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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 COMMUNITY REDEVELOPMENT LAW [33000 - 33855] (*Part 1 repealed and added by Stats. 1963, Ch. 1812.*)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 4. Redevelopment Procedures and Activities [33300 - 33490] (*Chapter 4 added by Stats. 1963, Ch. 1812.*)

ARTICLE 16. Merger of Project Areas [33485 - 33489] (*Article 16 added by Stats. 1980, Ch. 696.*)

33485. The Legislature finds and declares that the provisions of this part, which require that taxes allocated pursuant to Section 16 of Article XVI of the California Constitution and Section 33670 be applied to the project area in which those taxes are generated, are designed to assure (1) that project areas are terminated when the redevelopment of those areas has been completed and (2) that the increased revenues that result from redevelopment accrue to the benefit of affected taxing jurisdictions at the completion of redevelopment activities in a project area. Mergers of project areas are desirable as a matter of public policy if they result in substantial benefit to the public and if they contribute to the revitalization of blighted areas through the increased economic vitality of those areas and through increased and improved housing opportunities in or near such areas. The Legislature further finds and declares that it is necessary to enact a statute that sets out uniform statewide standards for merger of project areas to assure that those mergers serve a vital public purpose.

(Amended by Stats. 2006, Ch. 595, Sec. 13. Effective January 1, 2007.)

33486. (a) For the purpose of allocating taxes pursuant to Section 33670 and subject to the provisions of this article, redevelopment project areas under the jurisdiction of a redevelopment agency for which redevelopment plans have been adopted pursuant to Article 5 (commencing with Section 33360), may be merged, without regard to contiguity of the areas, by the amendment of each affected redevelopment plan as provided in Article 12 (commencing with Section 33450). Before adopting the ordinance amending each affected redevelopment plan, the legislative body shall find, based on substantial evidence, that both of the following conditions exist:

(1) Significant blight remains within one of the project areas.

(2) This blight cannot be eliminated without merging the project areas and the receipt of property taxes.

(b) (1) Except as provided in paragraph (2), taxes attributable to each project area merged pursuant to this section that are allocated to the redevelopment agency pursuant to Section 33670 may be allocated to the entire merged project area for the purpose of paying the principal of, and interest on, indebtedness incurred by the redevelopment agency to finance or refinance, in whole or in part, the merged redevelopment project.

(2) If the redevelopment agency has, prior to merger of redevelopment project areas, incurred any indebtedness on account of a constituent project area so merged, taxes attributable to that area that are allocated to the agency pursuant to Section 33670 shall be first used to comply with the terms of any bond resolution or other agreement pledging the taxes from the constituent project area.

(c) After the merger of redevelopment projects pursuant to subdivision (a), the clerk of the legislative body shall transmit a copy of the ordinance amending the plans for projects to be merged to the governing body of each of the taxing agencies that receives property taxes from or levies property taxes upon any property in the project.

(Amended by Stats. 2006, Ch. 595, Sec. 14. Effective January 1, 2007.)

33487. (a) Subject to subdivisions (a) and (b) of Section 33486, not less than 20 percent of all taxes that are allocated to the redevelopment agency pursuant to Section 33670 for redevelopment projects merged pursuant to this article, irrespective of the date

of adoption of the final redevelopment plans, shall be deposited by the agency in the Low and Moderate Income Housing Fund established pursuant to Section 33334.3, or which shall be established for purposes of this section. The agency shall use the moneys in this fund to assist in the construction or rehabilitation of housing units that will be available to, or occupied by, persons and families of low or moderate income, as defined in Section 50093, and very low income households, as defined in Section 50105, for the longest feasible time period but not less than 55 years for rental units and 45 years for owner-occupied units. For the purposes of this subdivision, "construction and rehabilitation" shall include acquisition of land, improvements to land; the acquisition, rehabilitation, or construction of structures; or the provision of subsidies necessary to provide housing for persons and families of low or moderate income, as defined in Section 50093, and very low income households, as defined in Section 50105.

(b) The agency may use the funds set aside by subdivision (a) inside or outside the project area. However, the agency may only use these funds outside the project area upon a resolution of the agency and the legislative body that the use will be of benefit to the project. This determination by the agency and the legislative body shall be final and conclusive as to the issue of benefit to the project area. The Legislature finds and declares that the provision of replacement housing pursuant to Section 33413 is of benefit to a project.

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

(c) If moneys deposited in the Low and Moderate Income Housing Fund pursuant to this section have not been committed for the purposes specified in subdivisions (a) and (b) for a period of six years following deposit in that fund, the agency shall offer these moneys to the housing authority that operates within the jurisdiction of the agency, if activated pursuant to Section 34240, for the purpose of constructing or rehabilitating housing as provided in subdivisions (a) and (b). However, if no housing authority operates within the jurisdiction of the agency, the agency may retain these moneys for use pursuant to this section.

(d) If the agency deposits less than 20 percent of taxes allocated pursuant to Section 33670, due to the provisions of subdivisions (a) and (b) of Section 33486, in any fiscal year, a deficit shall be created in the Low and Moderate Income Housing Fund in an amount equal to the difference between 20 percent of the taxes allocated pursuant to Section 33670 and the amount deposited in that year. The deficit, if any, created pursuant to this section constitutes an indebtedness of the project. The agency shall eliminate the deficit by expending taxes allocated in years subsequent to creation of the deficit and, until the time when that deficit has been eliminated, an agency shall not incur new obligations for purposes other than those set forth in Section 33487, except to comply with the terms of any resolution or other agreement pledging taxes allocated pursuant to Section 33670 that existed on the date of merger pursuant to this article.

(e) Notwithstanding subdivision (d) of Section 33413, any agency that merges its redevelopment project areas pursuant to this article shall be subject to subdivisions (a) and (c) of Section 33413.

(Amended by Stats. 2002, Ch. 782, Sec. 19. Effective January 1, 2003.)

33488. Prior to merging project areas pursuant to Section 33486, a redevelopment agency shall notify the department of its intention to merge its project areas, which shall occur no later than 30 days prior to adoption of the ordinance which provides for merger.

(Added by Stats. 1980, Ch. 696.)

33489. (a) Except as provided in subdivision (b), this article shall be exclusive authority for merger of redevelopment project areas on and after January 1, 1981. However, project areas merged prior to January 1, 1981, pursuant to other provisions of this chapter shall continue to be governed by such provisions.

(b) If Assembly Bill No. 3300 of the 1979–80 Regular Session is chaptered and becomes effective and adds Article 14.5 (commencing with Section 33478) to this chapter relating to the merger of project areas within the City of Richmond, any such project merger within the City of Richmond may be conducted either under this article or alternatively pursuant to the provisions of Article 14.5 (commencing with Section 33478).

(Added by Stats. 1980, Ch. 696.)