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**HEALTH AND SAFETY CODE - HSC**

**DIVISION 24. COMMUNITY DEVELOPMENT AND HOUSING [33000 - 37964]** (*Heading of Division 24 amended by Stats. 1975, Ch. 1137.*)

**PART 1. COMMUNITY REDEVELOPMENT LAW [33000 - 33855]** (*Part 1 repealed and added by Stats. 1963, Ch. 1812.*)

**CHAPTER 1. General [33000 - 33080.8]** (*Chapter 1 added by Stats. 1963, Ch. 1812.*)

**ARTICLE 6. Reporting Requirement [33080 - 33080.8]** (*Article 6 added by Stats. 1975, Ch. 1137.*)

**33080.** (a) Every redevelopment agency shall file with the Controller within six months of the end of the agency's fiscal year a copy of the report required by Section 33080.1. In addition, each redevelopment agency shall file with the department a copy of the audit report required by subdivision (a) of Section 33080.1. The reports shall be made in the time, format, and manner prescribed by the Controller after consultation with the department.

(b) The redevelopment agency shall provide a copy of the report required by Section 33080.1, upon the written request of any person or any taxing agency. If the report does not include detailed information regarding administrative costs, professional services, or other expenditures, the person or taxing agency may request, and the redevelopment agency shall provide, that information. The person or taxing agency shall reimburse the redevelopment agency for all actual and reasonable costs incurred in connection with the provision of the requested information.

(*Amended by Stats. 1998, Ch. 40, Sec. 1. Effective January 1, 1999.*)

**33080.1.** Every redevelopment agency shall submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body within 30 days of receipt of that audit report. In addition, every redevelopment agency shall present an annual report to its legislative body within six months of the end of the agency's fiscal year. The annual report shall contain all of the following:

(a) (1) An independent financial audit report for the previous fiscal year. "Audit report" means an examination of, and opinion on, the financial statements of the agency which present the results of the operations and financial position of the agency, including all financial activities with moneys required to be held in a separate Low and Moderate Income Housing Fund pursuant to Section 33334.3. This audit shall be conducted by a certified public accountant or public accountant, licensed by the State of California, in accordance with Government Auditing Standards adopted by the Comptroller General of the United States. The audit report shall meet, at a minimum, the audit guidelines prescribed by the Controller's office pursuant to Section 33080.3 and also include a report on the agency's compliance with laws, regulations, and administrative requirements governing activities of the agency, and a calculation of the excess surplus in the Low and Moderate Income Housing Fund as defined in subdivision (g) of Section 33334.12.

(2) However, the legislative body may elect to omit from inclusion in the audit report any distinct activity of the agency that is funded exclusively by the federal government and that is subject to audit by the federal government.

(b) A fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5.

(c) A description of the agency's activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7.

(d) A description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year.

(e) A list of, and status report on, all loans made by the redevelopment agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the redevelopment agency.

(f) A description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.

(g) A list of the fiscal years that the agency expects each of the following time limits to expire:

(1) The time limit for the commencement for eminent domain proceedings to acquire property within the project area.

(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project.

(3) The time limit for the effectiveness of the redevelopment plan.

(4) The time limit to repay indebtedness with the proceeds of property taxes.

(h) Any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.

*(Amended by Stats. 2007, Ch. 90, Sec. 1. Effective January 1, 2008.)*

**33080.2.** (a) When the agency presents the annual report to the legislative body pursuant to Section 33080.1, the agency shall inform the legislative body of any major audit violations of this part based on the independent financial audit report. The agency shall inform the legislative body that the failure to correct a major audit violation of this part may result in the filing of an action by the Attorney General pursuant to Section 33080.8.

(b) The legislative body shall review any report submitted pursuant to Section 33080.1 and take any action it deems appropriate on that report no later than the first meeting of the legislative body occurring more than 21 days from the receipt of the report.

