

Introduced by Senator BeallFebruary 22, 2013

An act to amend Sections 53395.1, 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

SB 628, as introduced, Beall. Infrastructure financing.

(1) 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. Existing law requires a city or county that elects to participate in the program to amend, if necessary, its general plan, and any related specific plan, to authorize participating developers to build at an increased height of a minimum of 3 stories within the newly created infrastructure financing district. Existing law exempts from these provisions a city or county that has adopted specified language in its charter, or by ordinance or resolution.

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 priority project. The bill would require a city or county that uses infrastructure financing district bonds to finance its transit priority project 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 priority projects 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 the County of Los Angeles, the San Francisco
6 Bay area, the County of San Diego, the County of Santa Clara,
7 and the County of Sacramento.

8 (2) This public investment in transit is unrivaled in the state's
9 history and represents well over \$10,000,000,000 in planned
10 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 priority projects pursuant to that strategy, has gained momentum
18 in recent 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 priority projects improves local street, road,
23 and highway congestion by providing viable alternatives to
24 automobile use.

25 (7) The development of transit priority projects can improve
26 environmental conditions by increasing the use of public transit,
27 facilitating the creation of and improvements to walkable,
28 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 priority project development, job creation through the construction
33 of related facilities, and job creation through employment
34 opportunities associated with related entertainment, retail,
35 residential, and other mixed-use development.

36 (9) Facilitating the use of infrastructure financing districts for
37 transit priority projects could provide local jurisdictions with a

1 cost-effective tool for pursuing transit-oriented development
2 projects.

3 (10) Tax-increment financing of transit priority projects will
4 provide a new tool for green development to help achieve the
5 sustainable communities strategy and regional transportation plan
6 goals of Senate Bill 375 of the 2007–08 Regular Session of the
7 Legislature (Chapter 728 of the Statutes of 2008), as well as the
8 greenhouse gas reduction goals of Assembly Bill 32 of the 2005–06
9 Regular Session of the Legislature (Chapter 488 of the Statutes of
10 2006).

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

18 (b) It is the intent of the Legislature that the development of
19 transit priority projects throughout the state be environmentally
20 conscious and sustainable, and that related construction meet or
21 exceed the requirements of the California Green Building Standards
22 Code (Part 11 (commencing with Section 101.1) of Title 24 of the
23 California Code of Regulations, or its successor code).

24 SEC. 2. Section 53395.1 of the Government Code is amended
25 to read:

26 53395.1. Unless the context otherwise requires, the *following*
27 ~~definitions contained in this article~~ shall govern the construction
28 of this ~~chapter~~: *chapter*:

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

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

36 (c) “Debt” means any binding obligation to repay a sum of
37 money, including obligations in the form of bonds, certificates of
38 participation, long-term leases, loans from government agencies,
39 or loans from banks, other financial institutions, private businesses,
40 or individuals.

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

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

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

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

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

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

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

25 SEC. 3. Section 53395.3 of the Government Code is amended
26 to read:

27 53395.3. (a) A district may finance (1) the purchase,
28 construction, expansion, improvement, seismic retrofit, or
29 rehabilitation of any real or other tangible property with an
30 estimated useful life of 15 years or longer which satisfies the
31 requirements of subdivision (b), (2) may finance planning and
32 design work which is directly related to the purchase, construction,
33 expansion, or rehabilitation of that ~~property~~ *property*, and (3) the
34 costs described in Sections 53395.5, and 53396.5. A district ~~may~~
35 *shall* only finance the purchase of facilities for which construction
36 has been completed, as determined by the legislative body. The
37 facilities need not be physically located within the boundaries of
38 the district. A district may not finance routine maintenance, repair
39 work, or the costs of ongoing operation or providing services of
40 any kind. *A district shall not compensate the members of the*

1 legislative body of the city for any activities undertaken pursuant
2 to this chapter.

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

7 (1) Highways, interchanges, ramps and bridges, arterial streets,
8 parking facilities, and transit facilities.

9 (2) Sewage treatment and water reclamation plants and
10 interceptor pipes.

11 (3) Facilities for the collection and treatment of water for urban
12 uses.

13 (4) Flood control levees and dams, retention basins, and drainage
14 channels.

15 (5) Child care facilities.

16 (6) Libraries.

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

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

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

27 SEC. 4. Section 53395.7.5 is added to the Government Code,
28 to read:

29 53395.7.5. (a) The district may finance any project that
30 implements a transit priority project pursuant to Section 65470,
31 regional transportation plan, or other project that is consistent with
32 the general use, designation, density, building intensity, and
33 applicable policies specified for the project area in either a
34 sustainable communities strategy, or an alternative planning
35 strategy, for which the Air Resources Board, pursuant to Chapter
36 2.5 (commencing with Section 65080) of Division 1 of Title 7,
37 has accepted a metropolitan planning organization’s determination
38 that the sustainable communities strategy or the alternative planning
39 strategy, if implemented, would achieve the greenhouse gas
40 emission reduction targets.

1 (b) With respect to an infrastructure financing district proposed
2 to implement a transit priority project, an election is not required
3 to form an infrastructure financing district, adopt an infrastructure
4 financing plan, or issue bonds pursuant to this chapter. Any other
5 provision of this chapter applies to the formation of an
6 infrastructure financing district and the adoption of an infrastructure
7 financing plan.

