SB-293 Infrastructure financing districts: formation: issuance of bonds: City of Oakland. (2019-2020)

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Senate Bill No. 293

CHAPTER 762

An act to add Section 53395.82 to the Government Code, relating to infrastructure financing districts.

[Approved by Governor October 11, 2019. Filed with Secretary of State October 11, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

SB 293, Skinner. Infrastructure financing districts: formation: issuance of bonds: City of Oakland.

Existing law authorizes a legislative body of a city or county to designate one or more infrastructure financing districts, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public capital facilities of communitywide significance. Existing law specifies procedures for the preparation and adoption of an infrastructure financing plan and the issuance of bonds by a district, including requiring that the issuance of bonds be approved by $^{2}/_{3}$ of the voters residing within the boundaries of the district voting on the proposition. Existing law authorizes the inclusion of a provision for the division of taxes in an infrastructure financing plan. Existing law establishes certain alternative procedures for the formation and financing activities of a waterfront district, as defined, in the City and County of San Francisco.

This bill would establish alternative procedures for the formation of an infrastructure financing district by the City of Oakland under these provisions. The bill would require the City Council of the City of Oakland to initiate proceedings for the formation of the district by adoption of a resolution of intention to establish the district that, among other things, directs the preparation of an infrastructure financing plan. The bill would require the infrastructure financing plan to include a provision for the division of taxes, but would prohibit the division of taxes with respect to nonconsenting affected taxing agencies and specified local educational agencies. The bill would require a district board, composed of specified members, to hold 3 noticed public hearings on the infrastructure financing plan and to conduct a protest proceeding, as provided. The bill would authorize the establishment of the district if fewer than 25% of the combined number of landowners and residents in the area file a protest to the infrastructure financing plan, or if between 25% and 50% of those landowners file such a protest and the infrastructure financing plan is submitted to the voters and approved. The bill would require the district board to provide an annual report to each landowner, resident, and affected taxing entity that participates in the plan, as provided. The bill would also authorize the district board to approve and issue bonds for the district by adopting a resolution that contains specified information. The bill would authorize a district formed under these provisions to finance specified facilities and projects.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Oakland.

Vote: majority   Appropriation: no   Fiscal Committee: no   Local Program: no

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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares the following:

(a) Under existing law, cities and counties can create infrastructure financing districts, hereinafter referred to as IFDs, and enhanced infrastructure financing districts, hereinafter referred to as EIFDs, and issue bonds to pay for community-scale public works, including highways, transit, water systems, sewer projects, flood control, childcare facilities, libraries, and parks. To repay the bonds, IFDs and EIFDs divert local, incremental property tax revenues for a specified time period.

(b) Forming an IFD can be difficult, and the bonding capacity of IFDs is limited. As a result, few IFDs have been formed, and most of those have utilized special legislation enacted for waterfront districts in the City of San Francisco, codified as Sections 53395.8 and 53395.81 of the Government Code, upon which this act is closely based.

(c) Some limitations of the IFD law were addressed with the introduction of EIFDs; however, EIFDs have still proved to be challenging to implement and administer, and are rarely used.

(d) California is facing an affordable housing crisis that necessitates the creation of additional tools for local jurisdictions to create new local funding streams that will support equitable infill housing and associated supportive utility and transit infrastructure.

(e) It is therefore the intent of the Legislature to provide the City of Oakland, hereafter referred to as the city, with additional latitude, within the framework of the laws governing IFDs, to create and operate an IFD in a manner that optimizes its financing options to facilitate the construction of much needed public facilities and affordable housing meeting the stated goals of communitywide significance. The city may wish to establish an IFD at Howard Terminal or another location. This will spur private investment and provide additional dollars to support development and revitalization of urbanized areas that include housing for all income levels with equal access to public transit, goods, services, and economic opportunities. In order to adapt the provisions of Chapter 2.8 (commencing with Section 53395) of Part 1 of Division 2 of Title 5 of the Government Code, relating to infrastructure financing districts, to the unique circumstances within the city, a special act is necessary.

