



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

**SB-1140 Enhanced infrastructure financing district.** (2023-2024)

SHARE THIS:  

Date Published: 09/26/2024 02:00 PM

**Senate Bill No. 1140**

**CHAPTER 599**

An act to amend Sections 53398.50, 53398.52, 53398.61, 53398.64, 53398.66, 53398.68, and 62302 of, and to add Sections 53398.72 and 53398.73 to, the Government Code, relating to local government.

[ Approved by Governor September 25, 2024. Filed with Secretary of State September 25, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1140, Caballero. Enhanced infrastructure financing district.

Existing law authorizes the legislative body of a city or a county to designate a proposed enhanced infrastructure financing district to finance public capital facilities or other specified projects, with a governing body referred to as the public financing authority, by adopting a resolution of intention to establish the proposed district.

Existing law requires the public financing authority of an enhanced infrastructure financing district to hold a meeting and 3 public hearings on a proposed infrastructure financing plan, as provided. Existing law requires the infrastructure financing plan, among other things, to be sent to each owner of land within the proposed district and to each affected taxing entity. Existing law establishes notice requirements for the meeting and public hearings, including requiring a written notice of each meeting or public hearing to be mailed to each landowner, each resident, and each taxing entity, as specified. Alternative to mailing the documents and notices, existing law authorizes an official designated by the city or county to, instead, comply with alternative notice procedures.

Existing law requires the public financing authority to review the infrastructure financing plan at least annually and make any amendments that are necessary and appropriate. Existing law requires a public financing authority to adopt an annual report, as provided, after holding a public hearing, and complying with certain notice requirements, including that the notice be mailed by first-class mail, but may be addressed to "occupant."

This bill would revise and recast those provisions by, among other things, requiring the public financing authority to hold a meeting and 2 public hearings, as specified. The bill would remove the requirement that annual report notices be mailed by first-class mail.

This bill would revise and recast the alternative notice procedures by, among other things, authorizing the alternative notice procedures to be used instead of the above-described notice requirements for amendments and annual plans. With respect to the alternative notice procedures, the bill would require the notice to include specified information and would require additional notice procedures, if a public hearing is rescheduled for a later date than provided in the notice, due to unanticipated circumstances.

This bill would require a notice required by these provisions to be provided in English and in all other languages spoken jointly by 20% or more of the population in the jurisdiction of the county of the proposed district that speaks English less than "very well"

and jointly speaks a language other than English according to data from the most recent American Community Survey or data from an equally reliable source, except as specified.

Existing law makes findings and declarations related to these provisions.

This bill would make additional findings and declarations that, among other things, public benefits will accrue if local agencies, excluding schools, are provided a means to improve air quality, fund port and harbor infrastructure, fund projects to improve broadband internet access service, and construct facilities for nonprofit community organizations that provide health, youth, homeless, and social services.

Existing law authorizes a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district, as described, for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. Existing law deems each district to be an enhanced infrastructure financing district and requires each district to comply with existing law concerning enhanced infrastructure financing districts, except as specified. Existing law requires a district to finance only specified projects that meet the definition of an eligible project. Existing law defines "eligible project" to include projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified.

This bill would additionally include a project that intends to improve air quality within the definition of "eligible project."

This bill would incorporate additional changes to Sections 53398.50 and 53398.52 of the Government Code proposed by AB 1819 to be operative only if this bill and AB 1819 are enacted and this bill is enacted last.

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

---

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

### **SECTION 1.** The Legislature finds and declares all of the following:

(a) Among the purposes of this measure is to consolidate and streamline the notice and hearing requirements associated with the formation of enhanced infrastructure finance districts.

(b) The changes made to the formation process and the timing of the effective date of this act, however, shall not be interpreted in a manner to disrupt or delay the formation process for a district that commenced prior to the effective date of this act.

(c) Districts that have initiated the formation process when this act takes effect as evidenced by the adoption of the resolution of intention pursuant to Section 53398.59, may choose to complete the formation process in accordance with the requirements and timelines in effect on the date that the resolution of intention was adopted.

### **SEC. 2.** Section 53398.50 of the Government Code is amended to read:

**53398.50.** The Legislature finds and declares that with the dissolution of redevelopment agencies, public benefits will accrue if local agencies, excluding schools, are provided a means to finance the reuse and revitalization of former military bases, fund the creation of transit priority projects and the implementation of sustainable communities plans, fund projects that enable communities to adapt to the impacts of climate change, including to improve air quality, construct and rehabilitate affordable housing units, fund port and harbor infrastructure, fund projects to improve broadband internet access service, construct facilities for nonprofit community organizations that provide health, youth, homeless, and social services, and construct facilities to house providers of consumer goods and services in the communities served by these efforts.

