

AMENDED IN SENATE APRIL 9, 2012

SENATE BILL

No. 1417

Introduced by Senator Hancock

February 24, 2012

An act to amend ~~Section 65470~~ Sections 53395.4, 53395.14, and 53397.1 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1417, as amended, Hancock. Local ~~government~~. *government: infrastructure financing districts.*

Existing law authorizes the creation of infrastructure financing districts, as defined, for the sole purpose of financing public facilities, subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to division of taxes and voter approval. Existing law authorizes the legislative body to, by majority vote, initiate proceedings to issue bonds for the financing of district projects by adopting a resolution, subject to specified procedures and voter approval. Existing law requires an infrastructure financing plan to include the date on which an infrastructure financing district will cease to exist, which may not be more than 30 years from the date on which the ordinance forming the district is adopted. Existing law prohibits a district from including any portion of a redevelopment project area.

This bill instead would specify that the date a district shall cease to exist may not be more than 45 years from the date on which the ordinance forming the district is adopted or not more than 45 years from the date on which bonds have been issued, whichever is later. The bill would delete the prohibition on a district including any portion of

a redevelopment project area. The bill would make technical changes to a provision on bond issuance.

~~Existing law establishes the Transit Priority Project Program, and authorizes a city or county to participate in the program by adopting an ordinance indicating its intent to participate in the program and by forming an infrastructure financing district.~~

~~This bill would make technical, nonsubstantive changes to these provisions:~~

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. Section 53395.4 of the Government Code is*
2 *amended to read:*

3 ~~53395.4. (a) A district may not include any portion of a~~
4 ~~redevelopment project area which is or has been previously created~~
5 ~~pursuant to Part 1 (commencing with Section 33000) of Division~~
6 ~~24 of the Health and Safety Code, whether the creation is or was~~
7 ~~proper or improper. A redevelopment project area may not include~~
8 ~~any portion of a district created pursuant to this chapter.~~

9 (b)

10 53395.4. (a) A district may finance only the facilities or
11 services authorized in this chapter to the extent that the facilities
12 or services are in addition to those provided in the territory of the
13 district before the district was created. The additional facilities or
14 services may not supplant facilities or services already available
15 within that territory when the district was created but may
16 supplement those facilities and services as needed to serve new
17 developments.

18 (c)

19 (b) A district may include areas ~~which~~ *that* are not contiguous.

20 *SEC. 2. Section 53395.14 of the Government Code is amended*
21 *to read:*

22 53395.14. After receipt of a copy of the resolution of intention
23 to establish a district, the official designated pursuant to Section
24 53395.13 shall prepare a proposed infrastructure financing plan.
25 The infrastructure financing plan shall be consistent with the
26 general plan of the city within which the district is located and
27 shall include all of the following:

1 (a) A map and legal description of the proposed district, which
2 may include all or a portion of the district designated by the
3 legislative body in its resolution of intention.

4 (b) A description of the public facilities required to serve the
5 development proposed in the area of the district including those
6 to be provided by the private sector, those to be provided by
7 governmental entities without assistance under this chapter, those
8 public improvements and facilities to be financed with assistance
9 from the proposed district, and those to be provided jointly. The
10 description shall include the proposed location, timing, and costs
11 of the public improvements and facilities.

12 (c) A finding that the public facilities are of communitywide
13 significance and provide significant benefits to an area larger than
14 the area of the district.

15 (d) A financing section, which shall contain all of the following
16 information:

17 (1) A specification of the maximum portion of the incremental
18 tax revenue of the city and of each affected taxing entity proposed
19 to be committed to the district for each year during which the
20 district will receive incremental tax revenue. The portion need not
21 be the same for all affected taxing entities. The portion may change
22 over time.

23 (2) A projection of the amount of tax revenues expected to be
24 received by the district in each year during which the district will
25 receive tax revenues, including an estimate of the amount of tax
26 revenues attributable to each affected taxing entity for each year.

27 (3) A plan for financing the public facilities to be assisted by
28 the district, including a detailed description of any intention to
29 incur debt.

30 (4) A limit on the total number of dollars of taxes ~~which~~ *that*
31 may be allocated to the district pursuant to the plan.

32 (5) A date on which the district will cease to exist, by which
33 time all tax allocation to the district will end. The date shall not
34 be more than ~~30~~ *45* years from the date on which the ordinance
35 forming the district is adopted pursuant to Section 53395.23 *or 45*
36 *years from the date on which bonds are issued pursuant to this*
37 *chapter, whichever is later.*

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 (8) A plan for financing any potential costs that may be incurred
 7 by reimbursing a developer of a project that is both located entirely
 8 within the boundaries of that district and qualifies for the Transit
 9 Priority Project Program, pursuant to Section 65470, including
 10 any permit and affordable housing expenses related to the project.

