

ASSEMBLY BILL

No. 997

Introduced by Assembly Member Arambula

February 22, 2007

An act to add Part 14 (commencing with Section 53565) to Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 997, as introduced, Arambula. Infill capital outlay project and planning grants and loans.

(1) The Housing and Emergency Shelter Trust Fund Act of 2006 authorizes the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. The act establishes the Housing and Emergency Shelter Trust Fund of 2006 in the State Treasury, requires the sum of \$850,000,000 to be deposited in the Regional Planning, Housing, and Infill Incentive Account, which the act establishes in the fund, and makes the money in the account available, upon appropriation, for infill incentive grants for capital outlay related to infill housing development and other related infill development, and for brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans, subject to the conditions and criteria that the Legislature may provide in statute.

This bill would require the Department of Housing and Community Development to administer the account and would require specified amounts from the account to be available, upon appropriation, to fund

grants to cities, counties, cities and counties, redevelopment agencies, incorporated mutual water companies, special districts, and nonprofit organizations for capital outlay projects that will serve development on land that meets a specified definition in existing law of “infill site.” The bill would provide, until December 31, 2012, that the sum of \$150,000,000 would be available from the account to cities with a population of 30,000 persons or less. The bill would require the department to give preference in awarding grants under these provisions based on whether the proposed capital outlay project meets any of certain, listed criteria.

(2) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 authorizes the issuance of bonds in the amount of \$5,388,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to fund various public resources projects. Among other things, the act makes available, upon appropriation, the sum of \$90,000,000 to fund planning grants and planning incentives, including revolving loan programs and other methods to encourage the development of regional and local land use plans that are designed to promote water conservation, reduce automobile use and fuel consumption, encourage greater infill and compact development, protect natural resources and agricultural lands, and revitalize urban and community centers.

This bill would require the department to administer the Infill Planning Incentive Program and the Infill Planning Incentive Account, both of which would be established under the bill. The bill would require that funds made available under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to fund planning grants and planning incentives, as specified in existing law, be deposited in the account. The bill would require the department, upon appropriation, to allocate from the account the sum of \$30,000,000 for grants, and the sum of \$60,000,000 for loans, to fund local planning for infill development. The bill would require the department to give preference in awarding grants and loans under these provisions based on whether the proposed creation or updating of land use plans meets any of certain, listed criteria.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Part 14 (commencing with Section 53565) is
2 added to Division 31 of the Health and Safety Code, to read:

3
4 PART 14. INFILL CAPITAL OUTLAY PROJECT AND
5 PLANNING GRANTS AND LOANS

6
7 CHAPTER 1. INFILL CAPITAL OUTLAY PROJECT GRANTS
8

9 53565. (a) For the purposes of this chapter, the “account” is
10 the Regional Planning, Housing, and Infill Incentive Account
11 established in the Housing and Emergency Shelter Trust Fund of
12 2006 under subdivision (b) of Section 53545.

13 (b) The department shall administer the account.

14 (c) Upon appropriation, funds from the account shall be available
15 to fund grants to cities, counties, cities and counties, redevelopment
16 agencies, incorporated mutual water companies, special districts,
17 and nonprofit organizations for capital outlay projects that will
18 serve development on land that meets the definition of “infill site”
19 set forth in Section 21061.3 of the Public Resources Code.

20 (d) (1) Until December 31, 2012, not less than one hundred
21 fifty million dollars (\$150,000,000) of the funds in the account
22 shall be available, upon appropriation, exclusively to cities with
23 a population of 30,000 persons or less.

24 (2) On and after January 1, 2013, all funds remaining in the
25 account shall be available, upon appropriation, to any applicant
26 that qualifies under this chapter and other applicable provisions
27 of law.

28 (e) The department shall give preference in awarding grants
29 under this chapter based on whether the proposed capital outlay
30 project meets any of the following criteria:

31 (1) The capital outlay project is to be constructed in a
32 community whose current growth patterns threaten to remove
33 existing “agricultural land,” as defined in Section 21060.1 of the
34 Public Resources Code, from agricultural production. Additional
35 preference shall be given to proposed projects in cities whose
36 current growth patterns threaten to remove land that meets the
37 requirements of “prime agricultural land,” as defined in subdivision
38 (c) of Section 51201 of the Government Code, from agricultural

1 production. Threats to agricultural production may be interpreted
2 as resulting from the development of agricultural land itself, or
3 from the development of housing on land adjacent to agricultural
4 land.