(f) It is the intent of the Legislature that this district does not interfere or override the authority of the State Lands Commission or the San Francisco Bay Conservation and Development Commission.

SEC. 2. Section 53395.82 is added to the Government Code, to read:

53395.82. (a) This section applies only to the City of Oakland and any infrastructure financing district proposed by the City of Oakland, as described in this section.

(b) In addition to the findings and declarations in Section 53395, the Legislature further finds and declares that consolidating in a single agency the ability to capture property tax increment revenues to finance qualified public facilities in the City of Oakland will provide communitywide benefits.

(c) For purposes of this section:

(1) “Affected taxing entity” means any governmental taxing agency, except Oakland and its local educational agencies, that levied or had levied on its behalf a property tax on all or a portion of the land located in the proposed district in the fiscal year prior to the designation of the district, all or a portion of which the district proposes to collect in the future under its infrastructure financing plan.

(2) “Base year” means the fiscal year in which the assessed value of taxable property in the district was last equalized prior to the effective date of the ordinance adopted to create the district, or a subsequent fiscal year specified in the infrastructure financing plan for the district.

(3) “City council” means the City Council of the City of Oakland.

(4) “Debt” means loans, advances, or other forms of indebtedness and financial obligations, including, but not limited to, commercial paper, variable rate demand notes, all moneys payable in relation to the debt, and all debt service coverage requirements in any debt instrument, in addition to the obligations specified in the definition of “debt” in Section 53395.1.

(5) “District” means any district created pursuant to this section, including any project area within a district.

(6) “District board” means the governing body for the district created pursuant to this section. The district board shall include each member of the city council and one member from each affected taxing entity, if any, that adopts a resolution approving an infrastructure financing plan pursuant to this section. If no affected taxing entity adopts a resolution approving an infrastructure financing plan pursuant to this section, the district board shall be the city council.

(7) “Local educational agencies” means, collectively, the Oakland Unified School District, the Peralta Community College District, and the Alameda County Office of Education.

(8) “Oakland” means the City of Oakland.

(9) “Project area” means a defined area within a district formed under this chapter in accordance with subdivision (e).

(10) “Public facilities” means facilities authorized to be financed in whole or in part by a district formed under this chapter in accordance with subdivision (e). Public facilities may be publicly owned or privately owned if they are available to and serve the general public, but shall not include any ball park for the Oakland Athletics Major League Baseball franchise.

(d) (1) A district may finance the design, 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, as described in this chapter. The facilities need not be physically located within the boundaries of the district. However, any facilities financed outside a district shall have a tangible connection to the work of the district, as detailed in the infrastructure financing plan adopted in accordance with subdivision (e). Subdivision (b) of Section 53395.3 shall not apply to the district, but the district shall only finance public facilities of communitywide significance that provide significant benefits to the district or the surrounding community.

(2) A district shall not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind.

(3) In addition to any other project authorized by this chapter, a district formed pursuant to this section may finance any of the following:

(A) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

(B) Sewage treatment and water reclamation plants and interceptor pipes.

(C) Facilities for the collection and treatment of water for urban uses.

(D) Flood control levees and dams, retention basins, and drainage channels.

(E) Childcare facilities.

(F) Libraries.

(G) Parks, recreational facilities, and open space.

(H) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.

(I) Brownfield restoration and other environmental mitigation.

(J) The development of projects on a former military base, provided that the projects are consistent with the military base authority reuse plan and are approved by the military base reuse authority, if applicable.

(K) 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.

(L) The acquisition, construction, or rehabilitation of housing, whether publicly or privately owned, for very low income households and persons and families of low or moderate income, as those terms are defined in Sections 50105 and 50093, respectively, of the Health and Safety Code, for rent or purchase.

(M) Acquisition, construction, or repair of industrial structures for private use.

(N) Transit priority projects, as defined in Section 21155 of the Public Resources Code, that are located within a transit priority project area. For purposes of this paragraph, “transit priority project area” includes a military base reuse plan that meets the definition of a transit priority project area or a contaminated site within a transit priority project area.

