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TITLE 5. LOCAL AGENCIES [50001 - 57607] (Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821] (Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] (Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 2.6. Infrastructure and Revitalization Financing Districts [53369 - 53369.49] (Chapter 2.6 added by Stats. 2014, Ch. 775, Sec. 1.)

ARTICLE 1. General Provisions [53369 - 53369.8] (Article 1 added by Stats. 2014, Ch. 775, Sec. 1.)

53369. It is the intent of the Legislature in enacting this chapter to establish a long-term permanent program that provides local governments with tools and resources for specified purposes, including, but not limited to, public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation, in a manner that encourages local cooperation and includes appropriate protections for state and local taxpayers.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)

53369.1. Unless the context otherwise requires, the definitions contained in this article shall govern the construction of this chapter.

- (a) "Affected taxing entity" means any governmental taxing agency that levied or had levied on its behalf a property tax on all or a portion of the property located in the proposed district in the fiscal year prior to the designation of the district, but not including any county office of education, school district, or community college district.
- (b) "City" means a city, county, city and county, or joint powers authority, where that entity is acting as the military base reuse authority established pursuant to Title 7.86 (commencing with Section 67800).
- (c) "Debt" means any binding obligation to repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals.
- (d) "Designated official" means the city engineer or other appropriate official designated pursuant to Section 53369.13.
- (e) (1) "District" means an infrastructure and revitalization financing district.
- (2) An infrastructure and revitalization financing district is a "district" within the meaning of Section 1 of Article XIII A of the California Constitution.
- (f) "Infrastructure and revitalization financing district" means a legally constituted governmental entity established pursuant to this chapter for the sole purpose of financing facilities authorized by this chapter.
- (g) "Landowner" or "owner of land" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of the land by the legislative body. The legislative body does not have any obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this chapter. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed district.
- (h) "Legislative body" means the city council, board of supervisors, or joint powers authority that is acting as the military base reuse authority established pursuant to Title 7.86 (commencing with Section 67800).
- (i) "Project area" means a defined area within a district in which the activities of the district share a common purpose or goal and an overall financing plan.
- (j) "Public works" means public facilities or any other facilities described in Section 53369.3 that are to be financed in whole or in part by the district.

(k) "Net available revenue" means periodic distributions to the city from the Redevelopment Property Tax Trust Fund, created pursuant to Section 34170.5 of the Health and Safety Code, that are available to the city after all preexisting legal commitments and statutory obligations funded from that revenue are made pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. Net available revenue shall not include any funds deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund or funds remaining in the Redevelopment Property Tax Trust Fund, prior to distribution. Net available revenues shall not include any moneys payable to a school district that maintains kindergarten or grades 1 to 12, inclusive, or a community college district, or the Educational Revenue Augmentation Fund, pursuant to paragraph (4) of subdivision (a) of Section 34183 of the Health and Safety Code.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)

53369.2. (a) The revenues available pursuant to Article 3 (commencing with Section 53369.30) may be used directly for work allowed pursuant to Section 53369.3, may be accumulated for a period not to exceed five years to provide a fund for that work, may be pledged to pay the principal of, and interest on, bonds issued pursuant to Article 4 (commencing with Section 53369.40), or may be pledged to pay the principal of, and interest on, bonds issued pursuant to the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) or the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311)), the proceeds of which have been or will be used entirely for allowable purposes of the district. The revenue of the district may also be advanced for allowable purposes of the district to an Integrated Financing District established pursuant to Chapter 1.5 (commencing with Section 53175), in which case the district may be party to a reimbursement agreement established pursuant to that chapter. The revenues of the district may also be committed to paying for any completed facility acquired pursuant to Section 53369.3 over a period of time, including the payment of a rate of interest not to exceed the bond buyer index rate on the day that the agreement to repay is entered into by the city.

(b) The legislative body may enter into an agreement with any affected taxing entity providing for the construction of, or assistance in, financing facilities.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)

53369.3. (a) A district may finance (1) the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer which satisfies the requirements of subdivision (b), (2) planning and design work that is directly related to the purchase, construction, expansion, improvement, rehabilitation, or seismic retrofit of that property, and (3) the costs described in Sections 53369.6 and 53369.31. The facilities need not be physically located within the boundaries of the district. A district may not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind.

(b) The district shall finance only facilities or projects of communitywide significance, including, but not limited to, any of the following:

- (1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.
- (2) Sewage treatment and water reclamation plants and interceptor pipes.
- (3) Facilities and watershed lands used for the collection and treatment of water for urban uses.
- (4) Flood management, including levees, bypasses, dams, retention basins, and drainage channels.
- (5) Child care facilities.
- (6) Libraries.
- (7) Parks, recreational facilities, open space, and habitat restoration.
- (8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.
- (9) Brownfields restoration and other environmental mitigation.
- (10) Purchase of land and property for development purposes and related site improvements.
- (11) Acquisition, construction, or repair of housing for rental or purchase, including multipurpose facilities.
- (12) Acquisition, construction, or repair of commercial or industrial structures for private use.

