

AMENDED IN SENATE JUNE 29, 2011

AMENDED IN ASSEMBLY MAY 5, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 485

Introduced by Assembly Member Ma
(Coauthor: Senator Wolk)

February 15, 2011

An act to amend Sections 53395.1 ~~and~~ 53395.3, 53395.10, 53395.11, 53395.12, 53395.14, 53395.19, 53395.20, 53396, 53397.1, and 53397.2 of, and to add Sections 53395.7.5 and 65460.2.5 to, the Government Code, relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 485, as amended, Ma. Infrastructure financing.

(1) The Transit Village Development Planning Act of 1994 authorizes a city or county to create a transit village plan for a transit village development district that addresses specified characteristics. Existing law authorizes the legislative body of the city or county to adopt an infrastructure financing plan, create an infrastructure financing district, and issue bonds for which only the district is liable, to finance specified public facilities, upon voter approval.

This bill would eliminate the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit village development district. The bill would require a city or county that uses infrastructure financing district bonds to finance its transit village development district to use at least 20% of the revenue from those bonds for the purposes of increasing, improving, and

preserving the supply of lower and moderate-income housing; to require that those housing units remain available and occupied by moderate-, low-, very low, and extremely low income households for at least 55 years for rental units and 45 years for owner-occupied units; and to rehabilitate, develop, or construct for rental or sale to persons and families of low or moderate income an equal number of replacement dwellings to those removed or destroyed from the low- and moderate-income segment of the housing market as a result of the development of the district, as specified. The bill would set forth the findings and declarations of the Legislature, and the intent of the Legislature that the development of transit village development districts be environmentally conscious and sustainable, and that related construction meet or exceed the requirements of the California Green Building Standards Code.

(2) Existing law prohibits the legislative body of a city or county from enacting a resolution proposing the formation of an infrastructure finance district and providing for the division of taxes of any affected taxing entity 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 the division of taxes has been filed with the legislative body at or prior to the time of the hearing.

This bill would require, in the case of an affected taxing entity that is a special district that provides fire protection services and where the county board of supervisors is the governing authority or has appointed itself as the governing board of the district, that the proposed infrastructure financing district plan be adopted by a separate resolution approved by the special district's governing authority or board.

This bill would also eliminate the requirement of voter approval and authorize the legislative body to create the district, adopt the plan, and issue the bonds by resolutions.

(3) Existing law requires that an infrastructure financing plan created by a legislative body to include a date on which the infrastructure finance district will cease to exist, which shall not be more than 30 years from the date on which the ordinance forming the district is adopted.

This bill instead would specify that the date on which the infrastructure finance district would cease to exist would not be more than 40 years from the date on which the legislative body adopted the resolution adopting the infrastructure financing plan.

The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.

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

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:
- 3 (1) Federal, state, and local governments in California are
4 investing in new and expanded transit systems in areas throughout
5 the state, including Los Angeles County, the San Francisco Bay
6 area, San Diego County, Santa Clara County, and Sacramento
7 County.
- 8 (2) This public investment in transit is unrivaled in the state's
9 history and represents well over ten billion dollars
10 (\$10,000,000,000) in planned investment alone.
- 11 (3) Recent studies of transit ridership in California indicate that
12 people who live within a one-half mile radius of transit stations
13 utilize the transit system in far greater numbers than does the
14 general public living elsewhere.
- 15 (4) The planning strategy of clustering housing and commercial
16 development around transit stations, and the creation of transit
17 villages pursuant to that strategy, has gained momentum in recent
18 years.
- 19 (5) Only a few transit stations in California have any
20 concentration of housing in close proximity to the station.
- 21 (6) The greater use of public transit facilitated by the
22 development of transit villages improves local street, road, and
23 highway congestion by providing viable alternatives to automobile
24 use.
- 25 (7) The development of transit village development districts
26 can improve environmental conditions by increasing the use of
27 public transit, facilitating the creation of and improvements to
28 walkable, mixed-use communities, and decreasing automobile use.
- 29 (8) Transit-oriented development can improve local and regional
30 economies by providing appropriate commercial and residential
31 development opportunities, including investment in local transit
32 village development, job creation through the construction of
33 related facilities, and job creation through employment

1 opportunities associated with related entertainment, retail,
2 residential, and other mixed-use development.

