



CITY COUNCIL AGENDA REPORT



DEPARTMENT: Administration

MEETING DATE: October 15, 2013

PREPARED BY: Alexis Newell, Management Analyst

AGENDA LOCATION: AR-3

TITLE: Legislative Bulletin

OBJECTIVE: To provide the City Council with a summary of state and federal legislative issues impacting the City of Monrovia

ANALYSIS: Monitoring current legislation and maintaining effective relationships with our legislators remain top priorities for the City of Monrovia. In California, the last day for each house to pass bills through the legislature was September 13, 2013. The California Legislature is now in an Interim Recess. The deadline for the Governor to sign or veto enrolled legislation is October 13, 2013. Of the bills that we have been tracking, the following made it to the Governor's desk:

- AB250 was signed, codifying the California Innovation Hub Program within the Governor's Office of Business and Economic Development;
- AB405 the High-Occupancy Vehicle Lanes bill was vetoed, the Governor citing a wish to retain 24/7 carpool control to limit pollution and maximize the use of freeways;
- AB564 was enrolled and is awaiting signature or veto, and would prohibit the Department of Finance from modifying or reversing an Oversight Board's action of an approval of an enforceable obligation for a successor agency; and
- AB1359 was signed, extending Quimby act fees to be used for the purpose of developing or rehabilitating park or recreational facilities outside of the neighborhood in which the fees were collected.

The new California statutes will take effect on January 1, 2014 and the next legislative session will begin January 8, 2014.

Staff is continuing to track HR 1877, authored by New York Congressman Tim Bishop, which is the Federal Water Pollution Control Act, and designates funding for state water pollution, including stormwater cleanup. This bill is the first to specifically designate funding for stormwater cleanup, an issue that has become a costly unfunded mandate for cities across the country. For Monrovia, this year it is costing \$1.2 million to address stormwater concerns, and that cost is expected to rise between \$2 million to \$5 million next year. This bill could provide some funding relief for these mandates. A link to the full text of HR 1877 can be found at <http://www.gpo.gov/fdsys/pkg/BILLS-113hr1877ih/pdf/BILLS-113hr1877ih.pdf>, or a copy is available in the City Clerk's office. A summary of the bill is attached to this report. It remains in the US House subcommittee on Water Resources and Environment.

ENVIRONMENTAL IMPACT: There is no environmental impact associated with this report.

FISCAL IMPACT: There is no fiscal impact associated with this report.

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OPTIONS: Staff is seeking direction on legislative issues that should be monitored, and is recommending the approval of the Legislative Bulletin.

RECOMMENDATION: Staff recommends that the City Council approve the Legislative Bulletin.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to receive and file the Legislative Bulletin and direct Staff to follow new legislation as necessary.

BILL	AUTHOR	STATUS	SUMMARY	LEAGUE POSITION	CITY POSITION
AB 250	Holden	10/4/2013 Chaptered and SIGNED by Governor Brown	<p>California Innovation Hub This bill creates the California Innovation Hub Program within the Governor's Office of Business and Economic Development and requires the office to designate Innovation Hubs. The bill authorizes the office to use vacant or underused state-owned or leased property to further the goals of the Program.</p>		
AB 405	Gatto	9/28/2013 VETOED by Governor Brown	<p>Highways: High-Occupancy Vehicle Lanes: County of Los Angeles Existing law authorizes the Department of Transportation to designate certain lanes for the exclusive or preferential use of high-occupancy vehicles. When those exclusive or preferential use lanes are established and double parallel solid lines are in place to the right thereof, existing law prohibits any person driving a vehicle from crossing over those double lines to enter into or exit from the lanes, and entrance or exit from those lanes is authorized only in areas designated for these purposes or where a single broken line is in place to the right of the lanes, except as specified. This bill would prohibit the department from converting an existing mixed-flow lane in the County of Los Angeles into a high-occupancy vehicle lane.</p>		
AB 564	Mullin	9/18/2013 ENROLLED and awaiting Governor's signature or veto	<p>Community Redevelopment: Successor Agencies This bill will ensure successor agencies that receive a finding of completion from the Department of Finance will be able to rely over the long term on the loan repayment, expenditure of bond proceeds and property retention benefits provided in AB 1484.</p>		
AB 1359	Hernandez	9/28/2013 Chaptered and SIGNED by Governor Brown	<p>Community Health: Access to Parks and Recreational Spaces This bill authorize fees paid pursuant to the Quimby Act to also be used for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision or subdivisions in the city or county with the greatest need, as defined. The bill would require the legislative body to hold a public hearing before using fees as prescribed in the bill. This bill also would authorize the use of joint or shared use agreements to facilitate access to park or recreational facilities for residents in specified areas.</p>		