*(Amended by Stats. 2010, Ch. 699, Sec. 26. (SB 894) Effective January 1, 2011.)*

**33080.3.** The Controller shall develop and periodically revise the guidelines for the content of the report required by Section 33080.1. The Controller shall appoint an advisory committee to advise in the development of the guidelines. The advisory committee shall include representatives from among those persons nominated by the department, the Legislative Analyst, the California Society of Certified Public Accountants, the California Redevelopment Association, and any other authorities in the field that the Controller deems necessary and appropriate.

*(Amended by Stats. 1998, Ch. 40, Sec. 3. Effective January 1, 1999.)*

**33080.4.** (a) For the purposes of compliance with subdivision (c) of Section 33080.1, the description of the agency's activities shall contain the following information regardless of whether each activity is funded exclusively by the state or federal government, for each project area and for the agency overall:

(1) Pursuant to Section 33413, the total number of nonelderly and elderly households, including separate subtotals of the numbers of very low income households, other lower income households, and persons and families of moderate income, that were displaced or moved from their dwelling units as part of a redevelopment project of the agency during the previous fiscal year.

(2) Pursuant to Section 33413.5, the total number of nonelderly and elderly households, including separate subtotals of the numbers of very low income households, other lower income households, and persons and families of moderate income, that the agency estimates will be displaced or will move from their dwellings as part of a redevelopment project of the agency during the present fiscal year and the date of adoption of a replacement housing plan for each project area subject to Section 33413.5.

(3) The total number of dwelling units housing very low income households, other lower income households, and persons and families of moderate income, respectively, which have been destroyed or removed from the low- or moderate-income housing market during the previous fiscal year as part of a redevelopment project of the agency, specifying the number of those units which are not subject to Section 33413.

(4) The total numbers of agency-assisted dwelling units which were constructed, rehabilitated, acquired, or subsidized during the previous fiscal year for occupancy at an affordable housing cost by elderly persons and families, but only if the units are restricted by agreement or ordinance for occupancy by the elderly, and by very low income households, other lower income households, and persons and families of moderate income, respectively, specifying those units which are not currently so occupied, those units which have replaced units destroyed or removed pursuant to subdivision (a) of Section 33413, and the length of time any agency-assisted units are required to remain available at affordable costs.

(5) The total numbers of new or rehabilitated units subject to paragraph (2) of subdivision (b) of Section 33413, including separate subtotals of the number originally affordable to and currently occupied by, elderly persons and families, but only if the units are restricted by agreement or ordinance for occupancy by the elderly, and by very low income households, other lower income households, and persons and families of moderate income, respectively, and the length of time these units are required to remain available at affordable costs.

(6) The status and use of the Low and Moderate Income Housing Fund created pursuant to Section 33334.3, including information on the use of this fund for very low income households, other lower income households, and persons and families of moderate income, respectively. If the Low and Moderate Income Housing Fund is used to subsidize the cost of onsite or offsite

improvements, then the description of the agency's activities shall include the number of housing units affordable to persons and families of low or moderate income which have been directly benefited by the onsite or offsite improvements.

(7) A compilation of the annual reports obtained by the agency under Section 33418 including identification of the number of units occupied by persons and families of moderate income, other lower income households, and very low income households, respectively, and identification of projects in violation of this part or any agreements in relation to affordable units.

(8) The total amount of funds expended for planning and general administrative costs as defined in subdivisions (d) and (e) of Section 33334.3.

(9) Any other information which the agency believes useful to explain its housing programs, including, but not limited to, housing for persons and families of other than low and moderate income.

(10) The total number of dwelling units for very low income households, other lower income households, and persons and families of moderate income to be constructed under the terms of an executed agreement or contract and the name and execution date of the agreement or contract. These units may only be reported for a period of two years from the execution date of the agreement or contract.

(11) The date and amount of all deposits and withdrawals of moneys deposited to and withdrawn from the Low and Moderate Income Housing Fund.

(b) As used in this section:

(1) "Elderly," has the same meaning as specified in Section 50067.

(2) "Persons and families of moderate income," has the same meaning as specified in subdivision (b) of Section 50093.

(3) "Other lower income households," has the same meaning as "lower income households" as specified in Section 50079.5, exclusive of very low income households.

(4) "Persons and families of low or moderate income," has the same meaning as specified in Section 50093.