3 (9) Facilitating the use of infrastructure financing districts for
4 transit village development could provide local jurisdictions with
5 a cost-effective tool for pursuing transit-oriented development
6 projects.

7 (10) Tax-increment financing of transit village development
8 districts will provide a new tool for green development to help
9 achieve the sustainable communities strategy and regional
10 transportation plan goals of Senate Bill 375 (Chapter 728 of the
11 Statutes of 2008), as well as the greenhouse gas reduction goals
12 of Assembly Bill 32 (Chapter 488 of the Statutes of 2006).

13 (11) Tax-increment financing has been a useful tool for local
14 government to fund redevelopment projects, and the need for the
15 state to continue to provide local governments with revenue
16 generating infrastructure financing tools during difficult economic
17 times. Local governments will benefit greatly from the expanded
18 use of infrastructure financing districts for the delivery of
19 transit-oriented development and related low-income housing.

20 (b) It is the intent of the Legislature that the development of
21 transit village development districts throughout the state be
22 environmentally conscious and sustainable, and that related
23 construction meet or exceed the requirements of the California
24 Green Building Standards Code, Part 11 of Title 24 of the
25 California Code of Regulations, or its successor code.

26 SEC. 2. Section 53395.1 of the Government Code is amended
27 to read:

28 53395.1. Unless the context otherwise requires, the following
29 definitions shall govern the construction of this chapter:

30 (a) “Affected taxing entity” means any governmental taxing
31 agency that levied or had levied on its behalf a property tax on all
32 or a portion of the property located in the proposed district in the
33 fiscal year prior to the designation of the district, but not including
34 any county office of education, school district, or community
35 college district.

36 (b) “City” means a city, a county, or a city and county.

37 (c) “Debt” means any binding obligation to repay a sum of
38 money, including obligations in the form of bonds, certificates of
39 participation, long-term leases, loans from government agencies,

1 or loans from banks, other financial institutions, private businesses,
2 or individuals.

3 (d) “Designated official” means the city engineer or other
4 appropriate official designated pursuant to Section 53395.13.

5 (e) (1) “District” means an infrastructure financing district.

6 (2) An infrastructure financing district is a “district” within the
7 meaning of Section 1 of Article XIII A of the California
8 Constitution.

9 (f) “Infrastructure financing district” means a legally constituted
10 governmental entity established pursuant to this chapter for the
11 sole purpose of financing public facilities.

12 (g) “Landowner” or “owner of land” means any person shown
13 as the owner of land on the last equalized assessment roll or
14 otherwise known to be the owner of the land by the legislative
15 body. The legislative body has no obligation to obtain other
16 information as to the ownership of land, and its determination of
17 ownership shall be final and conclusive for the purposes of this
18 chapter. A public agency is not a landowner or owner of land for
19 purposes of this chapter, unless the public agency owns all of the
20 land to be included within the proposed district.

21 (h) “Legislative body” means the city council or board of
22 supervisors.

23 (i) “Transit facility” includes, but is not limited to, any publicly
24 owned facility and amenity necessary to implement a transit village
25 plan adopted pursuant to Article 8.5 (commencing with Section
26 65460) of Chapter 3 of Division 1 of Title 7.