(O) If the State Air Resources Board, pursuant to Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7, has accepted a metropolitan planning organization’s determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets, projects that implement a sustainable communities strategy.

(P) Projects that enable communities to adapt to the impacts of climate change, including, but not limited to, higher average temperatures, decreased air and water quality, the spread of infectious and vectorborne diseases, other public health impacts, extreme weather events, sea level rise, flooding, heat waves, wildfires, and drought.

(Q) Port or harbor infrastructure, as defined by Section 1698 of the Harbors and Navigation Code.

(R) The acquisition, construction, or improvement of broadband internet access service, as defined in Section 53167. Notwithstanding any other law, a district that acquires, constructs, or improves broadband internet access service may transfer the management and control of those facilities to a local agency that is authorized to provide broadband internet access service, and that local agency when providing that service shall comply with the requirements of Article 12 (commencing with Section 53167) of Chapter 1.

(S) Remediation of hazardous materials in, on, under, or around any real or tangible property.

(T) Seismic and life safety improvements to existing buildings.

(U) Rehabilitation, restoration, and preservation of structures, buildings, or other facilities having special historical, architectural, or aesthetic interest or value and that are listed on the National Register of Historic Places, are eligible for listing on the National Register of Historic Places individually or because of their location within an eligible registered historic district, or are listed on a state or local register of historic landmarks.

(V) Structural repairs and improvements to piers, seawalls, and wharves, and installation of piles.

(W) Removal of bay fill.

(X) Stormwater management facilities, other utility infrastructure, or public open-space improvements.

(Y) Other repairs and improvements to public facilities.

(Z) Planning and design work that is directly related to any public facilities authorized to be financed by a district.

(AA) Reimbursement payments made to the California Infrastructure and Economic Development Bank in accordance with paragraph (5) of subdivision (e) of Section 53395.81.

(BB) Improvements, which may be publicly owned, to protect against potential sea level rise.

(CC) Fire stations.

(e) Notwithstanding Sections 53395.10 to 53395.25, inclusive, the district board may adopt or amend one or more infrastructure financing plans for the district according to the procedures in this section. The district shall include only those areas, which may be noncontiguous, that the district board finds are necessary to achieve the goals of the district, as identified in the resolution of intention adopted pursuant to this section. Any district may be divided into project areas, each of which may be subject to distinct limitations established under this section. The district board may, at any time, add territory to the district or amend the infrastructure financing plan for the district in accordance with the same procedures for the formation of the district and adoption of the infrastructure financing plan pursuant to this section.

(1) Before initiating proceedings for the establishment of a district pursuant to this section, the city council shall make all of the following findings:

(A) There is a need for the district.

(B) A thorough financial analysis and plan for the public facilities in the district have been completed.

(C) The boundaries for the district have been identified.

(D) Analyses and determinations have occurred regarding all of the following:

(i) The projected cost of the public facilities.

(ii) The parties that, in addition to the city, will contribute to the cost of constructing the public facilities.

(iii) Whether, and the extent to which, development facilitated by the district will generate economic benefits to the city, including, but not limited to, participation in any revenue stream to be generated by any project on city-owned property, or community benefits, such as public open space and affordable housing.

(2) Upon making the findings required by paragraph (1), the city council may initiate proceedings for the establishment of a district by adopting a resolution of intention to establish the proposed district, which shall do all of the following:

(A) State that an infrastructure financing district is proposed to be established and describes the boundaries of the proposed district. The boundaries may be described by reference to a map on file in the office of the clerk of the city council.

(B) Describe the type of public facilities proposed to be financed by the district.

(C) State that some or all of the incremental property tax revenue from Oakland and some or all affected taxing entities within the district, but none of the local educational agencies, may be used to finance these public facilities.

(D) State the need for the district and identify the goals that the district proposes to achieve.

(E) Direct the preparation of a proposed infrastructure financing plan.

(3) The city council shall direct the city clerk to mail a copy of the resolution of intention to any affected taxing entities.

(4) The proposed infrastructure financing plan shall be consistent with the general plan of Oakland, as amended from time to time, and shall include all of the following:

(A) A map and legal description of the proposed district, which may include all or a portion of the district designated by the district board in its resolution of intention.