(13) The repayment of the transfer of funds to a military base reuse authority pursuant to Section 67851 that occurred on or after the creation of the district.

(c) Any district that constructs dwelling units shall set aside not less than 20 percent of those units to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, or at an affordable rent, as defined by Section 50053 of the Health and Safety Code, to persons and families of low and moderate income, as defined in Section 50093 of the Health and Safety Code.

(d) A district may utilize any powers under the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code), and finance any action necessary to implement that act.

(e) A district may finance any project that implements a sustainable communities strategy prepared pursuant to Section 65080.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)

53369.4. (a) A city may form a district to finance a project or projects on a former military base pursuant to the requirements set forth in this chapter.

(b) A district formed under this section may finance a project pursuant to this section or Section 53369.3 only if the project is consistent with the authority reuse plan and is approved by the military base reuse authority, if applicable.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)

53369.5. (a) A district may finance only the facilities or services authorized in this chapter. The additional facilities or services may not supplant facilities or services already available within that territory when the district was created, except if those facilities or services are essentially nonfunctional, obsolete, hazardous, or in need of upgrading or rehabilitation. The additional facilities or services may supplement those facilities and services as needed to serve new developments.

(b) A district may include areas that are not contiguous. A district may be divided into project areas, each of which may be subject to distinct limitations established under this chapter. The legislative body may, at any time, add territory to a district or amend the infrastructure financing plan for the district by conducting the same procedures for the formation of a district or approval of bonds, if applicable, as provided pursuant to this chapter.

(c) Any district may finance any project or portion of a project that is located in, or overlaps with, any redevelopment project area or former redevelopment project area or former military base, inclusively referred to as "overlapping." In the case of overlapping, the successor agency to the former redevelopment agency shall receive a finding of completion, as described in Section 34179.7 of the Health and Safety Code, prior to the district financing any project or portion of a project in the overlapping area.

(d) Notwithstanding subdivision (c), any debt or obligation of a district shall be subordinate to an enforceable obligation of a former redevelopment agency, as defined in Section 34171 of the Health and Safety Code. For purposes of this chapter, the division of taxes allocated to the district pursuant to subdivision (b) of Section 53369.30 shall not include any taxes required to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund created pursuant to subdivision (b) of Section 34170.5 of the Health and Safety Code.

(e) The legislative body of the city forming the district may choose to dedicate any portion of its net available revenue to the district through the financing plan described in Section 53369.14.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)

53369.6. It is the intent of the Legislature that the establishment of a district should not ordinarily lead to the removal of existing functional, habitable, and safe dwelling units. If, however, any dwelling units are proposed to be removed or destroyed in the course of private development or facilities construction within the area of the district, the legislative body shall do all of the following:

(a) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons or families of low or moderate income, of an equal number of replacement dwelling units at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, within the territory of the district if the dwelling units removed were inhabited by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(b) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons of low or moderate income, a number of dwelling units which is at least one unit but not less than 20 percent of the total dwelling units removed at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, within the territory of the district if the dwelling units removed or destroyed were not inhabited by persons of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(c) In the case of dwelling units located on a former military base that are destroyed or removed in connection with a base reuse plan, replacement dwelling units required by subdivision (a) or (b) may be located anywhere within the territory of the former military base consistent with the base reuse plan, local general plan, and infrastructure financing plan, as applicable.

(d) Provide relocation assistance and make all the payments required by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, to persons displaced by any public or private development occurring within the territory of the district. This displacement shall be deemed to be the result of public action.

(e) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income not take place unless and until there are suitable housing units, at comparable cost to the units from which the persons or families were displaced, available and ready for occupancy by the residents of the units at the time of their displacement. The housing units shall be suitable to the needs of these displaced persons or families and shall be decent, safe, sanitary, and otherwise standard dwellings.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)

53369.7. Any action or proceeding to attack, review, set aside, void, or annul the creation of a district, adoption of an infrastructure financing plan, including a division of taxes thereunder, or an election pursuant to this chapter shall be commenced within 30 days after the enactment of the ordinance creating the district pursuant to Section 53369.23. Consistent with the time limitations of this section, such an action or proceeding with respect to a division of taxes under this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure, except that Section 869 of the Code of Civil Procedure shall not apply.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)

53369.8. An action to determine the validity of the issuance of bonds pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. However, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, the action shall be commenced within 30 days after adoption of the resolution pursuant to Section 53369.44 providing for issuance of the bonds if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.

(Added by Stats. 2014, Ch. 775, Sec. 1. (AB 229) Effective January 1, 2015.)