27 *SEC. 3. Section 53395.3 of the Government Code is amended*
28 *to read:*

29 53395.3. (a) A district may finance (1) the purchase,
30 construction, expansion, improvement, seismic retrofit, or
31 rehabilitation of any real or other tangible property with an
32 estimated useful life of 15 years or longer which satisfies the
33 requirements of subdivision (b), (2) may finance planning and
34 design work which is directly related to the purchase, construction,
35 expansion, or rehabilitation of that ~~property~~ *property*, and (3) the
36 costs described in Sections 53395.5, and 53396.5. A district ~~may~~
37 *shall* only finance the purchase of facilities for which construction
38 has been completed, as determined by the legislative body. The
39 facilities need not be physically located within the boundaries of
40 the district. A district may not finance routine maintenance, repair

1 work, or the costs of ongoing operation or providing services of
 2 any kind. *A district shall not compensate the members of the*
 3 *legislative body of the city for any activities undertaken pursuant*
 4 *to this chapter.*

5 (b) The district shall finance only public capital facilities of
 6 ~~communitywide significance, which provide significant benefits~~
 7 ~~to an area larger than the area of the district,~~ including, but not
 8 limited to, all of the following:

9 (1) Highways, interchanges, ramps and bridges, arterial streets,
 10 parking facilities, and transit facilities.

11 (2) Sewage treatment and water reclamation plants and
 12 interceptor pipes.

13 (3) Facilities for the collection and treatment of water for urban
 14 uses.

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

17 (5) Child care facilities.

18 (6) Libraries.

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

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

22 (c) Any district which constructs dwelling units shall set aside
 23 not less than 20 percent of those units to increase and improve the
 24 community's supply of low- and moderate-income housing
 25 available at an affordable housing cost, as defined by Section
 26 50052.5 of the Health and Safety Code, to persons and families of
 27 low- and moderate-income, as defined in Section 50093 of the
 28 Health and Safety Code.

29 ~~SEC. 3.~~

30 *SEC. 4.* Section 53395.7.5 is added to the Government Code,
 31 to read:

32 53395.7.5. With respect to an infrastructure financing district
 33 proposed to implement a transit village plan adopted pursuant to
 34 Article 8.5 (commencing with Section 65460) of Chapter 3 of
 35 Division 1 of Title 7, an election is not required to form an
 36 infrastructure financing district, adopt an infrastructure financing
 37 plan, or issue bonds pursuant to this chapter. Any other provision
 38 of this chapter applies to the formation of an infrastructure
 39 financing district and the adoption of an infrastructure financing
 40 plan.

1 *SEC. 5. Section 53395.10 of the Government Code is amended*
2 *to read:*

3 53395.10. A legislative body of a city may designate one or
4 more proposed infrastructure financing districts pursuant to this
5 chapter. Proceedings for the establishment of a district shall be
6 instituted by the adoption of a resolution of intention to establish
7 the proposed district and shall do all of the following:

8 (a) State that an infrastructure financing district is proposed to
9 be established under the terms of this chapter and describe the
10 boundaries of the proposed district, which may be accomplished
11 by reference to a map on file in the office of the clerk of the city.

12 (b) State the type of public facilities proposed to be financed
13 by the district. The district may only finance public facilities
14 authorized by Section 53395.3.

15 (c) *State the need for the district and the goals the district*
16 *proposes to achieve by financing public facilities.*

17 ~~(e)~~

18 (d) State that incremental property tax revenue from the city
19 and some or all affected taxing entities within the district may be
20 used to finance these public facilities.

21 ~~(f)~~

22 (e) Fix a time and place for a public hearing on the proposal.

23 *SEC. 6. Section 53395.11 of the Government Code is amended*
24 *to read:*

25 53395.11. The legislative body shall direct the clerk to mail a
26 copy of the resolution of intention to create the district to each
27 owner of land within the district *and to each affected taxing entity.*

28 *SEC. 7. Section 53395.12 of the Government Code is amended*
29 *to read:*

30 53395.12. The legislative body shall direct the clerk to ~~mail a~~
31 ~~copy of the resolution to each affected taxing entity~~ *post a copy*
32 *of the resolution of intention to create the district in an easily*
33 *identifiable and accessible location on the legislative body's*
34 *Internet Web site.*

