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AB-1259 Dissolution of redevelopment agencies: enhanced infrastructure financing districts: City of Merced. (2023-2024)

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Assembly Bill No. 1259

CHAPTER 678

An act to amend Section 53398.54 of the Government Code, relating to local government.

[Approved by Governor October 10, 2023. Filed with Secretary of State October 10, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1259, Soria. Dissolution of redevelopment agencies: enhanced infrastructure financing districts: City of Merced.

Existing law dissolved redevelopment agencies on February 1, 2012, and provides for the designation of successor agencies to, among other things, wind down the affairs of the dissolved redevelopment agencies and make payments due for enforceable obligations. Existing law authorizes the legislative body of a city or county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community. Existing law prohibits a city or county that created a redevelopment agency from initiating the creation of an enhanced infrastructure financing district or participating in the governance or financing of an enhanced infrastructure financing district until certain specified events occur, including that the successor agency for the former redevelopment agency created by the city or county has received a finding of completion, as specified.

This bill would, notwithstanding those provisions, authorize the City of Merced to initiate, participate in, finance, or govern an enhanced infrastructure financing district if those specified events have occurred, except the requirement to have received a finding of completion, and if the City of Merced, and the Merced Designated Local Authority acting as the successor agency to the former Redevelopment Agency of the City of Merced, have paid in full the amounts outstanding demanded by the county auditor-controller from the funds of the successor agency for subsequent distribution to taxing entities, as specified, including amounts remaining due under any applicable installment payment plan entered into with the Department of Finance.

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

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

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

SECTION 1. Section 53398.54 of the Government Code is amended to read:

53398.54. A city or county that created a redevelopment agency, as defined in Section 33003 of the Health and Safety Code, shall neither initiate the creation of a district, nor participate in the governance or financing of a district, until each of the following has occurred:

(a) The successor agency for the former redevelopment agency created by the city or county has received a finding of completion, as specified in Section 34179.7 of the Health and Safety Code.

(b) The city or county certifies to the Department of Finance and to the public financing authority that no former redevelopment agency assets that are the subject of litigation involving the state, if the city or county, the successor agency, or the designated local authority are a named plaintiff, have been or will be used to benefit any efforts of an enhanced infrastructure financing district formed under this chapter, unless the litigation and all possible appeals have been resolved in a court of law. The city or county shall provide this certification to the Department of Finance within 10 days of its legislative body's action to participate in an enhanced infrastructure financing district pursuant to Section 53398.68, or of its legislative body's action to form an enhanced infrastructure financing district pursuant to Section 53398.69.

(c) The office of the Controller has completed its review as specified in Section 34167.5 of the Health and Safety Code.

(d) The successor agency and the entity that created the former redevelopment agency have complied with all of the office of the Controller's findings and orders stemming from the reviews as specified in subdivision (c).

(e) Notwithstanding subdivision (a), the City of Selma may initiate, participate in, finance, or govern an enhanced infrastructure financing district, if the City of Selma, acting as the successor agency to the former Selma Redevelopment Agency, is in compliance with subdivisions (b), (c), and (d), and has paid in full the amount outstanding specified in subdivision (b) of Section 34183.5 of the Health and Safety Code.

(f) Notwithstanding subdivision (a), the City of Merced may initiate, participate in, finance, or govern an enhanced infrastructure financing district if the City of Merced, and the Merced Designated Local Authority acting as the successor agency to the former Redevelopment Agency of the City of Merced, are in compliance with subdivisions (b), (c), and (d), and have paid in full the amounts outstanding specified in Section 34179.5 of, and subdivision (b) of Section 34183.5 of, the Health and Safety Code, including amounts remaining due under any applicable installment payment plan entered into with the Department of Finance.

SEC. 2. 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 financial circumstances in the City of Merced and the city's need to participate in an enhanced infrastructure financing district to give it additional tools to fund housing construction, social services centers, and climate resilience projects.