### **SEC. 2.5.** Section 53398.50 of the Government Code is amended to read:

**53398.50.** The Legislature finds and declares that with the dissolution of redevelopment agencies, public benefits will accrue if local agencies, excluding schools, are provided a means to finance the reuse and revitalization of former military bases, fund the creation of transit priority projects and the implementation of sustainable communities plans, fund projects that enable communities to adapt to the impacts of climate change, including to improve air quality, mitigate wildfires, construct and rehabilitate affordable housing units, fund port and harbor infrastructure, fund projects to improve broadband internet access service, construct facilities for nonprofit community organizations that provide health, youth, homeless, and social services, and construct facilities to house providers of consumer goods and services in the communities served by these efforts.

### **SEC. 3.** Section 53398.52 of the Government Code is amended to read:

**53398.52.** (a) (1) A district may finance any of the following:

(A) 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 that satisfies the requirements of subdivision (b).

(B) The planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of property.

(C) The costs described in Sections 53398.56 and 53398.57.

(D) (i) The ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the district.

(ii) Notwithstanding clause (i), a district shall not use the proceeds of bonds issued pursuant to the authority in Article 4 (commencing with Section 53398.77) to finance maintenance of any kind.

(2) The facilities are not required to be physically located within the boundaries of the district. However, any facilities financed outside of a district shall have a tangible connection to the work of the district, as detailed in the infrastructure financing plan adopted pursuant to Section 53398.69.

(3) A district shall not finance the costs of an ongoing operation or providing services of any kind.

(b) The district shall finance only public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community, including, but not limited to, all 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 for the collection and treatment of water for urban uses.

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

(5) Childcare facilities.

(6) Libraries.

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

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

(9) Brownfield restoration and other environmental mitigation.

(10) 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.

(11) 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.

(12) The acquisition, construction, or rehabilitation of housing for persons of very low, low, and moderate income, as defined in Sections 50105 and 50093 of the Health and Safety Code, for rent or purchase.

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

(14) (A) Acquisition, construction, or repair of commercial structures by the small business occupant of such structures, if such acquisition, construction, or repair is for purposes of fostering economic recovery from the COVID-19 pandemic and of ensuring the long-term economic sustainability of small businesses.

(B) For purposes of this paragraph and subject to subparagraph (C), "small business" means an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of fifteen million dollars (\$15,000,000) or less over the previous three years, or is a manufacturer, as defined in subdivision (c) of Section 14837, with 100 or fewer employees. An "independently owned and operated business" shall include a formula retail business that is an independently owned franchise.

(C) A district may set a lower threshold for the average annual gross receipts over the previous three years and for the number of employees described in subparagraph (B).

(15) 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, a transit priority project area may include a military base reuse plan that meets

the definition of a transit priority project area and it may include a contaminated site within a transit priority project area.

(16) Projects that implement a sustainable communities strategy, when 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.

(17) 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 vector-borne diseases, other public health impacts, extreme weather events, sea level rise, flooding, heat waves, wildfires, and drought. This paragraph includes projects intended to improve air quality.

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

(19) The acquisition, construction, or improvement of broadband Internet access service. For purposes of this section, "broadband Internet access services" has the same meaning as defined in Section 53167. 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 of Part 1 of Division 2 of Title 5.

(20) Facilities in which nonprofit community organizations provide health, youth, homeless, and social services.

(c) The district shall require, by recorded covenants or restrictions, that housing units built pursuant to this section shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low, or moderate income for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.

(d) The district may finance mixed-income housing developments, but may finance only those units in such a development that are restricted to occupancy by persons of very low, low, or moderate incomes as defined in Sections 50105 and 50093 of the Health and Safety Code, and those onsite facilities for childcare, after school care, and social services that are integrally linked to the tenants of the restricted units.

(e) A district may utilize any powers under either 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) or Chapter 6.10 (commencing with Section 25403) of Division 20 of the Health and Safety Code, and finance any action necessary to implement that act.

**SEC. 3.5.** Section 53398.52 of the Government Code is amended to read:

**53398.52.** (a) (1) A district may finance any of the following:

(A) 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 that satisfies the requirements of subdivision (b).