5 (2) The capital outlay project will serve one or more infill
6 housing developments whose expected population density is at
7 least four times the current population density of the city in which
8 the development is to be located. A capital outlay project to be
9 constructed outside the limits of an incorporated city is not eligible
10 for additional preference under this criterion.

11 (3) The capital outlay project will not significantly serve
12 development that is not infill development.

13 (4) The capital outlay project will serve infill housing that is
14 within one mile of an existing urban or community center with
15 amenities that may include, but are not limited to, significant
16 historic and cultural resources, community recreational facilities,
17 government services, shopping, transit nodes, and major
18 employment centers. Additional preference shall be given to
19 applicants who demonstrate that applicable zoning codes would
20 allow for the creation or construction of additional housing within
21 one mile of the urban or community center identified, and that
22 there is currently a lack of housing in that area.

23 (5) The capital outlay project is to be constructed in a
24 community with high levels of poverty, or high levels of
25 unemployment, or high levels of both poverty and unemployment.
26

27 CHAPTER 2. INFILL PLANNING GRANTS AND LOANS

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29 53570. (a) For the purposes of this chapter, the following terms
30 have the following meanings, unless the context clearly requires
31 otherwise:

32 (1) The “account” is the Infill Planning Incentive Account,
33 which is hereby established in the State Treasury, under the
34 administration of the department.

35 (2) The “program” is the Infill Planning Incentive Program,
36 which is hereby established under the administration of the
37 department.

38 (b) Funds made available for expenditure under subdivision (c)
39 of Section 75065 of the Public Resources Code shall be deposited
40 into the account.

1 (c) Upon appropriation, the department shall allocate the sum
2 of thirty million dollars (\$30,000,000) from the account to fund
3 grants for local planning for the purposes provided in subdivision
4 (e). The department shall give preference in awarding these grants
5 to applicants that meet the following criteria:

6 (1) Communities with high levels of poverty, or unemployment,
7 or both poverty and unemployment.

8 (2) Cities with populations of fewer than 30,000 persons.

9 (d) Upon appropriation, the department shall allocate the sum
10 of sixty million dollars (\$60,000,000) from the account to fund a
11 revolving loan program for local planning for the purposes
12 provided in subdivision (e).

13 (e) Funds from the account shall be available to cities, counties,
14 cities and counties, and redevelopment agencies for any of the
15 following purposes:

16 (1) The purposes identified in subdivision (b) of Section
17 50898.1.

18 (2) The creation or updating of land use plans that will meet the
19 following criteria:

20 (A) Plans that apply to communities whose current growth
21 patterns threaten to remove existing “agricultural land,” as defined
22 in Section 21060.1 of the Public Resources Code, from agricultural
23 production. Additional preference shall be given to plans for cities
24 whose current growth patterns threaten to remove land that meets
25 the requirements of “prime agricultural land,” as defined in
26 subdivision (c) of Section 51201 of the Government Code, from
27 agricultural production. Threats to agricultural production may be
28 interpreted as resulting from the development of agricultural land
29 itself, or from the development of housing on land adjacent to
30 agricultural land.

31 (B) Plans that call for infill housing developments within the
32 incorporated area of one or more cities whose expected population
33 density is at least four times the current population density of the
34 city in which the development is to be located.

35 (C) Plans that do not call for significant amounts of new
36 development on land that does not meet the definition of an “infill
37 site” in Section 21061.3 of the Public Resources Code.

38 (D) Plans that call for new infill housing that is within one mile
39 of an existing urban or community center with amenities that may
40 include, but are not limited to, significant historic and cultural

1 resources, community recreational facilities, government services,
2 shopping, transit nodes, and major employment centers. When
3 housing in those areas is currently lacking, funds may be used to
4 ensure that applicable zoning codes allow for the creation or
5 construction of additional housing within one mile of the urban or
6 community center identified.

7 (E) Plans that apply to communities with high levels of poverty,
8 or high levels of unemployment, or high levels of both poverty
9 and unemployment.

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