LEGISLATIVE BULLETIN

AB5	Ammiano	5/24/13 Held in Assembly Appropriations Suspend File	Homeless Person's Bill of Rights This bill would enact the Homeless Person's Bill of Rights and Fairness Act, which would provide that no person's rights, privileges, or access to public services may be denied or abridged because he or she is homeless.	Oppose	Oppose
AB 185	Hernandez	4/30/2013 Amended and scheduled for hearing in Committee for Local Government	Open and Public Meetings: Televised Meetings The bill would provide that an audio or video recording of an open and public meeting made at the direction of a local agency may be erased or destroyed 2 years after the recording, and requires that all cable franchise fees be used to televise open and public meetings of its legislative body and advisory committees. If additional funding is available, it can be used to live stream the meetings.	Oppose	WATCH
AB 194	Campos	4/24/2013 Committee Hearing Cancelled at author request	Open Meetings: Protections for Public Criticism: Penalties for Violations Would make it a misdemeanor for a member of a legislative body to prohibit public criticism protected under the Ralph M. Brown Act. This bill would further authorize any interested person to initiate legal determination that the governing body has violated the law.		Watch
AB 229	Perez	6/25/13 Passed at Third Reading	Local Government: Infrastructure and Revitalization Financing Districts This bill would authorize the creation of an infrastructure and revitalization financing district on a former military base. Voter approval is still required for the creation of the district and the issuance of bonds		
AB 294	Holden	5/24/13 Held in Assembly Appropriations Suspend File	Infrastructure Financing Districts: Use of Incremental Property Tax Revenue This bill would authorize the California Infrastructure and Economic Development Bank to augment local investments in infrastructure by approving the Educational Revenue Augmentation Fund (ERAF) share of property tax for specific infrastructure Financing Districts.	Support	WATCH

LEGISLATIVE BULLETIN

<p>AB 323 Chesbro</p>	<p>5/24/13 Held in Assembly Appropriations Suspense File</p>	<p>Solid Waste: Recycling: Diversion: Green Materials This bill would require the Department of Resource, Recycling and Recovery to adopt regulations to provide that no later than Jan. 1, 2020 the use of green material as alternative daily cover or alternative intermediate cover does not constitute diversion through recycling and would be considered disposal.</p>	<p>Watch *LAC Integrated Waste Management Task Force opposes</p>
<p>AB 416 Gordon</p>	<p>5/24/13 Held in Assembly Appropriations Suspense File</p>	<p>California Air Resources Board: Local Emission Reduction Program This bill would create the Local Emission Reduction Program and would provide grants to develop and implement greenhouse gas emission reduction projects in the state with an emphasis on creating local job training and job creation benefits, and provide opportunities to achieve greenhouse gas emission reduction in ways that increase localized energy resources.</p>	<p>Support</p>
<p>AB 981 Bloom</p>	<p>5/24/13 Held in Assembly Appropriations Suspense File</p>	<p>Redevelopment Dissolution: Post 2011 Bond Proceeds This bill would extend the date a successor housing entity is authorized to designate the use of, and commit, indebtedness obligation proceeds that were issued for affordable housing purposes prior to Jan. 1, 2011 to June 28, 2011. For the City of Monrovia, we are among a list of 37 cities that this would apply to. The City approved a housing bond of \$7 million after the elimination of redevelopment agencies. This bill would allow us to use this money.</p>	<p>Support SUPPORT</p>
<p>AB 1065 Holden</p>	<p>4/30/2013 Bill failed Committee on Public Safety. Re-referred to Appropriations Committee</p>	<p>Parole This bill would require mandatory parole supervision for ex-offenders diagnosed with severe mental disorders requiring treatment where the disorder was the cause or an aggravating factor in the commission of a violent offense or sex offense against a child. The measure further clarifies that this class of offenders remains subject to state parole supervision, notwithstanding realignment.</p>	<p>Watch</p>