(B) A description of the public facilities required to serve the district, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, purpose, and projected costs of the public facilities.

(C) A financing section that shall contain all of the following:

(i) A provision that specifies the maximum portion of the incremental tax revenue of Oakland and of any affected taxing entity proposed to be committed to the district, and affirms that the plan will not allocate any portion of the incremental tax revenue of the local educational agencies to the district. The portion need not be the same for all affected taxing entities. The portion may change over time.

(ii) Limitations on the use of levied taxes allocated to and collected by the district that provide that incremental tax revenues allocated to a district must be used for purposes authorized under this section.

(iii) A projection of the amount of incremental tax revenues expected to be received by the district, assuming a district receives incremental tax revenues for a period no later than 45 years after Oakland projects that the district will have received one hundred thousand dollars ($100,000) in incremental tax revenues under this chapter. In the event that the district board divides the district into multiple project areas, the projection of the amount of incremental tax revenues expected to be received by the district shall be calculated separately for each project area.

(iv) Projected sources of financing for the public facilities to be assisted by the district, including debt to be repaid with incremental tax revenues, projected revenues from future leases, sales, or other transfers of any interest in land within the district, and any other legally available sources of funds.

(v) A limitation on the aggregate number of dollars of levied taxes that may be divided and allocated to the district. Taxes shall not be divided or be allocated to the district beyond this limitation, except by amendment of the infrastructure financing plan pursuant to the procedures in this subdivision. If the district board divides the district into multiple project areas, the project areas may share this limit and the limit may be divided among the project areas or a separate limit may be established for a project area.

(vi) For the district, or for each project area of the district if the district board divides the district into multiple project areas, a date on which the infrastructure financing plan will cease to be in effect and all tax allocations to the district will end and a date on which the district’s authority to repay indebtedness with incremental tax revenues received under this chapter will end, not to exceed 45 years from the date the district or the applicable project area has actually received one hundred thousand dollars ($100,000) in incremental tax revenues under this chapter. After the time limits established under this subparagraph, a district or project area shall not receive incremental tax revenues under this chapter. If the district board divides the district into multiple project areas, the district board may establish a separate and unique time limit applicable to each project area that does not exceed 45 years from the date the district has actually received one hundred thousand dollars ($100,000) in incremental tax revenues under this chapter from that project area.

(vii) An analysis of the costs to Oakland for providing facilities and services to the district while the district is being developed and after the district is developed, and of the taxes, fees, charges, and other revenues expected to be received by Oakland as a result of expected development in the district.

(viii) An analysis of the projected fiscal impact of the district and any associated development upon any affected taxing entity. If there are no affected taxing entities because the plan does not provide for collection by the district of any portion of property tax revenues allocated to any taxing entity other than Oakland, the district has no obligation to any other taxing entity under this subdivision.

(ix) Estimated administrative expenses to be paid with incremental tax revenues allocated to the district.

(x) A statement that the district will maintain accounting procedures in accordance, and otherwise comply, with Section 6306 of the Public Resources Code for the term of the plan.

(D) A provision that meets the requirements of Section 53396 providing for the division of taxes, if any, levied upon taxable property within the district and the allocation of a portion of the incremental tax revenue of Oakland and other designated affected taxing entities to the district.

(5) This chapter shall not be construed to prevent a district that is formed pursuant to this section from utilizing revenues from any of the following sources to support its activities, provided that the infrastructure financing plan has been approved in accordance with this section:

(A) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(B) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(C) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(D) The Landscaping and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

(E) The Vehicle Parking District Law of 1943 (Part 1 (commencing with Section 31500) of Division 18 of the Streets and Highways Code).

(F) The Parking District Law of 1951 (Part 4 (commencing with Section 35100) of Division 18 of the Streets and Highways Code).

(G) The Park and Playground Act of 1909 (Chapter 7 (commencing with Section 38000) of Part 2 of Division 3 of Title 4).

(H) The Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311)).

(I) The Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703)).