35 *SEC. 8. Section 53395.14 of the Government Code is amended*
36 *to read:*

37 53395.14. After receipt of a copy of the resolution of intention
38 to establish a district, the official designated pursuant to Section
39 53395.13 shall prepare a proposed infrastructure financing plan.
40 The infrastructure financing plan shall be consistent with the

- 1 general plan of the city within which the district is located and
2 shall include all of the following:
- 3 (a) A map and legal description of the proposed district, which
4 may include all or a portion of the district designated by the
5 legislative body in its resolution of intention.
 - 6 (b) A description of the public facilities required to serve the
7 development proposed in the area of the district including those
8 to be provided by the private sector, those to be provided by
9 governmental entities without assistance under this chapter, those
10 public improvements and facilities to be financed with assistance
11 from the proposed district, and those to be provided jointly. The
12 description shall include the proposed location, timing, and costs
13 of the public improvements and facilities.
 - 14 (c) A finding that the public facilities ~~are of communitywide~~
15 ~~significance and~~ provide significant benefits to an area larger than
16 the area of the district.
 - 17 (d) A financing section, which shall contain all of the following
18 information:
 - 19 (1) A specification of the maximum portion of the incremental
20 tax revenue of the city and of each affected taxing entity proposed
21 to be committed to the district for each year during which the
22 district will receive incremental tax revenue. The portion need not
23 be the same for all affected taxing entities. The portion may change
24 over time.
 - 25 (2) A projection of the amount of tax revenues expected to be
26 received by the district in each year during which the district will
27 receive tax revenues, including an estimate of the amount of tax
28 revenues attributable to each affected taxing entity for each year.
 - 29 (3) A plan for financing the public facilities to be assisted by
30 the district, including a detailed description of any intention to
31 incur debt.
 - 32 (4) A limit on the total number of dollars of taxes which may
33 be allocated to the district pursuant to the plan.
 - 34 (5) A date on which the district will cease to exist, by which
35 time all tax allocation to the district will end. The date shall not
36 be more than ~~30~~ 40 years from the date on which the ordinance
37 forming the district is adopted pursuant to Section 53395.23.
 - 38 (6) An analysis of the costs to the city of providing facilities
39 and services to the area of the district while the area is being
40 developed and after the area is developed. The plan shall also

1 include an analysis of the tax, fee, charge, and other revenues
2 expected to be received by the city as a result of expected
3 development in the area of the district.

4 (7) An analysis of the projected fiscal impact of the district and
5 the associated development upon each affected taxing entity.

6 (e) If any dwelling units occupied by persons or families of low
7 or moderate income are proposed to be removed or destroyed in
8 the course of private development or public works construction
9 within the area of the district, a plan providing for replacement of
10 those units and relocation of those persons or families consistent
11 with the requirements of Section 53395.5.

12 (f) *The goals the district proposes to achieve by financing public*
13 *facilities.*

14 ~~SEC. 4.~~

15 *SEC. 9.* Section 53395.19 of the Government Code is amended
16 to read:

17 53395.19. (a) The legislative body shall not enact a resolution
18 proposing formation of a district and providing for the division of
19 taxes of any affected taxing entity pursuant to Article 3
20 (commencing with Section 53396) unless a resolution approving
21 the plan has been adopted by the governing body of each affected
22 taxing entity which is proposed to be subject to division of taxes
23 pursuant to Article 3 (commencing with Section 53396) has been
24 filed with the legislative body at or prior to the time of the hearing.

25 (b) In the case of an affected taxing entity that is a special district
26 that provides fire protection services and where the county board
27 of supervisors is the governing authority or has appointed itself as
28 the governing board of the district, the plan shall be adopted by a
29 separate resolution approved by the district's governing authority
30 or governing board.