<p>AB 1357</p>	<p>Hernandez</p>	<p>4/30/13 Hearing Cancelled at request of the author</p>	<p>San Gabriel Valley Emergency Departments and Ambulance Diversion Existing law establishes the State Department of Public Health and sets forth its powers and duties, including, but not limited to, the licensing and regulations of health facilities, including, but not limited to, health facilities operating emergency departments. This bill would require emergency room funds in the County of Los Angeles that were approved by voter initiative, which are collected from properties within the San Gabriel Valley, to remain in that geographic region of the county. This bill contains other related provisions and other existing laws.</p>	<p>Watch WATCH</p>
<p>SB 1</p>	<p>Steinberg</p>	<p>5/29/2013 In Assembly. Held at Desk.</p>	<p>Sustainable Communities Investment Authority This bill would authorize tax increment and former redevelopment authority to be used in areas adjacent to commuter rail and high volume transit corridors.</p>	<p>Watch</p>
<p>SB 33</p>	<p>Wolk</p>	<p>4/11/2013 Passed Senate to Assembly 5/16/2013 Referred to Assembly Committee on Local Government</p>	<p>Infrastructure Finance Districts This bill would eliminate the requirement of voter approval for creation of an Infrastructure Financing Districts and for bond issuance, and would authorize the legislative body to create the district subject to specified procedures. In place of voter approval is the creation of a public financing authority, consisting of 5 members - 3 from City Council, and 2 of whom are members of the public.</p>	<p>Support WATCH</p>
<p>HR 1877</p>	<p>Bishop</p>	<p>5/9/2013 Referred to House Subcommittee on Water Resources & Environment</p>	<p>Water Quality Protection and Job Creation Act of 2013 – This amends the Federal Water Pollution Control Act (commonly known as the Clean Water Act [CWA]) to authorize the Administrator of the Environmental Protection Agency (EPA) to make grants to nonprofit organizations to provide: (1) technical assistance to rural and small municipalities and tribal governments for planning, developing, and financing eligible state water pollution control revolving fund projects; and (2) technical assistance and training to enable rural, small, and tribal publicly owned treatment works and decentralized wastewater systems to protect water quality and comply with the CWA. It also expands the types of watershed pilot projects to be more inclusive of stormwater cleanup.</p>	<p>N/A Council is being asked to consider submitting Letter of Support as of 7-16-13</p>

Assembly Bill No. 250

CHAPTER 530

An act to add Article 6 (commencing with Section 12099) to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, relating to state government, and making an appropriation therefor.

[Approved by Governor October 4, 2013. Filed with
Secretary of State October 4, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 250, Holden. California Innovation Initiatives.

The Governor's Office of Business and Economic Development serves as the Governor's lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The office, among others, makes recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals.

This bill would create the California Innovation Hub Program within the Governor's Office of Business and Economic Development. The bill would require the office to designate Innovation Hubs, as specified. The bill would require the office to issue a request for proposals for the California Innovation Hub Program, and would require the proposals to include specified information except as provided. The bill would require each designated iHub partnership to include, among other things, at least one major university or research center or institute. The bill would establish the Innovation Accelerator Account within the California Economic Development Fund and would make a continuous appropriation from that account to the office to be used for California Innovation Initiatives, as specified. The bill would require an iHub to annually post the information from these reports on its Internet Web site and notify the Governor and specified legislative committees that such information is available on its Internet Web site.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Article 6 (commencing with Section 12099) is added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

Article 6. California Innovation Initiatives

12099. The Legislature finds and declares all of the following:

(a) Job creation through rapid technology commercialization is a vital part of the state's economic well-being, as identified in a January 2012 symposium held by the Brookings Institute.

(b) Innovation and tech-driven entrepreneurial activity coupled with venture investment creates small business startups and expansions at an accelerated rate, which leads to significant employment opportunities that contribute to the state's financial health and economic competitiveness.

(c) In order to maintain a healthy state economy and to aid communities, entrepreneurship and technology-based small businesses must be stimulated and supported.

(d) The Innovation Hubs (iHubs) are operated in California through a cooperative agreement between the Governor's Office of Business and Economic Development (GO-Biz) and geographically distinct regions, all of which are partnered with public universities, community college districts, local governments, research institutions, industry, angel and venture capital networks, and traditional financial institutions. The iHubs are California's premier resource for facilitating the success of entrepreneurial and small technology startups that can grow California's economy by assisting business owners in creating and retaining jobs, increasing sales and profits, securing business financing, and creating a successful new business climate in the state.

(e) The iHubs' economic impact in fostering entrepreneurial business activity leads to job creation and an innovation in the economy by establishing a formal partnership between the office and the iHub program.