(6) The proposed infrastructure financing plan shall be mailed to each affected taxing entity for review, together with, to the extent available, any report required by the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) that pertains to the proposed public facilities and any proposed development project for which the public facilities are needed, and shall be made available for public inspection. The report also shall be sent to the Oakland Planning and Building Department and the city council.

(7) The city council shall not enact a resolution proposing formation of a district and providing for the division of taxes of any affected taxing entities for use in the district as set forth in the proposed infrastructure financing plan unless the governing body of each affected taxing entity adopts a resolution approving the plan, and that resolution has been filed with the city council at or before the time of the hearing. A resolution approving the plan adopted by the governing body of an affected taxing entity shall be deemed the affected taxing entity’s agreement to participate in the plan for the purposes of this section.

(8) If the governing body of an affected taxing entity has not approved the infrastructure financing plan before the city council considers the plan, the city council shall amend the infrastructure financing plan to remove the allocation of the tax revenues of the nonconsenting affected taxing entity.

(9) (A) The district board shall consider adoption of the infrastructure financing plan at three public hearings that shall take place at least 30 days apart. Notice of each public hearing shall be given in accordance with paragraph (17).

(B) At the first public hearing, the district board shall hear all written and oral comments, but take no action.

(C) At the second public hearing, the district board shall consider any additional written and oral comments and take action to modify or reject the infrastructure financing plan. If the infrastructure financing plan is not rejected at the second public hearing, then the district board shall conduct a protest proceeding at the third public hearing to consider whether the landowners and residents within the infrastructure financing plan area wish to present oral or written protests against the adoption of the infrastructure financing plan.

(10) The draft infrastructure financing plan shall be made available to the public and to each landowner within the area at a meeting held at least 30 days prior to the notice given for the first public hearing. The purposes of the meeting shall be to allow the staff of the district board to present the draft infrastructure financing plan, answer questions about the infrastructure financing plan, and consider comments about the infrastructure financing plan.

(11) (A) Notice of the meeting required by paragraph (10) and the public hearings required by paragraph (9) shall be given in accordance with paragraph (17). The notice shall do the following, as applicable:

(i) Describe specifically the boundaries of the proposed area.

(ii) Describe the purpose of the infrastructure financing plan.

(iii) State the day, hour, and place when and where any and all persons having any comments on the proposed infrastructure financing plan may appear to provide written or oral comments to the infrastructure financing district.

(iv) Notice of the second public hearing shall include a summary of the changes made to the infrastructure financing plan as a result of the oral and written testimony received at or before the public hearing and shall identify a location accessible to the public where the infrastructure financing plan proposed to be presented at the second public hearing can be reviewed.

(v) Notice of the third public hearing to consider any written or oral protests shall contain a copy of the infrastructure financing plan, and shall inform each landowner and resident of their right to submit an oral or written protest before the close of the public hearing. The protest may state that the landowner or resident objects to the district board taking action to implement the infrastructure financing plan.

(B) At the third public hearing, the district board shall consider all written and oral protests received prior to the close of the public hearing along with the recommendations, if any, of affected taxing entities, and shall terminate the proceedings or adopt the infrastructure financing plan subject to confirmation by the voters at an election called for that purpose. The district board shall terminate the proceedings if there is a majority protest. A majority protest exists if protests have been filed representing over 50 percent of the combined number of landowners and residents in the area who are at least 18 years of age. An election shall be called if between 25 percent and 50 percent of the combined number of landowners and residents in the area who are at least 18 years of age file a protest.

(12) An election required pursuant to subparagraph (B) of paragraph (11) shall be held within 90 days of the public hearing and may be held by mail-in ballot. The district board shall adopt, at a duly noticed public hearing, procedures for this election.

(13) If a majority of the landowners and residents vote against the infrastructure financing plan, then the district board shall not take any further action to implement the proposed infrastructure financing plan. The district board shall not propose a new or revised infrastructure financing plan to the affected landowners and residents for at least one year following the date of an election in which the infrastructure financing plan was rejected.

(14) At the hour set in the notices required by paragraph (9), the district board shall consider all written and oral comments.