31 (c) Nothing in this section shall be construed to prevent the
32 legislative body from amending its infrastructure financing plan
33 and adopting a resolution proposing formation of the infrastructure
34 financing district without allocation of the tax revenues of any
35 affected taxing entity which has not approved the infrastructure
36 financing plan by resolution of the governing body of the affected
37 taxing entity.

38 *SEC. 10.* Section 53395.20 of the Government Code is amended
39 to read:

1 53395.20. (a) At the conclusion of the hearing *required by*
2 *Section 53395.17*, the legislative body may adopt a resolution
3 ~~proposing adoption of adopting~~ the infrastructure financing plan,
4 as modified, and *approving the* formation of the infrastructure
5 financing district in a manner consistent with Section 53395.19,
6 or it may abandon the proceedings. ~~If the legislative body adopts~~
7 ~~a resolution proposing formation of the district, it shall then submit~~
8 ~~the proposal to create the district to the qualified electors of the~~
9 ~~proposed district in the next general election or in a special election~~
10 ~~to be held, notwithstanding any other requirement, including any~~
11 ~~requirement that elections be held on specified dates, contained in~~
12 ~~the Elections Code, at least 90 days, but not more than 180 days,~~
13 ~~following the adoption of the resolution of formation. The~~
14 ~~legislative body shall provide the resolution of formation, a~~
15 ~~certified map of sufficient scale and clarity to show the boundaries~~
16 ~~of the district, and a sufficient description to allow the election~~
17 ~~official to determine the boundaries of the district to the official~~
18 ~~conducting the election within three business days after the~~
19 ~~adoption of the resolution of formation. The assessor's parcel~~
20 ~~numbers for the land within the district shall be included if it is a~~
21 ~~landowner election or the district does not conform to an existing~~
22 ~~district's boundaries and if requested by the official conducting~~
23 ~~the election. If the election is to be held less than 125 days~~
24 ~~following the adoption of the resolution of formation, the~~
25 ~~concurrence of the election official conducting the election shall~~
26 ~~be required. However, any time limit specified by this section or~~
27 ~~requirement pertaining to the conduct of the election may be~~
28 ~~waived with the unanimous consent of the qualified electors of the~~
29 ~~proposed district and the concurrence of the election official~~
30 ~~conducting the election.~~

31 (b) *No later than June 30 of each year after the adoption of the*
32 *infrastructure financing plan, the legislative body shall direct the*
33 *clerk to mail an annual report to each owner of land within the*
34 *district and each affected taxing entity. The legislative body shall*
35 *direct the clerk to post this annual report in an easily identifiable*
36 *and accessible location on the legislative body's Internet Web site.*
37 *The annual report shall contain all of the following:*

- 38 (1) *A summary of the district's expenditures.*
39 (2) *A description of the progress made towards the district's*
40 *adopted goals.*

1 (3) An assessment of the status regarding completion of the
2 district's public works projects.

3 (c) If the district fails to provide the annual report required by
4 subdivision (b), the district shall not spend any funds to construct
5 public works projects until the annual report is submitted.

6 (d) If the district fails to produce evidence of progress made
7 towards achieving its adopted goals for five consecutive years, the
8 district shall not spend any funds to construct any new public
9 works projects; provided, however, the district may complete any
10 public works projects that it had started. Any excess property tax
11 increment revenues that had been allocated for new public works
12 projects shall be reallocated to the affected taxing entities.

13 ~~(b) If at least 12 persons have been registered to vote within the~~
14 ~~territory of the proposed district for each of the 90 days preceding~~
15 ~~the close of the hearing, the vote shall be by the registered voters~~
16 ~~of the proposed district, who need not necessarily be the same~~
17 ~~persons, with each voter having one vote. Otherwise, the vote shall~~
18 ~~be by the landowners of the proposed district and each landowner~~
19 ~~who is the owner of record at the close of the protest hearing, or~~
20 ~~the authorized representative thereof, shall have one vote for each~~
21 ~~acre or portion of an acre of land that he or she owns within the~~
22 ~~proposed district. The number of votes to be voted by a particular~~
23 ~~landowner shall be specified on the ballot provided to that~~
24 ~~landowner.~~