(f) It is necessary to establish a fund that would enable the office to obtain funding from private sources, for appropriation to state designated iHubs, iHub partner organizations, and within state iHub-designated regions for the purpose of establishing, promoting, and enhancing California's innovation and entrepreneurship ecosystem.

12099.1. (a) The California Innovation Hub Program is hereby created within the office.

(b) The office shall designate Innovation Hubs within the state to stimulate partnerships, economic development, and job creation by leveraging assets to provide an innovation platform for startup businesses, economic development organizations, business groups, and venture capitalists. The assets may include, but are not limited to, research parks, technology incubators, universities, and federal laboratories.

(c) The office shall oversee, coordinate, and provide assistance to each iHub.

12099.2. For purposes of this article, the following terms shall be defined as follows:

(a) "Applicant" means one or more entities that submit an application to GO-Biz. Eligible applicants shall be one or more of the following:

(1) A fully accredited institution of higher education.

(2) A private nonprofit corporation engaged in economic development activities.

(3) A county or municipality in this state that has a preexisting economic development department or program or both.

(4) A public economic development institution such as a workforce investment board or an economic development corporation.

(b) "Innovation Hub" or "iHub" means a partnership between interrelated firms, local governments, economic development organizations, educational entities, and industries that collectively drive economic growth within a defined geographic area.

(c) "iHub coordinator" means the individual or entity agreed to by the iHub partnership that is responsible for all of the following:

(1) Implementing the objectives of the iHub.

(2) Serving as the primary agent responsible for coordinating services and resources and maintaining the iHub partnership.

(3) Serving as the primary liaison to the state and the office.

12099.3. (a) The office shall issue a request for proposals for the California Innovation Hub Program.

(b) An applicant's proposal shall include, but shall not be limited to, all of the following information:

(1) A statement of purpose.

(2) A signed statement of cooperation and a description of the roles and relationships of each entity involved in the iHub partnership.

(3) A designated iHub coordinator.

(4) A clear explanation and map conveying the iHub's physical boundary.

(5) A clearly stated designee to coordinate iHub activities.

(6) A clearly identified central location.

(7) Clearly identified benchmarks or milestones with approximate dates as to when they will be achieved.

(8) A complete budget including a description of secured funds with proof, pending funds, and potential future funding sources.

(9) A list and brief description of local and regional incentives and support programs.

(10) A clearly articulated commercial market focus and plan.

(11) A clearly articulated iHub management structure and plan that may include a description of the capabilities, qualifications, and experience of the proposed management team, team leaders, or key personnel who are critical to achieving the proposed objectives.

(12) A list of iHub assets and resources.

(13) A clearly articulated focus area of the iHub including industry sectors or other targeted areas for development and growth.

(14) A list of specific resources available to support and guide startup companies.

(15) A clearly articulated list of goals to be achieved with the certification of the iHub.

(16) Expectations for job development and business creation.

(17) Defined performance standards agreed upon by the partners involved in the development of the iHub.

(18) Evaluation procedures that will be used to measure the level of achievement for each stated goal.

(19) A plan for sustainability.

(20) Organizational experience including capabilities, related experience, facilities, techniques, unusual resources, or unique combinations of these that are integral factors for achieving the proposed objectives.

(21) Demonstrated experience with innovation programs such as involvement with technology commercialization.

(22) Demonstrated experience with technology transfer or licensing.

(23) Demonstrated experience with intellectual property management.

(24) Evidence of community engagement and support.

(c) The office may waive any of the requirements listed in subdivision (b).

(d) The office may designate an iHub for a term of not more than five years. An iHub may reapply for a designation without limitation on the number of times.

(e) (1) The iHub designation shall not be official until a memorandum of understanding is entered into by the applicant and the office. The memorandum of understanding shall include the goals and performance standards identified in the application and other related requirements as determined by the office.

(2) For an iHub designated by the office before January 1, 2014, the iHub partnership shall have until September 1, 2014, to enter into a memorandum of understanding with the office that meets the requirements of this article.

(f) More than one iHub may be designated in an area to the extent that there is a clear distinction between the focus area of each iHub.

(g) The office shall set guidelines for approval, designation, operation, reporting, redesignation, and dedesignation of iHubs.

(h) An iHub shall annually report to the office on its progress in meeting the goals and performance standards as described in the iHUB application and implementing memorandum of understanding with the office. The office shall annually post the information from these reports on the office Internet Web site and provide notice to the Governor and relevant policy committees of the Legislature that the information is available on the Internet Web site.