(15) If less than 25 percent of the combined number of landowners and residents in the area who are at least 18 years of age file a protest, the district board may adopt the infrastructure financing plan at the conclusion of the third public hearing by ordinance. The ordinance adopting the infrastructure financing plan shall be subject to referendum as prescribed by law.

(16) The district board shall consider and adopt an amendment or amendments to an infrastructure financing plan in accordance with the provisions of this section.

(17) The district board shall post notice of each meeting or public hearing required by this section in an easily identifiable and accessible location on the district’s internet website and shall mail a written notice of the meeting or public hearing to each resident and each taxing entity at least 10 days prior to the meeting or public hearing.

(A) Notice of the first public hearing shall also be published not less than once a week for four successive weeks prior to the first public hearing in a newspaper of general circulation published in the County of Alameda. The notice shall state that the district will be used to finance public facilities or development, briefly describe the public facilities or development, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed district, and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of the prior proceedings, may appear before the district board and object to the adoption of the proposed plan by the district board.

(B) Notice of the second public hearing shall also be published not less than 10 days prior to the second public hearing in a newspaper of general circulation in the County of Alameda. The notice shall state that the district will be used to finance public facilities or development, briefly describe the public facilities or development, briefly describe the proposed financial arrangements, describe the boundaries of the proposed district, and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of the prior proceedings, may appear before the district board and object to the adoption of the proposed plan by the district board.

(C) Notice of the third public hearing shall also be published not less than 10 days prior to the third public hearing in a newspaper of general circulation in the County of Alameda. The notice shall state that the district will be used to finance public facilities or development, briefly describe the public facilities or development, briefly describe the proposed financial arrangements, describe the boundaries of the proposed district, and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of the prior proceedings, may appear before the district board and object to the adoption of the proposed plan by the district board.

(18) This section implements and fulfills the intent of this chapter and of Article XIII B of the California Constitution. The allocation and payment to a district of the portion of taxes specified in this section for the purpose of paying principal of, or interest on, loans, advances, or indebtedness incurred by the district under this section shall not be deemed the receipt by a district of proceeds of taxes levied by or on behalf of the district within the meaning or for the purposes of Article XIII B of the California Constitution, nor shall that portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to limitation of, any other public body within the meaning or for purposes of Article XIII B of the California Constitution or any statutory provision enacted in implementation of Article XIII B of the California Constitution.

(19) 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 section shall be commenced within 30 days after the enactment of the ordinance creating the district pursuant to this subdivision. Consistent with the time limitations of this paragraph an action or proceeding with respect to a division of taxes under this section 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.

(20) An action to determine the validity of the issuance of bonds pursuant to this section 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 paragraph (1) of subdivision (f) 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.

(21) (A) The district board shall review the infrastructure financing plan at least annually and make any amendments that are necessary and appropriate and shall require the preparation of an annual independent financial audit paid for from revenues of the infrastructure financing district.

(B) The district board shall adopt an annual report on or before June 30 of each year after holding a public hearing. Written copies of the draft report shall be made available to the public 30 days prior to the public hearing. The district board shall cause the draft report to be posted in an easily identifiable and accessible location on the district's internet website and shall mail a written notice of the availability of the draft report on the internet website to each landowner and each resident within the area covered by the infrastructure financing plan and to each affected taxing entity that has adopted a resolution pursuant to paragraph (7). The notice shall be mailed by first-class mail, but may be addressed to "occupant."

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

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

(ii) A chart comparing the actual revenues and expenses, including administrative costs, of the district board to the budgeted revenues and expenses.

(iii) The amount of tax increment revenues received.

(iv) An assessment of the status regarding completion of the district's projects.

(v) The amount of revenues expended to assist private businesses.

(D) If the district board fails to provide the annual report required by subparagraph (B), the district board shall not spend any funds received pursuant to a resolution adopted pursuant to this section until the district board has provided the report.

(22) The ordinance creating a district and adopting or amending an infrastructure financing plan shall establish the base year for the district. The district board may amend an infrastructure financing plan by ordinance for any purpose, including, but not limited to, the following:

(A) Dividing an established district into one or more project areas.