(B) The planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of property.

(C) The costs described in Sections 53398.56 and 53398.57.

(D) (i) The ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the district.

(ii) Notwithstanding clause (i), a district shall not use the proceeds of bonds issued pursuant to the authority in Article 4 (commencing with Section 53398.77) to finance maintenance of any kind.

(2) The facilities are not required to be physically located within the boundaries of the district. However, any facilities financed outside of a district shall have a tangible connection to the work of the district, as detailed in the infrastructure financing plan adopted pursuant to Section 53398.69.

(3) A district shall not finance the costs of an ongoing operation or providing services of any kind.

(b) The district shall finance only public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community, including, but not limited to, all 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 for the collection and treatment of water for urban uses.

- (4) Flood control levees and dams, retention basins, and drainage channels.
- (5) Childcare facilities.
- (6) Libraries.
- (7) Parks, recreational facilities, and open space.
- (8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.
- (9) Brownfield restoration and other environmental mitigation.
- (10) 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.
- (11) 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.
- (12) The acquisition, construction, or rehabilitation of housing for persons of very low, low, and moderate income, as defined in Sections 50105 and 50093 of the Health and Safety Code, for rent or purchase.
- (13) Acquisition, construction, or repair of industrial structures for private use.
- (14) (A) Acquisition, construction, or repair of commercial structures by the small business occupant of such structures, if such acquisition, construction, or repair is for purposes of fostering economic recovery from the COVID-19 pandemic and of ensuring the long-term economic sustainability of small businesses.  
  
    (B) For purposes of this paragraph and subject to subparagraph (C), "small business" means an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of fifteen million dollars (\$15,000,000) or less over the previous three years, or is a manufacturer, as defined in subdivision (c) of Section 14837, with 100 or fewer employees. An "independently owned and operated business" shall include a formula retail business that is an independently owned franchise.  
  
    (C) A district may set a lower threshold for the average annual gross receipts over the previous three years and for the number of employees described in subparagraph (B).
- (15) 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, a transit priority project area may include a military base reuse plan that meets the definition of a transit priority project area and it may include a contaminated site within a transit priority project area.
- (16) Projects that implement a sustainable communities strategy, when 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.
- (17) 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 vector-borne diseases, other public health impacts, extreme weather events, sea level rise, flooding, heat waves, wildfires, and drought. This paragraph includes projects intended to improve air quality.
- (18) Port or harbor infrastructure, as defined by Section 1698 of the Harbors and Navigation Code.
- (19) The acquisition, construction, or improvement of broadband Internet access service. For purposes of this section, "broadband Internet access services" has the same meaning as defined in Section 53167. 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 of Part 1 of Division 2 of Title 5.
- (20) Facilities in which nonprofit community organizations provide health, youth, homeless, and social services.
- (21) (A) For districts at least partially in high or very high fire hazard severity zones designated by the State Fire Marshal pursuant to Article 9 (commencing with Section 4201) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, the following:
  - (i) Heavy equipment to be used for vegetation clearance and firebreaks.

(ii) Undergrounding of local publicly owned electric utilities, as defined in Section 224.3 of the Public Utilities Code, against wildfires.

(iii) Equipment used for fire watch, prevention, and fighting, including, but not limited to, helicopters, air tankers, and technological advancements to weather and wind science infrastructure, risk modeling, and prediction.

(B) A district shall not use the proceeds of bonds issued pursuant to the authority in Article 4 (commencing with Section 53398.77) to finance the equipment described in clause (i) or (iii) of subparagraph (A).

(c) The district shall require, by recorded covenants or restrictions, that housing units built pursuant to this section shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low, or moderate income for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.

(d) The district may finance mixed-income housing developments, but may finance only those units in such a development that are restricted to occupancy by persons of very low, low, or moderate incomes as defined in Sections 50105 and 50093 of the Health and Safety Code, and those onsite facilities for childcare, after school care, and social services that are integrally linked to the tenants of the restricted units.

(e) A district may utilize any powers under either 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) or Chapter 6.10 (commencing with Section 25403) of Division 20 of the Health and Safety Code, and finance any action necessary to implement that act.

**SEC. 4.** Section 53398.61 of the Government Code is amended to read:

**53398.61.** The legislative body shall direct the city official or county official, as applicable, selected by the legislative body, to mail or electronically submit a copy of the resolution to each affected taxing entity.