12099.4. A designated iHub shall include at least one major university or research center or institute, one economic development organization, and consist of at least four of the following:

(a) A business support organization including a workforce development or training organization, incubator or business accelerator, business technical assistance providers, chamber of commerce, and networking organization that supports innovation.

(b) An educational consortium including technology transfer representatives.

(c) A venture capital network including angel investors.

(d) A business foundation, innovation foundation, science foundation, laboratory research institution, federal laboratory, or research and development facility.

(e) A municipal economic development division or department.

(f) A federal government partner such as a national laboratory.

12099.5. Before an official designation as an iHub, the applicant shall self-certify both of the following:

(a) That the iHub will comply with the state's nondiscrimination policy.

(b) That the iHub and its principals are current in payment of all state and local taxes owed unless they have entered into an agreement that was deemed satisfactory by the respective taxing authority and are in full compliance with the agreement.

12099.6. (a) An iHub may do all of, but shall not be limited to, the following:

(1) Provide counseling and technical assistance, either by direct or indirect services, in the areas of entrepreneurial business planning and management, financing, and marketing for small businesses.

(2) Provide expert advice to entrepreneurs on starting a business, including legal requirements for starting a business and access to financing opportunities.

(3) Conduct business workshops, seminars, and conferences with local partners including, but not limited to, state universities, state community colleges, local governments, state and federal service providers, private industry, workforce investment boards and agencies, small business development centers, microenterprise development organizations, small business service agencies, economic development organizations, and chambers of commerce.

(4) Facilitate partnerships between innovative startup businesses, research institutions, and venture capitalists or financial institutions.

(b) The iHubs shall, to the extent feasible, do all of the following:

(1) Work in close collaboration with the activities of the office as its primary statewide partner.

(2) Coordinate activities with the Employment Training Panel, the California Workforce Investment Board, the Office of the Chancellor of the California Community Colleges, the University of California, the California State University, and other state economic and workforce development programs.

12099.7. The Innovation Accelerator Account is hereby created within the California Economic Development Fund in the State Treasury. Subject to the approval of the Department of Finance, all moneys collected and received by the Governor's Office of Business and Economic Development for California Innovation Initiatives from gifts, bequests, or donations shall be deposited in the Innovation Accelerator Account. Notwithstanding Section 13340, the moneys in the account are continuously appropriated to the office

to be used for California Innovation Initiatives pursuant to the terms of the gift, bequest, or donation.

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OFFICE OF THE GOVERNOR

SEP 28 2013

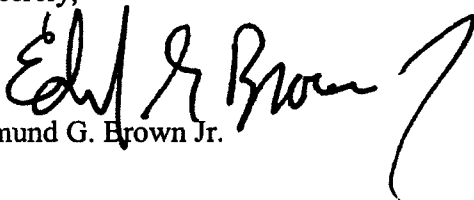
To the Members of the California State Assembly:

I am returning Assembly Bill 405 without my signature.

This bill limits the 24/7 carpool lane controls on about 13 miles of the 134 freeway in Los Angeles to the hours of heavy commuter traffic.

Carpool lanes are especially important in Los Angeles County to reduce pollution and maximize use of freeways. We should retain the current 24/7 carpool lane control.

Sincerely,


Edmund G. Brown Jr.

CONCURRENCE IN SENATE AMENDMENTS
AB 564 (Mullin)
As Amended September 6, 2013
Majority vote

ASSEMBLY: 77-0 (May 30, 2013) SENATE: 37-0 (September 10, 2013)

Original Committee Reference: L. GOV.

SUMMARY: Prohibits the Department of Finance (DOF), once a finding of completion is issued, from future modification or reversal of an action of approval by an oversight board for specified enforceable obligations of a successor agency.

The Senate amendments grant an exception from the bill's provisions specifically for an amendment to an enforceable obligation initiated by a successor agency, and add chaptering out language.

EXISTING LAW:

- 1) Dissolves redevelopment agencies and provides for the designation of successor agencies.
- 2) Requires successor agencies to wind down the affairs of the dissolved redevelopment agencies.
- 3) Defines "enforceable obligations."
- 4) Requires successor agencies make payments due to enforceable obligations, as specified.
- 5) Requires each successor agency to have an oversight board of seven members to approve certain actions of the successor agency.
- 6) Requires DOF to review the actions of an oversight board.
- 7) Requires DOF to issue a finding of completion to the successor agency, within five business days, once the following conditions have been met and verified:
 - a) The successor agency has paid the full amount as determined during the due diligence reviews and the county auditor-controller has reported those payments to DOF;
 - b) The successor agency has paid the full amount as determined during the July True-up process; or,
 - c) The successor agency has paid the full amount upon a final judicial determination of the amounts due and confirmation that those amounts have been paid by the county auditor-controller.
- 8) Allows the successor agency, upon receiving the finding of completion, to:
 - a) Retain dissolved redevelopment agency assets;