25 ~~(e) Ballots for the special election authorized by subdivision (a)~~
26 ~~may be distributed to qualified electors by mail with return postage~~
27 ~~prepaid or by personal service by the election official. The official~~
28 ~~conducting the election may certify the proper mailing of ballots~~
29 ~~by an affidavit, which shall be exclusive proof of mailing in the~~
30 ~~absence of fraud. The voted ballots shall be returned to the election~~
31 ~~officer conducting the election not later than the hour specified in~~
32 ~~the resolution calling the election. However, if all the qualified~~
33 ~~voters have voted, the election shall be closed.~~

34 *SEC. 11. Section 53396 of the Government Code is amended*
35 *to read:*

36 53396. Any infrastructure financing plan may contain a
37 provision that taxes, if any, levied upon taxable property in the
38 area included within the infrastructure financing district each year
39 by or for the benefit of the State of California, or any affected
40 taxing entity after the effective date of the ordinance adopted

1 pursuant to Section 53395.23 to create the district, *unless the*
 2 *district implements a transit village plan pursuant to Section*
 3 *53395.75*, shall be divided as follows:

4 (a) That portion of the taxes which would be produced by the
 5 rate upon which the tax is levied each year by or for each of the
 6 affected taxing entities upon the total sum of the assessed value
 7 of the taxable property in the district as shown upon the assessment
 8 roll used in connection with the taxation of the property by the
 9 affected taxing entity, last equalized prior to the effective date of
 10 the ordinance adopted pursuant to Section 53395.23 to create the
 11 district, shall be allocated to, and when collected shall be paid to,
 12 the respective affected taxing entities as taxes by or for the affected
 13 taxing entities on all other property are paid.

14 (b) That portion of the levied taxes each year specified in the
 15 adopted infrastructure financing plan for the city and each affected
 16 taxing entity which has agreed to participate pursuant to Section
 17 53395.19 in excess of the amount specified in subdivision (a) shall
 18 be allocated to, and when collected shall be paid into a special
 19 fund of, the district for all lawful purposes of the district. Unless
 20 and until the total assessed valuation of the taxable property in a
 21 district exceeds the total assessed value of the taxable property in
 22 the district as shown by the last equalized assessment roll referred
 23 to in subdivision (a), all of the taxes levied and collected upon the
 24 taxable property in the district shall be paid to the respective
 25 affected taxing entities. When the district ceases to exist pursuant
 26 to the adopted infrastructure financing plan, all moneys thereafter
 27 received from taxes upon the taxable property in the district shall
 28 be paid to the respective affected taxing entities as taxes on all
 29 other property are paid.

30 *SEC. 12. Section 53397.1 of the Government Code is amended*
 31 *to read:*

32 53397.1. The legislative body may, by majority vote, initiate
 33 proceedings to issue bonds pursuant to this chapter by adopting a
 34 resolution ~~stating its intent to issue the bonds.~~

35 *SEC. 13. Section 53397.2 of the Government Code is amended*
 36 *to read:*

37 53397.2. The resolution adopted pursuant to Section 53397.1
 38 shall contain all of the following information:

39 (a) A description of the facilities to be financed with the
 40 proceeds of the ~~proposed~~ bond issue.

1 (b) The estimated cost of the facilities, the estimated cost of
2 preparing and issuing the bonds, and the principal amount of the
3 ~~proposed~~ bond issuance.

4 (c) The maximum interest rate and discount on the proposed
5 bond issuance.

6 ~~(d) The date of the election on the proposed bond issuance and
7 the manner of holding the election.~~

8 ~~(e)~~

9 (d) A determination of the amount of tax revenue available or
10 estimated to be available, for the payment of the principal of, and
11 interest on, the bonds.