**SEC. 5.** Section 53398.64 of the Government Code is amended to read:

**53398.64.** The infrastructure financing plan shall be sent to each owner of land within the proposed district and to each affected taxing entity together with 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 or the proposed development project for which the public facilities are needed, and shall be made available for public inspection. The report shall also be sent to the public financing authority, the planning commission, and the legislative body.

**SEC. 6.** Section 53398.66 of the Government Code is amended to read:

**53398.66.** (a) The draft-enhanced infrastructure financing plan shall be made available to the public and to each landowner within the area on a designated internet website and at a meeting held at least 30 days before the first public hearing. The purposes of the meeting shall be to allow the staff of the public financing authority to present the draft-enhanced infrastructure financing plan, answer questions about the enhanced infrastructure financing plan, and consider comments about the enhanced infrastructure financing plan.

(b) (1) (A) The public financing authority shall consider adoption of the enhanced infrastructure financing plan at two public hearings that shall take place at least 30 days apart.

(B) In addition to the notice given to landowners and affected taxing entities pursuant to Sections 53398.60 and 53398.61, the public financing authority shall post notice of each meeting or public hearing required by this section in an easily identifiable and accessible location on the enhanced infrastructure financing district's internet website and shall mail a written notice of the meeting or public hearing to each landowner, each resident, and each taxing entity at least 10 days before the meeting or public hearing.

(2) At the first public hearing, the public financing authority shall consider any written and oral comments and take action to modify or reject the enhanced infrastructure financing plan.

(3) If the enhanced infrastructure financing plan is not rejected at the first public hearing, then the public financing authority shall conduct a protest proceeding at the second public hearing to consider whether the landowners and residents within the enhanced infrastructure financing plan area wish to present oral or written protests against the adoption of the enhanced infrastructure financing plan.

(c) (1) The notices required in subparagraph (B) of paragraph (1) of subdivision (b) shall do all of the following, as applicable:

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

(B) Describe the purpose of the enhanced infrastructure financing plan.

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

(D) Notice of the first public hearing shall include a summary of the enhanced infrastructure financing plan and shall identify a location accessible to the public where the enhanced infrastructure financing plan proposed to be presented at the first public hearing can be reviewed.

(E) Notice of the second public hearing to consider any written or oral protests shall contain a copy of the enhanced infrastructure financing plan, and shall inform the 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 public financing authority taking action to implement the enhanced infrastructure financing plan.

(2) At the second public hearing, the public financing authority shall consider all written and oral protests received before the close of the public hearing along with the recommendations, if any, of affected taxing entities, and shall terminate the proceedings or adopt the enhanced infrastructure financing plan subject to confirmation by the voters at an election called for that purpose. The public financing authority 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.

(d) An election required pursuant to paragraph (2) of subdivision (c) shall be held within 90 days of the public hearing and may be held by mail-in ballot. The public financing authority shall adopt, at a duly noticed public hearing, procedures for this election.

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

(f) At the hour set in the notices required by subparagraph (B) of paragraph (1) of subdivision (b), the public financing authority shall consider all written and oral comments.

(g) 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 public financing authority may adopt the enhanced infrastructure financing plan at the conclusion of the second public hearing by resolution. The resolution adopting the enhanced infrastructure financing plan shall be subject to referendum as prescribed by law.

(h) The public financing authority shall consider and adopt an amendment or amendments to an enhanced infrastructure financing plan in accordance with the provisions of this section.

(i) (1) A separate notice of the first public hearing shall also be published not less than once a week for four successive weeks before the first public hearing in a newspaper of general circulation published in the county in which the area lies. 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 public financing authority and object to the adoption of the proposed plan by the public financing authority.

(2) A separate notice of the second public hearing shall also be published not less than 10 days before the second public hearing in a newspaper of general circulation in the county in which the area lies. 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 public financing authority and object to the adoption of the proposed plan by the public financing authority.

(j) (1) The public financing authority shall review the enhanced 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 enhanced infrastructure financing district.

(A) Amendments to an approved infrastructure financing plan, including proposals to finance affordable housing and additional eligible projects, as specified in Section 53398.52, may be approved by a majority vote of the governing board at a public hearing held following the provision of a 30-day mailed notice describing the proposed changes to all property owners, residents, and affected taxing entities.

