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AB-1270 Redevelopment: successor agency: City of Lake Forest. (2023-2024)

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Assembly Bill No. 1270

CHAPTER 301

An act to amend Section 34182.1 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor October 04, 2023. Filed with Secretary of State October 04, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1270, Dixon. Redevelopment: successor agency: City of Lake Forest.

Existing law dissolved redevelopment agencies and community development agencies as of 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. In that regard, existing law requires the county auditor-controller to create within the county treasury a Redevelopment Property Tax Trust Fund (Fund) for the property tax revenues related to each former redevelopment agency for administration by the county auditor-controller.

Existing law requires the Orange County Auditor Controller to allocate property tax revenues attributable to the El Toro Project Area between the Fund established for the former Orange County Development Agency and the Fund established for the former Lake Forest Redevelopment Agency, as provided, to implement a specified agreement that transferred territorial jurisdiction of the El Toro Project Area from the Orange County Redevelopment Agency to the Lake Forest Redevelopment Agency.

This bill would require the Orange County Auditor Controller, upon receipt of the final resolution of dissolution for the successor agency to the former Orange County Development Agency, to allocate property tax revenues attributable to the El Toro Project Area to the Fund established for the former Lake Forest Redevelopment Agency. By revising the duties of local government officials, the bill would impose a state-mandated local program.

Existing law generally requires a successor agency to submit a Recognized Obligation Payment Schedule to certain entities, including the Department of Finance, and requires the successor agency to make payments pursuant to that schedule. When all enforceable obligations have been retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, existing law requires the successor agency to submit a request to formally dissolve to its oversight board, which is required to approve the request and submit it to the department for approval, as specified.

Under this bill, the allocation of revenues into the Fund established for the former Lake Forest Redevelopment Agency pursuant to the transfer agreement and the listing of those payments by the successor agency to the Orange County Development Agency on its Recognized Obligation Payment Schedule would not preclude the approval of a request for dissolution of the successor agency to the Orange County Development Agency.

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

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

SECTION 1. Section 34182.1 of the Health and Safety Code is amended to read:

34182.1. (a) Until a final resolution of dissolution for the successor agency to the former Orange County Development Agency has been submitted to the Orange County Auditor Controller pursuant to subdivision (f) of Section 34187, the Orange County Auditor Controller shall allocate property tax revenues attributable to the El Toro Project Area between the Redevelopment Property Tax Fund established for the former Orange County Development Agency and the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency as follows:

(1) All property tax revenues deposited by the Orange County Auditor Controller pursuant to paragraph (1) of subdivision (c) of Section 34182 during each fiscal year that are attributable to the Neighborhood Preservation and Development Project Area, including the El Toro Project Area, shall initially be placed into the Redevelopment Property Tax Trust Fund for the former Orange County Development Agency.

(2) After deducting the administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, as described in subdivision (a) of Section 34183, and remitting the amounts required under paragraph (1) of subdivision (a) of Section 34183, the Orange County Auditor Controller shall transfer the sum of both of the following, determined for the entire fiscal year, into the redevelopment obligation retirement fund of the successor agency to the Orange County Development Agency for distribution as required by law and applicable bond covenants:

(A) The amount required by Section 33670.9.

(B) All other obligations secured by a prior claim on, or pledge of, moneys in the Redevelopment Property Tax Trust Fund of the former Orange County Development Agency, including tax allocation bonds, as applicable, that are payable on a basis prior to any transfer to the former Lake Forest Redevelopment Agency pursuant to the transfer agreement or pursuant to Part 1.8 (commencing with Section 34161), this part, or other law.

(3) After depositing the amount described in paragraph (2) into the redevelopment obligation retirement fund of the successor agency to the Orange County Development Agency, the Orange County Auditor Controller shall deposit into the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency the transfer agreement amount, as set forth in the applicable Recognized Obligation Payment Schedule submitted by the successor agency to the Orange County Development Agency and approved by the Department of Finance, to the extent moneys are available from the portion of the former Orange County Development Agency's Redevelopment Property Tax Trust Fund attributable to the El Toro Project Area.

(4) The payment described in paragraph (3) shall be paid prior to all payments listed on the recognized obligation payment schedule of the successor agency to the former Orange County Development Agency other than the payments described in paragraph (2), unless otherwise required by statute or applicable bond covenants.

(b) Upon receipt of the final resolution of dissolution for the successor agency to the former Orange County Development Agency submitted pursuant to subdivision (f) of Section 34187, the Orange County Auditor Controller shall allocate property tax revenues attributable to the El Toro Project Area, to the Redevelopment Property Tax Trust Fund for the former Lake Forest Redevelopment Agency and allocate money in this fund pursuant to Section 34183.

(c) This section is intended to implement the transfer agreement in light of the enactment of Part 1.8 (commencing with Section 34161) and this part and the dissolution of the successor agency to the former Orange County Development Agency. Notwithstanding Section 34187, the allocation of revenues into the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency pursuant to the transfer agreement and the listing of those payments by the successor agency to the Orange County Development Agency on its Recognized Obligation Payment Schedule shall not preclude the approval of a request for dissolution of the successor agency to the Orange County Development Agency.

(d) For purposes of this section, both of the following definitions shall apply:

(1) "El Toro Project Area" means the portion of the former Orange County Development Agency's Neighborhood Preservation and Development Project Area that was transferred to the Lake Forest Redevelopment Agency pursuant to the transfer agreement and Sections 33216 and 33216.1.

(2) "Transfer agreement" means the Agreement to Transfer Territorial Jurisdiction of a Noncontiguous Portion of a Redevelopment Project Area dated as of July 6, 1999, entered into among the County of Orange, the Orange County Development Agency, the City of Lake Forest, the Lake Forest Redevelopment Agency, and the City of Laguna Hills.

(3) "Transfer agreement amount" means the amount of the payment required to be made by the former Orange County Development Agency to the former Lake Forest Redevelopment Agency pursuant to the transfer agreement, less the amount of passthrough payments attributable to the El Toro Project Area that are disbursed by the Orange County Auditor Controller pursuant to paragraph (1) of subdivision (a) of Section 34183.

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 Lake Forest relating to the repayment of its redevelopment obligations.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.