- b) Place loan agreements between the former redevelopment agency and sponsoring entity on the Recognized Obligation Payments Schedule (ROPS), as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes; and,
 - c) Utilize proceeds derived from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants.
- 9) Requires, after DOF issues a finding of completion, the successor agency to prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency, and requires the report to be submitted to the oversight board and DOF for approval no later than six months following the issuance to the successor agency of the finding of completion.

AS PASSED BY THE ASSEMBLY, this bill:

- 1) Prohibited DOF from modifying or reversing an oversight board's action of approval of an enforceable obligation of a successor agency, in the following instances:
 - a) Once a finding of completion has been issued by DOF, the successor agency may:
 - i) Transfer former redevelopment agency-owned property to the city or county for redevelopment upon completion of a long-term property management plan approved by DOF;
 - ii) Repay city loans made to the redevelopment agency; and,
 - iii) Use unspent bond proceeds issued by a redevelopment agency before December 31, 2010.
- 2) Prohibited DOF from taking any future action to modify a transfer or property, or the liquidation of property and the use of proceeds, as long as the transfer or liquidation is consistent with the approved long-range property management plan of the successor agency.
- 3) Declared, in the instances described in 1) and 2) that the specified actions shall be final and may be relied upon by all public and private entities.
- 4) Made other technical changes.

FISCAL EFFECT: According to the Senate Appropriations Committee, this bill contains unknown, potentially significant General Fund impacts. To the extent that DOF is prevented from challenging enforceable obligations approved on a previous ROPS after the issuance of a "finding of completion," the bill would reduce the amount of residual property tax revenues directed to local agencies, including schools. In general, any property tax proceeds diverted from schools results in an equivalent General Fund cost, pursuant to Proposition 98's minimum funding guarantees.

COMMENTS: As part of the winding down of redevelopment agencies, AB 1484 (Blumenfeld), Chapter 26, Statutes of 2012, made various statutory changes associated with the dissolution of redevelopment agencies and addressed a number of substantive issues related to administrative processes, affordable housing activities, repayment of loans from communities, use of existing bond proceeds and the disposition or retention of former redevelopment agency assets.

One of the provisions in AB 1484 allowed successor agencies that have received a "finding of completion" from DOF to have additional discretion regarding former agency real property assets, loan repayments to the local government community that formed the agency, and use of proceeds from bonds issued by the former redevelopment agency. In order to receive the finding of completion, the successor agency must undergo specified due diligence reviews and make the requirement payments to DOF.

Once the successor agency receives the finding of completion, the agency gains access to three specific benefits listed in statute – first, the ability to transfer former redevelopment agency – owned properties to the city or county for redevelopment upon completion of a long-term management plan approved by DOF; second, the ability to repay city loans made to the redevelopment agency; and third, the ability to use unspent bond proceeds issued by redevelopment agencies prior to December 31, 2010. However, the repayment of city-agency loans and the expenditure of unspent bond proceeds would become an "enforceable obligation." Once a finding of completion is issued, the successor agency must prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The report is required to be submitted to the oversight board and the Department of Finance for approval no later than six months following the issuance to the successor agency of the finding of completion.

This bill prohibits DOF, once a finding of completion is issued, from future modification or reversal of an action of approval by an oversight board for specified enforceable obligations of a successor agency – specifically for those benefits listed above. The bill also prohibits DOF from taking any future action to modify a transfer of property, or the liquidation of property, as long as the transfer or liquidation is consistent with the approved long-range property management plan of the successor agency. The bill grants a limited exception from these provisions for an amendment to an enforceable obligation initiated by a successor agency. This bill is sponsored by the League of California Cities.

According to the author, "The dissolution of former redevelopment agencies requires successor agencies to negotiate a series of complex reviews and audits overseen by the Department of Finance. From a successor agency perspective, the DOF process has been fraught with uncertainty due to changing and inconsistent interpretations of statutory requirements."

The author notes that this bill "clarifies the statute to reflect the legislative intent that successor agencies can rely on access to these benefits [from a finding of completion] over the long term. The bill requires that after the initial approval of oversight board action by the Department of Finance, the successor agency and all other public and private entities may rely with certainty upon that decision." This bill will clarify, as more successor agencies are granted a finding of completion, that the successor agency can count on these benefits without future disruption or reversal by DOF.

