

AMENDED IN SENATE JUNE 28, 2011

AMENDED IN ASSEMBLY MAY 27, 2011

AMENDED IN ASSEMBLY MAY 10, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 696**

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**Introduced by Assembly Member Hueso**

February 17, 2011

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An act to amend Section ~~63040~~ 63041 of, and to add Section ~~63024.6~~ to Sections 63024.6 and 63034.7 to, and to repeal Section 63040 of, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 696, as amended, Hueso. Bergeson-Peace Infrastructure and Economic Development Bank Act.

(1) The Bergeson-Peace Infrastructure and Economic Development Bank Act sets forth the duties of the California Infrastructure and Economic Development Bank in financing economic development facilities, and promoting infrastructure and economic development opportunities in the state generally.

This bill would require the bank to consult, and authorize it to coordinate implementation of its revolving loan program, with local and regional revolving loan funds and networks of revolving loan funds, for specified purposes.

(2) The act requires the bank to establish criteria, priorities, and guidelines for the selection of *public infrastructure* projects to receive assistance from the bank, to be based on a minimum of specified factors.

This bill *would repeal these provisions and instead apply these requirements to public and private projects that receive conduit*

*financing through the bank. The bill, beginning January 1, 2013, would require a project selected to receive this assistance from the bank to additionally have economic development benefits and meet land use criteria pursuant to these provisions.*

This bill would also require the bank to develop a methodology and process to allow the bank to measure the economic development benefits of a project.

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. Section 63040 of the Government Code is~~  
 2     ~~amended to read:~~  
 3     ~~63040. (a) Following consultation with appropriate state and~~  
 4     ~~local agencies, the bank shall establish criteria, priorities, and~~  
 5     ~~guidelines for the selection of projects to receive assistance from~~  
 6     ~~the bank. Projects shall comply with the criteria, priorities, and~~  
 7     ~~guidelines adopted by the bank and comply with the requirements~~  
 8     ~~of subdivision (c).~~  
 9     ~~(b) The bank shall develop a methodology and process to allow~~  
 10    ~~the bank to measure the economic development benefits of a~~  
 11    ~~project.~~  
 12    ~~(c) Beginning January 1, 2013, the bank shall only select a~~  
 13    ~~project to receive assistance pursuant to this section if the project~~  
 14    ~~meets both of the following criteria:~~  
 15    ~~(1) (A) The project has economic development benefits.~~  
 16    ~~(B) For purposes of this paragraph, a project has economic~~  
 17    ~~development benefits if the project would provide for some~~  
 18    ~~quantitative level of economic benefit, including, but not limited~~  
 19    ~~to, the creation or retention of jobs, growth of the property tax~~  
 20    ~~base, growth of sales tax revenues, or as otherwise determined by~~  
 21    ~~the bank using the methodology developed pursuant to subdivision~~  
 22    ~~(b).~~  
 23    ~~(2) The project meets land use criteria.~~  
 24    ~~(d) The criteria, priorities, and guidelines shall, at a minimum,~~  
 25    ~~be based upon the following:~~  
 26    ~~(1) The State Environmental Goals and Policy Report, or its~~  
 27    ~~successor, approved pursuant to Article 5 (commencing with~~  
 28    ~~Section 65041) of Chapter 1.5 of Division 1 of Title 7.~~

1 ~~(2) If the sponsor is a state agency, board, commission, or~~  
2 ~~department, the Capital and Infrastructure Project Planning Report,~~  
3 ~~prepared by the Director of Finance pursuant to Article 2~~  
4 ~~(commencing with Section 13100) of Chapter 2 of Part 3 of~~  
5 ~~Division 3 of Title 2.~~

6 ~~(e) When the bank establishes or makes changes to the criteria,~~  
7 ~~priorities, and guidelines, the bank shall notify the Governor, the~~  
8 ~~fiscal and policy committees of the Legislature that exercise~~  
9 ~~legislative oversight of the bank, and appropriate state and local~~  
10 ~~agencies.~~

11 ~~(f) The resolution required in Section 63041 shall have been~~  
12 ~~adopted prior to the project's selection by the bank.~~

13 ~~SEC. 2.~~

14 *SECTION 1.* Section 63024.6 is added to the Government Code,  
15 to read:

16 63024.6. The bank shall consult, and may coordinate  
17 implementation of its revolving loan program, with local and  
18 regional revolving loan funds and networks of revolving loan  
19 funds, for the purpose of improving the infrastructure and small  
20 business credit markets.