12 ~~(f)~~

13 (e) A finding that the amount necessary to pay the principal of,
14 and interest on, the ~~proposed~~ bond issuance will be less than, or
15 equal to, the amount determined pursuant to subdivision ~~(e)~~ (d).

16 (f) *The issuance of the bonds in one or more series.*

17 (g) *The date the bonds will bear.*

18 (h) *The denomination of the bonds.*

19 (i) *The form of the bonds.*

20 (j) *The manner and execution of the bonds.*

21 (k) *The medium of payment in which the bonds are payable.*

22 (l) *The place or manner of payment and any requirements for
23 registration of the bonds.*

24 (m) *The terms or call of redemption, with or without premium.*

25 ~~SEC. 5.~~

26 *SEC. 11.* Section 65460.2.5 is added to the Government Code,
27 to read:

28 65460.2.5. If a city, county, or city and county finances ~~any~~
29 ~~portion of a district, as defined in this article, under the provisions~~
30 ~~of Chapter 2.8 (commencing with Section 53395) of Part 1 of~~
31 ~~Division 2 of Title 5, a district that implements a transit village~~
32 ~~plan adopted pursuant to Article 8.5 (commencing with Section~~
33 ~~65460) of Chapter 3 of Division 1 of Title 7, the city, county, or~~
34 city and county shall do all of the following:

35 (a) Use at least 20 percent of all revenues derived from the
36 property tax increment under Chapter 2.8 (commencing with
37 Section 53395) of Part 1 of Division 2 of Title 5 for the purposes
38 of increasing, improving, and preserving the supply of lower and
39 moderate-income housing available in the district at an affordable
40 housing cost, as defined in Section 50052.5 of the Health and

1 Safety Code, and occupied by persons and families of low or
2 moderate income, as defined in Section 50093 of the Health and
3 Safety Code, lower income households, as defined in Section
4 50079.5 of the Health and Safety Code, very low income
5 households, as defined in Section 50105 of the Health and Safety
6 Code, and extremely low income households, as defined in Section
7 50106 of the Health and Safety Code. The amount of very low,
8 low- and moderate-income housing shall be in compliance with
9 the Community Redevelopment Law (Part 1 (commencing with
10 Section 33000) of Division 24 of the Health and Safety Code) and
11 any adopted policies of the city, county, or city and county that
12 adopted the transit village plan.

13 (b) Require that housing units described in subdivision (a)
14 remain available at affordable housing cost to, and occupied by,
15 persons and families of low or moderate income and very low
16 income and extremely low income households for the longest
17 feasible time, but for not less than 55 years for rental units and 45
18 years for owner-occupied units. The covenants or restrictions
19 implementing this requirement shall be in compliance with
20 subdivision (f) of Section 33334.3 of the Health and Safety Code.

21 (c) Rehabilitate, develop, or construct, or cause to be
22 rehabilitated, developed, or constructed for rental or sale to persons
23 or families of low or moderate income an equal number of
24 replacement dwelling units that have an equal or greater number
25 of bedrooms as the destroyed or removed units, at affordable
26 housing costs within the district, and within four years after the
27 destruction or removal, whenever dwelling units housing persons
28 or families of low or moderate income are destroyed or removed
29 from the low- and moderate-income housing market as part of the
30 development of a district that is subject to a written agreement
31 with the city, county, or city and county, or when financial
32 assistance has been provided by the city, county, or city and county.
33 The replacement dwelling units shall be available at affordable
34 housing cost to, and occupied by, persons and families in the same
35 or a lower income category as the persons and families displaced
36 from those destroyed or removed units.

37 (d) Include in the transit village plan both of the following:

38 (1) As one of the five demonstrable public benefits required by
39 subdivision (f) of Section 65460.2, either an increased stock of
40 affordable housing or live-travel options for transit-needy groups.

1 (2) Provisions to implement subdivisions (a) and (b) and
2 paragraph (1).

O