In the event of a conflict between these limitations and
33 the obligations under Section 33334.6 or to implement a
34 replacement housing program pursuant to Section 33413,
35 the legislative body shall amend the ordinance adopted
36 pursuant to this section to modify the limitations to the
37 extent necessary to permit compliance with the plan
38 adopted pursuant to subdivision (g) of Section 33334.6
39 and to allow full expenditure of moneys in the agency's
40 Low and Moderate Income Housing Fund in accordance



1 with Section 33334.3 or to permit implementation of the
2 replacement housing program pursuant to Section 33413.
3 The procedure for amending the ordinance pursuant to
4 this subdivision shall be the same as for adopting the
5 ordinance under subdivision (e).

6 (h) This section shall not be construed to affect the
7 validity of any bond, indebtedness, or other obligation,
8 including any mitigation agreement entered into
9 pursuant to Section 33401, authorized by the legislative
10 body, or the agency pursuant to this part, prior to January
11 1, 1994. This section shall not be construed to affect the
12 right of an agency to receive property taxes, pursuant to
13 Section 33670, to pay the bond, indebtedness, or other
14 obligation.

15 (i) A redevelopment agency shall not pay
16 indebtedness or receive property taxes pursuant to
17 Section 33670, with respect to a redevelopment plan
18 adopted prior to January 1, 1994, after the date identified
19 in subdivision (c) or the date identified in the
20 redevelopment plan, whichever is earlier, except as
21 provided in paragraph (2) of subdivision (f) or in
22 subdivision (h).

23 (j) The Legislature finds and declares that the
24 amendments made to this section by the act that adds this
25 subdivision are intended to add limitations to the law on
26 and after January 1, 1994, and are not intended to change
27 or express legislative intent with respect to the law prior
28 to that date. It is not the intent of the Legislature to affect
29 the merits of any litigation regarding the ability of a
30 redevelopment agency to sell bonds for a term that
31 exceeds the limit of a redevelopment plan pursuant to law
32 that existed prior to January 1, 1994.

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

O