(B) Reducing the district area.

(C) Expanding the district area.

(23) Oakland may enter into an agreement for the construction of discrete portions or phases of public facilities. The agreement may include any provisions that Oakland determines are necessary or convenient, but shall do all of the following:

(A) Identify the specific public facilities or discrete portions or phases of public facilities to be constructed and purchased. Oakland may agree to purchase discrete portions or phases of public facilities if the portions or phases are capable of serviceable use as determined by Oakland.

(B) Identify procedures to ensure that the public facilities are constructed pursuant to plans, standards, specifications, and other requirements as determined by Oakland.

(C) Specify a price or a method to determine a price for each public facility or discrete portion or phase of a public facility.

(D) Specify procedures for final inspection and approval of public facilities or discrete portions or phases of public facilities, for approval of payment and for acceptance and conveyance.

(f) Notwithstanding Sections 53397.1 to 53397.11, inclusive, the district board may approve and issue bonds for the district according to the procedures in this section.

(1) The district board may, by resolution adopted at the time of the formation of the district, authorize the issuance of bonds in one or more series by determining the aggregate principal amount of bonds that may be issued in the district. The district board may undertake the proceedings and actions described in this subdivision with respect to the district as a whole, or separately with respect to one or more project areas. If the district board undertakes the proceedings for the district as a whole, it may thereafter, by resolution, allocate the principal amount of the authorized bond issuance to one or more project areas within the district. The district board may increase the principal amount of bonds that may be issued for the district or a project area within the district by undertaking the proceedings in this subdivision with respect to that increased amount. The bonds may be sold at a negotiated sale or a competitive sale subject to the notice requirements of paragraph (5).

(2) At any time after formation of the district and adoption of the resolution described in paragraph (1), the district board may, by a majority vote of its members, issue tax-exempt or taxable bonds in one or more series. Bonds shall be issued following adoption of a resolution containing all of the following information:

(A) A description of the facilities to be financed with the proceeds of the proposed bond issue.

(B) The estimated cost of the facilities, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance.

(C) The maximum interest rate and discount on the proposed bond issuance.

(D) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.

(E) A finding that the amount necessary to pay the principal of, and interest on, the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subparagraph (D).

(F) The issuance of the bonds in one or more series.

(G) The date the bonds will bear.

(H) The date of maturity of the bonds.

(I) The denomination of the bonds.

(J) The form of the bonds.

(K) The manner of execution of the bonds.

(L) The medium of payment in which the bonds are payable.

(M) The place or manner of payment and any requirements for registration of the bonds.

(N) The terms of call or redemption, with or without premium.

(3) The district board may, by majority vote of the members of the district board, provide for refunding of bonds issued pursuant to this subdivision. However, refunding bonds shall not be issued if the total net interest cost to maturity on the refunding bonds

plus the principal amount of the refunding bonds exceeds the total net interest cost to maturity on the bonds to be refunded. The district board shall not extend the time to maturity of the bonds being refunded.

(4) The district board, the city council, or any person executing the bonds shall not be personally liable on the bonds by reason of their issuance. The bonds and other obligations of a district issued pursuant to this chapter are not a debt of the city or of any of its political subdivisions, other than the district, and none of those entities, other than the district, shall be liable on the bonds and the bonds or obligations shall be payable exclusively from funds or properties of the district. The bonds shall contain a statement to this effect on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

(5) Bonds may be sold at a negotiated sale or a competitive sale. At least five days before a competitive sale of bonds, the district board shall publish notice of the sale, pursuant to Section 6061, in a newspaper of general circulation and in a financial newspaper published in the City of Oakland and in the City of Los Angeles.

(6) If any member of the district board whose signature appears on bonds ceases to be a member of the district board before delivery of the bonds, that member’s signature is as effective with respect to those bonds as if the member had remained in office at the time of delivery of those bonds.

(7) Bonds issued pursuant to this subdivision are fully negotiable.

SEC. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances, described in Section 1 of this act, in the City of Oakland.