Support arguments: According to the League of California Cities, this bill "clarifies the statute to reflect legislative intent so successor agencies can rely on access to these benefits over the long term...this important clarification will avoid unnecessary future disputes, confusion and litigation, and assist the affected communities in moving on from redevelopment so they can focus on their future."

Opposition arguments: None on file.

Analysis Prepared by: Debbie Michel / L. GOV. / (916) 319-3958

FN: 0002652

Assembly Bill No. 1359

CHAPTER 412

An act to amend Section 66477 of the Government Code, relating to land use.

[Approved by Governor September 28, 2013. Filed with Secretary of State September 28, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1359, Roger Hernández. Quimby Act: use of fees.

The Quimby Act, which is within the Subdivision Map Act, authorizes the legislative body of a city or county to require the dedication of land or impose fees for park or recreational purposes as a condition to the approval of a tentative or parcel subdivision map, if specified requirements are met. One of these requirements is that the dedicated land or fees, or combination thereof, shall be used only for the purposes of developing or rehabilitating neighborhood or community park or recreational facilities to serve the subdivision for which the land was dedicated or fees were paid. The act provides that the dedication of land, or the payment of fees, or both, shall not exceed the proportionate amount necessary to provide 3 acres of park area per 1,000 persons residing within a subdivision subject to the act, except as specified.

This bill would authorize fees paid pursuant to the act to also be used for the purpose of developing or rehabilitating park or recreational facilities in a neighborhood other than the neighborhood in which the subdivision for which fees were paid as a condition to the approval of a tentative map or parcel map is located, if certain requirements are met. The bill would require the legislative body to hold a public hearing before using fees as prescribed in the bill. This bill also would authorize the use of joint or shared use agreements to facilitate access to park or recreational facilities for residents in specified areas.

The people of the State of California do enact as follows:

SECTION 1. Section 66477 of the Government Code, as amended by Section 61 of Chapter 181 of the Statutes of 2012, is amended to read:

66477. (a) The legislative body of a city or county may, by ordinance, require the dedication of land or impose a requirement of the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition to the approval of a tentative map or parcel map, if all of the following requirements are met:

(1) The ordinance has been in effect for a period of 30 days prior to the filing of the tentative map of the subdivision or parcel map.

(2) The ordinance includes definite standards for determining the proportion of a subdivision to be dedicated and the amount of any fee to be paid in lieu thereof. The amount of land dedicated or fees paid shall be based upon the residential density, which shall be determined on the basis of the approved or conditionally approved tentative map or parcel map and the average number of persons per household. There shall be a rebuttable presumption that the average number of persons per household by units in a structure is the same as that disclosed by the most recent available federal census or a census taken pursuant to Chapter 17 (commencing with Section 40200) of Part 2 of Division 3 of Title 4. However, the dedication of land, or the payment of fees, or both, shall not exceed the proportionate amount necessary to provide three acres of park area per 1,000 persons residing within a subdivision subject to this section, unless the amount of existing neighborhood and community park area, as calculated pursuant to this subdivision, exceeds that limit, in which case the legislative body may adopt the calculated amount as a higher standard not to exceed five acres per 1,000 persons residing within a subdivision subject to this section.

(A) The park area per 1,000 members of the population of the city, county, or local public agency shall be derived from the ratio that the amount of neighborhood and community park acreage bears to the total population of the city, county, or local public agency as shown in the most recent available federal census. The amount of neighborhood and community park acreage shall be the actual acreage of existing neighborhood and community parks of the city, county, or local public agency as shown on its records, plans, recreational element, maps, or reports as of the date of the most recent available federal census.

(B) For cities incorporated after the date of the most recent available federal census, the park area per 1,000 members of the population of the city shall be derived from the ratio that the amount of neighborhood and community park acreage shown on the maps, records, or reports of the county in which the newly incorporated city is located bears to the total population of the new city as determined pursuant to Section 11005 of the Revenue and Taxation Code. In making any subsequent calculations pursuant to this section, the county in which the newly incorporated city is located shall not include the figures pertaining to the new city which were calculated pursuant to this paragraph. Fees shall be payable at the time of the recording of the final map or parcel map, or at a later time as may be prescribed by local ordinance.

(3) (A) The land, fees, or combination thereof are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision, except as provided in subparagraph (B).