(5) "Very low income households," has the same meaning as specified in Section 50105.

(c) Costs associated with preparing the report required by this section may be paid with moneys from the Low and Moderate Income Housing Fund.

*(Amended by Stats. 1993, Ch. 942, Sec. 7. Effective January 1, 1994.)*

**33080.5.** For the purposes of compliance with subdivision (b) of Section 33080.1, the fiscal statement shall contain the following information:

(a) The amount of outstanding indebtedness of the agency and each project area.

(b) The amount of tax increment property tax revenues generated in the agency and in each project area.

(c) The amount of tax increment revenues paid to, or spent on behalf of, a taxing agency, other than a school or community college district, pursuant to subdivision (b) of Section 33401 or Section 33676. Moneys expended on behalf of a taxing agency shall be itemized per each individual capital improvement.

(d) The financial transactions report required pursuant to Section 53891 of the Government Code.

(e) The amount allocated to school or community college districts pursuant to each of the following provisions: (1) Section 33401; (2) Section 33445; (3) Section 33445.5; (4) paragraph (2) of subdivision (a) of Section 33676; and (5) Section 33681.

(f) The amount of existing indebtedness, as defined in Section 33682, and the total amount of payments required to be paid on existing indebtedness for that fiscal year.

(g) Any other fiscal information which the agency believes useful to describe its programs.

*(Amended by Stats. 1993, Ch. 476, Sec. 1. Effective January 1, 1994.)*

**33080.6.** On or before May 1 of each year, the department shall compile and publish reports of the activities of redevelopment agencies for the previous fiscal year, based on the information reported pursuant to subdivision (c) of Section 33080.1 and reporting the types of findings made by agencies pursuant to paragraph (1), (2), or (3) of subdivision (a) of Section 33334.2, including the date of the findings. The department's compilation shall also report on the project area mergers reported pursuant to Section 33488. The department shall publish this information for each project area of each redevelopment agency. These reports may also contain the biennial review of relocation assistance required by Section 50460. The first report published pursuant to this section shall be for the

1984–85 fiscal year. For fiscal year 1987–88 and succeeding fiscal years, the report shall contain a list of those project areas which are not subject to the requirements of Section 33413.

The department shall send a copy of the executive summary of its report to each redevelopment agency for which information was reported pursuant to Section 33080.1 for the fiscal year covered by the report. The department shall send a copy of its report to each redevelopment agency that requests a copy.

*(Amended by Stats. 1998, Ch. 39, Sec. 3. Effective January 1, 1999.)*

**33080.7.** For purposes of compliance with subdivision (c) of Section 33080.1 and in addition to the requirements of Section 33080.4, the description of the agency's activities shall identify the amount of excess surplus, as defined in Section 33334.10, which has accumulated in the agency's Low and Moderate Income Housing Fund. Of the total excess surplus, the description shall also identify the amount that has accrued to the Low and Moderate Income Housing Fund during each fiscal year. This component of the annual report shall also include any plan required to be reported by subdivision (c) of Section 33334.10.

*(Amended by Stats. 2006, Ch. 538, Sec. 387. Effective January 1, 2007.)*

**33080.8.** (a) On or before April 1 of each year, the Controller shall compile a list of agencies that appear to have major audit violations as defined in this section, based on the independent financial audit reports filed with the Controller pursuant to Section 33080.

(b) On or before June 1 of each year, for each major audit violation of each agency identified pursuant to subdivision (a), the Controller shall determine if the agency has corrected the major audit violation. Before making this determination, the Controller shall consult with each affected agency. In making this determination, the Controller may request and shall receive the prompt assistance of public officials and public agencies, including, but not limited to, the affected agencies, counties, and cities. If the Controller determines that an agency has not corrected the major audit violation, the Controller shall send a list of those agencies, their major violations, all relevant documents, and the affidavits required pursuant to subdivision (d) to the Attorney General for action pursuant to this section.

(c) For each agency that the Controller refers to the Attorney General pursuant to subdivision (b), the Controller shall notify the agency and the legislative body that the agency was on the list sent to the Attorney General. The Controller's notice shall inform the agency and the legislative body of the duties imposed by Section 33080.2.