(B) Amendments that propose any of the following shall be adopted in accordance with all notices and hearing requirements for the affected landowners and residents within the proposed additional territory applicable to an initial proposed enhanced infrastructure financing plan:

(i) Addition of new territory to a district.

(ii) Increase of the limit of the total number of dollars in local taxes allocated to the plan.

(iii) Approval of a public facility or development that was not proposed to be financed or assisted by the district in the approved plan.

(2) A public financing authority 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 before the public hearing. The public financing authority shall cause the draft report to be posted in an easily identifiable and accessible location on the enhanced infrastructure financing district's internet website and shall mail a written notice of the availability of the draft report on the internet website to each owner of land and each resident within the area covered by the enhanced infrastructure financing plan and to each taxing entity that has adopted a resolution pursuant to Section 53398.68.

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

(A) 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.

(B) A chart comparing the actual revenues and expenses, including administrative costs, of the public financing authority to the budgeted revenues and expenses.

(C) The amount of tax increment revenues received.

(D) An assessment of the status regarding completion of the enhanced infrastructure financing district's projects.

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

(4) If the public financing authority fails to provide the annual report required by paragraph (3), the public financing authority shall not spend any funds received pursuant to a resolution adopted pursuant to this chapter until the public financing authority has provided the report.

**SEC. 7.** Section 53398.68 of the Government Code is amended to read:

**53398.68.** (a) The public financing authority shall not adopt a resolution proposing formation of a district and providing for the division of taxes of any affected taxing entity pursuant to Article 3 (commencing with Section 53398.75) unless a resolution approving the plan has been adopted by the governing body of each affected taxing entity that is proposed to be subject to division of taxes pursuant to Article 3 (commencing with Section 53398.75) and has been filed with the legislative body at or before the time of the hearing.

(b) Nothing in this section shall be construed to prevent the public financing authority from amending its infrastructure financing plan and adopting a resolution proposing formation of the enhanced infrastructure financing district without allocation of the tax revenues of any affected taxing entity that has not approved the infrastructure financing plan by resolution of the governing body of the affected taxing entity.

(c) If after the date of district formation, an affected taxing entity adopts a resolution approving the plan and to participate in the division of taxes used to finance an enhanced infrastructure financing district, the division of taxes shall be based upon the last equalized assessment roll that is used for the district pursuant to paragraph (2) of subdivision (a) of Section 53398.75.

**SEC. 8.** Section 53398.72 is added to the Government Code, to read:

**53398.72.** (a) As an alternative to mailing documents pursuant to Section 53398.64 and Section 53398.66, the official designated pursuant to Section 53398.62 may mail a notice to each landowner, resident, and affected taxing entity at least 40 days before the meeting held pursuant to subdivision (a) of Section 53398.66. This notice shall include all of the following, as applicable:

(1) A summary of the plan, including all required information listed in paragraph (1) of subdivision (c) of Section 53398.66.



(2) The internet website where the applicable documents, including those described in Section 53398.64, will be made available for public viewing or inspection.

(3) A designated contact person to receive and process any requests for a mailed or electronically mailed packet of all materials.

(4) The location, date, and time of the meeting and two scheduled public hearings held in accordance with Section 53398.66.

(5) A description of the actions that may be taken at the meeting and each of the public hearings described in paragraph (4).

(6) A description of the schedule, information, and process for accessing any amendments to the plan in accordance with paragraph (1) of subdivision (j) of Section 53398.66.

(7) A description of the schedule, information, and process for accessing annual reports in accordance with paragraph (2) of subdivision (i) of Section 53398.66.

(b) (1) If the first or second public hearing on the plan occurs at the location, date, and time listed in the mailed notice described in subdivision (a), then the public financing authority shall be deemed to comply with the 10-day mailed notice requirement pursuant to subdivision (b) of Section 53398.66.

(2) If the first or second public hearing is rescheduled for a later date than listed in the mailed notice described in subdivision (a), due to unanticipated circumstances, the official designated pursuant to Section 53398.62 shall do all of the following:

(A) Publish notice of the rescheduled date and time of the first or second public hearing, at least 10 days before the meeting, in a newspaper in accordance with subdivision (i) of Section 53398.66.

(B) Post, at least 10 days before the rescheduled meeting, notice of the rescheduled date and time of the first or second public hearing on the internet website described in paragraph (2) of subdivision (a).

(C) Email, at least 10 days before the rescheduled meeting, notification of the rescheduled date and time of the first or second public hearing to the email contact list assembled and maintained in accordance with subdivision (c).