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

17 *SEC. 3. Section 53397.1 of the Government Code is amended*
 18 *to read:*

19 53397.1. The legislative body may, by majority vote, ~~initiate~~
 20 ~~proceedings to issue bonds~~ *authorize the issuance of bonds*
 21 *pursuant to this chapter by adopting a resolution stating its intent*
 22 *to issue the bonds.*

23 ~~SECTION 1. Section 65470 of the Government Code is~~
 24 ~~amended to read:~~

25 ~~65470. (a) (1) It is the intent of the Legislature to provide a~~
 26 ~~process for cities and counties to create development patterns in~~
 27 ~~the form of transit priority projects that comply with Chapter 4.2~~
 28 ~~(commencing with Section 21155) of Division 13 of the Public~~
 29 ~~Resources Code, create jobs, reduce vehicle miles traveled, expand~~
 30 ~~the availability of accessible open space, build the density needed~~
 31 ~~for transit viability, and meet regional housing targets.~~

32 ~~(2) It is the intent of the Legislature that, when implemented, a~~
 33 ~~Transit Priority Project Program will help a development project~~
 34 ~~in meeting the standards for expedited review under paragraph (2)~~
 35 ~~of subdivision (a) of Section 65950.~~

36 ~~(b) (1) A city or county may participate in the Transit Priority~~
 37 ~~Project Program by adopting an ordinance indicating its intent to~~
 38 ~~participate in the program and by forming an infrastructure~~
 39 ~~financing district pursuant to Article 1 (commencing with Section~~
 40 ~~53395) of Chapter 2.8 of Part 1 of Title 5.~~

1 ~~(2) Nothing in this article shall be construed to add to the~~
2 ~~definitions of, or to the requirements to implement, Chapter 4.2~~
3 ~~(commencing with Section 21155) of Division 13 of the Public~~
4 ~~Resources Code.~~

5 ~~(e) If a city or county elects to participate in the program by~~
6 ~~adopting the ordinance described in subdivision (b) and forms an~~
7 ~~infrastructure financing district, the city or county shall amend, if~~
8 ~~necessary, the general plan and any related specific plan to~~
9 ~~authorize participating developers to build at an increased height~~
10 ~~of a minimum of three stories within the boundaries of the~~
11 ~~infrastructure financing district created pursuant to subdivision~~
12 ~~(b).~~

13 ~~(d) A Transit Priority Project Program development project~~
14 ~~shall meet all of the following requirements:~~

15 ~~(1) Is located in a designated transit priority project and within~~
16 ~~one-half of one mile of a transit station, pursuant to Section 21155~~
17 ~~of the Public Resources Code.~~

18 ~~(2) Is located within a zone in which buildings of three stories~~
19 ~~or more are authorized.~~

20 ~~(3) Meets State Air Resources Board land use guidelines with~~
21 ~~respect to distance from major emitters.~~

22 ~~(4) Provides onsite bicycle parking.~~

23 ~~(5) Provides for car sharing if a car sharing program is available~~
24 ~~in the city or county. The car sharing area may be onsite, or the~~
25 ~~developer may pay a fee to the city or county to cover the cost of~~
26 ~~providing for car sharing at an offsite location near the project.~~
27 ~~The developer shall provide one car share for the first 20 units and~~
28 ~~one car share for every 50 units thereafter.~~

29 ~~(6) Provides unbundled parking.~~

30 ~~(7) Provides to all units transit passes for 10 years as part of the~~
31 ~~rent or condo fees if transit passes are available from local~~
32 ~~providers.~~

33 ~~(8) Provides to tenants recycling for bottles, cans, paper, and~~
34 ~~plastic containers.~~

35 ~~(9) Provides open space onsite, including, but not limited to,~~
36 ~~accessible roof gardens, or pays a fee into a fund established for~~
37 ~~local open space. The fee shall not exceed 10 cents (\$0.10) per~~
38 ~~square foot.~~

39 ~~(10) Provides 20 percent affordable units in rental or owner~~
40 ~~occupied housing for low- or moderate-income persons and~~

1 families, or pays a fee in an amount equivalent to the cost to
2 provide affordable units elsewhere within the city's or county's
3 jurisdiction, as determined by the city or county. The developer
4 shall require, by covenants or restrictions, that the housing units
5 built pursuant to this paragraph shall remain available at affordable
6 housing cost to, and occupied by, persons and families of low- or
7 moderate-income households for the longest feasible time, but for
8 not less than 55 years for rental units and 45 years for
9 owner-occupied units.

10 (11) Pays prevailing wages to construction workers for
11 residential projects over 100 units pursuant to Sections 1770, 1773,
12 and 1773.1 of the Labor Code.

13 (12) For purposes of this subdivision, "unbundled parking"
14 means renting a parking space for the residential units separately
15 from the residential units, or paying a fee to the appropriate local
16 transit management fund to cover one-half of the cost to provide
17 a parking space.

18 (e) (1) A development project that meets the criteria established
19 in subdivision (d) shall comply with any local design guidelines
20 that were adopted prior to the submission of the project application.

21 (2) The infrastructure financing district formed pursuant to
22 subdivision (b) may reimburse a developer of a project that is
23 consistent with the requirements established in subdivision (d) for
24 any permit costs, or costs associated with the construction of the
25 affordable housing units required pursuant to paragraph (10) of
26 subdivision (d).

27 (f) This article shall not apply to a city or county that has
28 adopted language in its charter or by ordinance or resolution that
29 does either of the following:

30 (1) Provides that the requirements of Chapter 1 (commencing
31 with Section 1720) of Part 7 of Division 2 of the Labor Code do
32 not apply to some or all work awarded or funded by the city or
33 county that would otherwise be subject to those requirements.

34 (2) Prohibits a contractor, subcontractor, or other person or firm
35 engaged in the construction, rehabilitation, alteration, conversion,
36 extension, maintenance, repair, or improvement of public works,
37 from executing or otherwise becoming a party to any prehire,
38 collective bargaining, or similar agreement entered into with one
39 or more labor organizations, employees, or employee
40 representatives that establishes the terms and conditions of

1 ~~employment on a construction project, or the city or county from~~
2 ~~incorporating such an agreement into the bid specifications or~~
3 ~~contract for a construction project, or the governing body of the~~
4 ~~city or county from deciding that the city or county should enter~~
5 ~~into such an agreement for a particular construction project or~~
6 ~~projects.~~

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