21 *SEC. 2. Section 63034.7 is added to the Government Code, to*  
22 *read:*

23 63034.7. (a) *Following consultation with appropriate state*  
24 *and local agencies, the bank shall establish criteria, priorities,*  
25 *and guidelines for the selection of projects to receive assistance*  
26 *from the bank. Projects shall comply with the criteria, priorities,*  
27 *and guidelines adopted by the bank and comply with the*  
28 *requirements of subdivision (c).*

29 (b) *The bank shall develop a methodology and process to allow*  
30 *the bank to measure the anticipated economic development benefits*  
31 *of a project.*

32 (c) *Beginning January 1, 2013, the bank shall only select a*  
33 *project to receive assistance pursuant to this section if the project*  
34 *meets both of the following criteria:*

35 (1) (A) *The project has economic development benefits.*

36 (B) *For purposes of this paragraph, a project has economic*  
37 *development benefits if the project would provide for some*  
38 *quantitative level of economic benefit, including, but not limited*  
39 *to, the creation or retention of jobs, growth of the property tax*  
40 *base, growth of sales tax revenues, or as otherwise determined by*

1 the bank using the methodology developed pursuant to subdivision  
2 (b).

3 (2) The project meets land use criteria.

4 (d) The criteria, priorities, and guidelines shall, at a minimum,  
5 be based upon the following:

6 (1) The State Environmental Goals and Policy Report, or its  
7 successor, approved pursuant to Article 5 (commencing with  
8 Section 65041) of Chapter 1.5 of Division 1 of Title 7.

9 (2) If the sponsor is a state agency, board, commission, or  
10 department, the Capital and Infrastructure Project Planning  
11 Report, prepared by the Director of Finance pursuant to Article  
12 2 (commencing with Section 13100) of Chapter 2 of Part 3 of  
13 Division 3 of Title 2.

14 (e) When the bank establishes or makes changes to the criteria,  
15 priorities, and guidelines, the bank shall notify the Governor, the  
16 fiscal and policy committees of the Legislature that exercise  
17 legislative oversight of the bank, and appropriate state and local  
18 agencies.

19 (f) The resolution required in Section 63041 shall have been  
20 adopted prior to the project's selection by the bank.

21 SEC. 3. Section 63040 of the Government Code is repealed.

22 63040. (a) ~~Following consultation with appropriate state and  
23 local agencies, the bank shall establish criteria, priorities, and  
24 guidelines for the selection of projects to receive assistance from  
25 the bank. Projects shall comply with the criteria, priorities, and  
26 guidelines adopted by the bank.~~

27 ~~(b) The criteria, priorities, and guidelines shall, at a minimum,  
28 be based upon the following:~~

29 ~~(1) The State Environmental Goals and Policy Report, or its  
30 successor, approved pursuant to Article 5 (commencing with  
31 Section 65041) of Chapter 1.5 of Division 1 of Title 7.~~

32 ~~(2) If the sponsor is a state agency, board, commission, or  
33 department, the Capital and Infrastructure Project Planning Report,  
34 prepared by the Director of Finance pursuant to Article 2  
35 (commencing with Section 13100) of Chapter 2 of Part 3 of  
36 Division 3 of Title 2.~~

37 ~~(e) When the bank establishes or makes changes to the criteria,  
38 priorities, and guidelines, the bank shall notify the Governor, the  
39 fiscal and policy committees of the Legislature that exercise~~

1 legislative oversight of the bank, and appropriate state and local  
2 agencies:

3 ~~(d) The resolution required in Section 63041 shall have been~~  
4 ~~adopted prior to the project's selection by the bank.~~

5 *SEC. 4. Section 63041 of the Government Code is amended to*  
6 *read:*

7 63041. (a) Prior to submitting a project to the bank for  
8 consideration, the legislative body or bodies of the sponsor or  
9 sponsors of the project shall find, by resolution, each of the  
10 following:

11 (1) The project is consistent with the general plan of both the  
12 city and county, or city and county in the case of San Francisco,  
13 or only the county for projects in unincorporated areas in which  
14 the project is located.

15 (2) The proposed financing is appropriate for the specific project.

16 (3) The project facilitates effective and efficient use of existing  
17 and future public resources so as to promote both economic  
18 development and conservation of natural resources. The project  
19 develops and enhances public infrastructure in a manner that will  
20 attract, create, and sustain long-term employment opportunities.

21 (4) The project is consistent with the criteria, priorities, and  
22 guidelines for the selection of projects adopted pursuant to Section  
23 ~~63040~~ 63034.7.

24 (b) Upon the adoption of the resolution in subdivision (a) by  
25 the legislative body, the legislative body shall transmit the  
26 resolution to the executive director of the infrastructure bank.