(B) Notwithstanding subparagraph (A), fees may be used for the purpose of developing new or rehabilitating existing park or recreational facilities in a neighborhood other than the neighborhood in which the subdivision

for which fees were paid as a condition to the approval of a tentative map or parcel map is located, if all of the following requirements are met:

(i) The neighborhood in which the fees are to be expended has fewer than three acres of park area per 1,000 members of the neighborhood population.

(ii) The neighborhood in which the subdivision for which the fees were paid has a park area per 1,000 members of the neighborhood population ratio that meets or exceeds the ratio calculated pursuant to subparagraph (A) of paragraph (2), but in no event is less than three acres per 1,000 persons.

(iii) The legislative body holds a public hearing before using the fees pursuant to this subparagraph.

(iv) The legislative body makes a finding supported by substantial evidence that it is reasonably foreseeable that future inhabitants of the subdivision for which the fee is imposed will use the proposed park and recreational facilities in the neighborhood where the fees are used.

(v) The fees are used within a specified radius that complies with the city's or county's ordinance adopted pursuant to subdivision (a), and are consistent with the adopted general plan or specific plan of the city or county. For purposes of this clause, "specified radius" includes a planning area, zone of influence, or other geographic region designated by the city or county, that otherwise meets the requirements of this section.

(4) The legislative body has adopted a general plan or specific plan containing policies and standards for parks and recreational facilities, and the park and recreational facilities are in accordance with definite principles and standards.

(5) The amount and location of land to be dedicated or the fees to be paid shall bear a reasonable relationship to the use of the park and recreational facilities by the future inhabitants of the subdivision.

(6) (A) The city, county, or other local public agency to which the land or fees are conveyed or paid shall develop a schedule specifying how, when, and where it will use the land or fees, or both, to develop park or recreational facilities to serve the residents of the subdivision. Any fees collected under the ordinance shall be committed within five years after the payment of the fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. If the fees are not committed, they, without any deductions, shall be distributed and paid to the then record owners of the subdivision in the same proportion that the size of their lot bears to the total area of all lots within the subdivision.

(B) The city, county, or other local agency to which the land or fees are conveyed or paid may enter into a joint or shared use agreement with one or more other public districts in the jurisdiction, including, but not limited to, a school district or community college district, in order to provide access to park or recreational facilities to residents of subdivisions with fewer than three acres of park area per 1,000 members of the population.

(7) Only the payment of fees may be required in subdivisions containing 50 parcels or less, except that when a condominium project, stock

cooperative, or community apartment project, as those terms are defined in Sections 4105, 4125, and 4190 of the Civil Code, exceeds 50 dwelling units, dedication of land may be required notwithstanding that the number of parcels may be less than 50.

(8) Subdivisions containing less than five parcels and not used for residential purposes shall be exempted from the requirements of this section. However, in that event, a condition may be placed on the approval of a parcel map that if a building permit is requested for construction of a residential structure or structures on one or more of the parcels within four years, the fee may be required to be paid by the owner of each parcel as a condition of the issuance of the permit.

(9) If the subdivider provides park and recreational improvements to the dedicated land, the value of the improvements together with any equipment located thereon shall be a credit against the payment of fees or dedication of land required by the ordinance.

(b) Land or fees required under this section shall be conveyed or paid directly to the local public agency which provides park and recreational services on a communitywide level and to the area within which the proposed development will be located, if that agency elects to accept the land or fee. The local agency accepting the land or funds shall develop the land or use the funds in the manner provided in this section.

(c) If park and recreational services and facilities are provided by a public agency other than a city or county, the amount and location of land to be dedicated or fees to be paid shall, subject to paragraph (2) of subdivision (a), be jointly determined by the city or county having jurisdiction and that other public agency.

(d) This section does not apply to commercial or industrial subdivisions or to condominium projects or stock cooperatives that consist of the subdivision of airspace in an existing apartment building that is more than five years old when no new dwelling units are added.

(e) Common interest developments, as defined in Section 1351 of the Civil Code, shall be eligible to receive a credit, as determined by the legislative body, against the amount of land required to be dedicated, or the amount of the fee imposed, pursuant to this section, for the value of private open space within the development which is usable for active recreational uses.

(f) Park and recreation purposes shall include land and facilities for the activity of "recreational community gardening," which activity consists of the cultivation by persons other than, or in addition to, the owner of the land, of plant material not for sale.

(g) This section shall be known, and may be cited, as the Quimby Act.

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