(c) The designated contact person described in paragraph (3) of subdivision (a) shall assemble and maintain an email contact list of all landowners, residents, and other interested parties who have expressed interest in receiving information and materials.

**SEC. 9.** Section 53398.73 is added to the Government Code, to read:

**53398.73.** Except for the notices described in subdivision (i) of Section 53398.66, a notice required by this chapter shall be provided in English and in all other languages spoken jointly by 20 percent or more of the population in the jurisdiction of the county of the proposed district that speaks English less than “very well” and jointly speaks a language other than English according to data from the most recent American Community Survey or data from an equally reliable source.

**SEC. 10.** Section 62302 of the Government Code is amended to read:

**62302.** For purposes of this division:

(a) “District” means a climate resilience district formed pursuant to this division.

(b) (1) “Eligible project” means a project, including a capital project, that is designed and implemented to address climate change mitigation, adaptation, or resilience, including, but not limited to, all of the following:

(A) A project that addresses river, bay, or sea level rise, or rising groundwater, including wetlands or marsh restoration, vegetated dunes, living shorelines, erosion control, or levees.

(B) A project that addresses extreme heat or the urban heat island effect, including increasing shade, deploying cool building and surface materials, using cool pavements; constructing, improving, or modifying new or existing facilities; or increasing access to cooling opportunities.

(C) A project that addresses extreme cold, rain, or snow, including constructing, improving, or modifying new or existing facilities.

(D) A project that addresses the risk of wildfire, including establishing fire breaks, prescribed burning, structure hardening, or vegetation control.

(E) A project that addresses drought, including multiuse land repurposing, groundwater replenishment, groundwater storage, or conjunctive use.

(F) A project that addresses the risk of flooding, including structure elevation or relocation, wetlands restoration, flood easements or bypasses, or levees.

(G) A project that intends to improve air quality.

(2) At a minimum, a district shall give priority to a project that does either of the following:

(A) Utilizes natural infrastructure, as defined in paragraph (3) of subdivision (c) of Section 71154 of the Public Resources Code, to address climate change adaptation or resilience based upon the best available science.

(B) Addresses the needs of under-resourced communities, as defined in subdivision (g) of Section 71130 of the Public Resources Code, or vulnerable communities, as defined in subdivision (d) of Section 71340 of the Public Resources Code.

(3) A district may adopt additional priorities for projects.

(4) A district shall seek the input of the communities specified in subparagraph (B) of paragraph (2) in the planning, development, and implementation of projects.

(c) "Participating entity" means a city, county, or special district that meets both of the following:

(1) The city, county, or special district is an affected taxing entity within the climate resilience district.

(2) The city, county, or special district adopts a resolution pursuant to subdivision (b) of Section 62304 that is applicable to its territory located within the climate resilience district.

(d) "Participating member city or county" means a city or county that does not adopt a resolution to be a participating entity, as described in subdivision (c), and alternatively adopts a resolution at a noticed public hearing stating that it agrees to participate in, and have its territory subject to, the jurisdiction, powers, and authority of the district conditioned upon the city or county also being represented on the governing body of the district pursuant to Section 62305.

(e) (1) "Property tax increment" means that portion of the ad valorem taxes, as defined under subdivision (a) of Section 1 of Article XIII A of the California Constitution, excluding any ad valorem taxes or assessments levied pursuant to subdivision (b) of Section 1 of Article XIII A of the California Constitution, divided pursuant to Section 53398.75.

(2) Except as otherwise specified in this division, a district formed pursuant to this division is hereby deemed to also be an enhanced infrastructure financing district pursuant to Chapter 2.99 (commencing with Section 53398.50) of Part 1 of Division 2 of Title 5 and shall be subject to statutory provisions for enhanced infrastructure financing districts.

**SEC. 11.** (a) Section 2.5 of this bill incorporates amendments to Section 53398.50 of the Government Code proposed by both this bill and Assembly Bill 1819. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2025, (2) each bill amends Section 53398.50 of the Government Code, and (3) this bill is enacted after Assembly Bill 1819, in which case Section 2 of this bill shall not become operative.

(b) Section 3.5 of this bill incorporates amendments to Section 53398.52 of the Government Code proposed by both this bill and Assembly Bill 1819. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2025, (2) each bill amends Section 53398.52 of the Government Code, and (3) this bill is enacted after Assembly Bill 1819, in which case Section 3 of this bill shall not become operative.