(d) Within 45 days of receiving the referral from the Controller pursuant to subdivision (b), the Attorney General shall determine whether to file an action to compel the agency's compliance with this part. Any action filed pursuant to this section shall be commenced in the County of Sacramento. The time limit for the Attorney General to make this determination is directory and not mandatory. Any action shall be accompanied by an affidavit or affidavits, to be provided by the Controller with the referral, setting forth facts that demonstrate a likelihood of success on the merits of the claim that the agency has a major audit violation. The affidavit shall also certify that the agency and the legislative body were informed not less than 10 days prior to the date on which the action was filed. The agency shall file a response to any action filed by the Attorney General pursuant to this section within 15 days of service.

(e) (1) On the earliest day that the business of the court will permit, but not later than 45 days after the filing of an action pursuant to this section, the court shall conduct a hearing to determine if good cause exists for believing that the agency has a major audit violation and has not corrected that violation.

(2) If the court determines that no good cause exists or that the agency had a major audit violation but corrected the major audit violation, the court shall dismiss the action.

(3) If the court determines that there is good cause for believing that the agency has a major audit violation and has not corrected that major audit violation, the court shall immediately issue an order that prohibits the agency from doing any of the following:

(A) Encumbering any funds or expending any money derived from any source except to pay the obligations designated in subparagraphs (A) to (G), inclusive, of paragraph (1) of subdivision (e) of Section 33334.12.

(B) Adopting a redevelopment plan.

(C) Amending a redevelopment plan except to correct the major audit violation that is the subject of the action.

(D) Issuing, selling, offering for sale, or delivering any bonds or any other evidence of indebtedness.

(E) Incurring any indebtedness.

(f) In a case that is subject to paragraph (3) of subdivision (e), the court shall also set a hearing on the matter within 60 days.

(g) If, on the basis of that subsequent hearing, the court determines that the agency has a major audit violation and has not corrected that violation, the court shall order the agency to comply with this part within 30 days, and order the agency to forfeit to the state no more than:

(1) Two thousand dollars (\$2,000) in the case of a community redevelopment agency with a total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000) as reported in the Controller's annual financial reports.

(2) Five thousand dollars (\$5,000) in the case of a community redevelopment agency with a total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000) as reported in the Controller's annual financial reports.

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

(h) The order issued by the court pursuant to paragraph (3) of subdivision (e) shall continue in effect until the court determines that the agency has corrected the major audit violation. If the court determines that the agency has corrected the major audit violation, the court may dissolve its order issued pursuant to paragraph (3) of subdivision (e) at any time.

(i) An action filed pursuant to this section to compel an agency to comply with this part is in addition to any other remedy, and is not an exclusive means to compel compliance.

(j) As used in this section, "major audit violation" means that, for the fiscal year in question, an agency did not:

(1) File an independent financial audit report that substantially conforms with the requirements of subdivision (a) of Section 33080.1.

(2) File a fiscal statement that includes substantially all of the information required by Section 33080.5.

(3) Establish time limits, as required by Section 33333.6.

(4) Deposit all required tax increment revenues directly into the Low and Moderate Income Housing Fund upon receipt, as required by Section 33334.3, 33334.6, 33487, or 33492.16.

(5) Establish a Low and Moderate Income Housing Fund, as required by subdivision (a) of Section 33334.3.

(6) Accrue interest earned by the Low and Moderate Income Housing Fund to that fund, as required by subdivision (b) of Section 33334.3.

(7) Determine that the planning and administrative costs charged to the Low and Moderate Income Housing Fund are necessary for the production, improvement, or preservation of low- and moderate-income housing, as required by subdivision (d) of Section 33334.3.

(8) Initiate development of housing on real property acquired using moneys from the Low and Moderate Income Housing Fund or sell the property, as required by Section 33334.16.

(9) Adopt an implementation plan, as required by Section 33490.

*(Amended by Stats. 2003, Ch. 318, Sec. 1. Effective January 1, 2004.)*