8 SEC. 5. Section 53395.10 of the Government Code is amended
9 to read:

10 53395.10. A legislative body of a city may designate one or
11 more proposed infrastructure financing districts pursuant to this
12 chapter. Proceedings for the establishment of a district shall be
13 instituted by the adoption of a resolution of intention to establish
14 the proposed district and shall do all of the following:

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

19 (b) State the type of public facilities proposed to be financed
20 by the district. The district may only finance public facilities
21 authorized by Section 53395.3.

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

24 (e)

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

28 (d)

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

30 SEC. 6. Section 53395.11 of the Government Code is amended
31 to read:

32 53395.11. The legislative body shall direct the clerk to mail a
33 copy of the resolution of intention to create the district to each
34 owner of land within the ~~district~~. *district and to each affected*
35 *taxing entity.*

36 SEC. 7. Section 53395.12 of the Government Code is amended
37 to read:

38 53395.12. The legislative body shall direct the clerk to ~~mail~~
39 *post* a copy of the resolution of intention to ~~each affected taxing~~

1 ~~entity~~. *create the district in an easily identifiable and accessible*
2 *location on the legislative body’s Internet Web site.*

3 SEC. 8. Section 53395.14 of the Government Code is amended
4 to read:

5 53395.14. After receipt of a copy of the resolution of intention
6 to establish a district, the official designated pursuant to Section
7 53395.13 shall prepare a proposed infrastructure financing plan.
8 The infrastructure financing plan shall be consistent with the
9 general plan of the city within which the district is located and
10 shall include all of the following:

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

14 (b) A description of the public facilities required to serve the
15 development proposed in the area of the district including those
16 to be provided by the private sector, those to be provided by
17 governmental entities without assistance under this chapter, those
18 public improvements and facilities to be financed with assistance
19 from the proposed district, and those to be provided jointly. The
20 description shall include the proposed location, timing, and costs
21 of the public improvements and facilities.

22 (c) A finding that the public facilities ~~are of communitywide~~
23 ~~significance~~ and provide significant benefits to an area larger than
24 the area of the district.

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

27 (1) A specification of the maximum portion of the incremental
28 tax revenue of the city and of each affected taxing entity proposed
29 to be committed to the district for each year during which the
30 district will receive incremental tax revenue. The portion need not
31 be the same for all affected taxing entities. The portion may change
32 over time.

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

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

1 (4) A limit on the total number of dollars of taxes which may
2 be allocated to the district pursuant to the plan.

3 (5) A date on which the district will cease to exist, by which
4 time all tax allocation to the district will end. The date shall not
5 be more than ~~30~~ 40 years from the date on which the ordinance
6 forming the district is adopted pursuant to Section 53395.23.

7 (6) An analysis of the costs to the city of providing facilities
8 and services to the area of the district while the area is being
9 developed and after the area is developed. The plan shall also
10 include an analysis of the tax, fee, charge, and other revenues
11 expected to be received by the city as a result of expected
12 development in the area of the district.

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

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

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

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

28 SEC. 9. Section 53395.19 of the Government Code is amended
29 to read:

30 53395.19. (a) The legislative body shall not enact a resolution
31 proposing formation of a district and providing for the division of
32 taxes of any affected taxing entity pursuant to Article 3
33 (commencing with Section 53396) unless a resolution approving
34 the plan has been adopted by the governing body of each affected
35 taxing entity which is proposed to be subject to division of taxes
36 pursuant to Article 3 (commencing with Section 53396) has been
37 filed with the legislative body at or prior to the time of the hearing.

38 (b) *In the case of an affected taxing entity that is a special
39 district that provides fire protection services and where the county
40 board of supervisors is the governing authority or has appointed*

1 *itself as the governing board of the district, the plan shall be*
 2 *adopted by a separate resolution approved by the district's*
 3 *governing authority or governing board.*

4 (b)

5 (c) Nothing in this section shall be construed to prevent the
 6 legislative body from amending its infrastructure financing plan
 7 and adopting a resolution proposing formation of the infrastructure
 8 financing district without allocation of the tax revenues of any
 9 affected taxing entity which has not approved the infrastructure
 10 financing plan by resolution of the governing body of the affected
 11 taxing entity.

12 SEC. 10. Section 53395.20 of the Government Code is amended
 13 to read:

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

1 of the election may be waived with the unanimous consent of the
2 qualified electors of the proposed district and the concurrence of
3 the election official conducting the election.

4 (b) If at least 12 persons have been registered to vote within the
5 territory of

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

13 (1) *A summary of the district's expenditures.*

14 (2) *A description of the progress made towards the district's*
15 *adopted goals.*

16 (3) *An assessment of the proposed district for each status*
17 *regarding completion of the 90 days preceding the close of the*
18 *hearing, the vote shall be by the registered voters of the proposed*
19 *district, who need not necessarily be the same persons, with each*
20 *voter having one vote. Otherwise, the vote shall be by the*
21 *landowners of the proposed district and each landowner who is*
22 *the owner of record at the close of the protest hearing, or the*
23 *authorized representative thereof, shall have one vote for each acre*
24 *or portion of an acre of land that he or she owns within the*
25 *proposed district. The number of votes to be voted by a particular*
26 *landowner shall be specified on the ballot provided to that*
27 *landowner. district's public works projects.*

28 (c) *Ballots for* ~~If the special election authorized~~ *district fails to*
29 *provide the annual report required by subdivision (a) may be*
30 *distributed to qualified electors by mail with return postage prepaid*
31 *or by personal service by (b), the election official. The official*
32 *conducting the election may certify the proper mailing of ballots*
33 *by an affidavit, which district shall be exclusive proof of mailing*
34 *in the absence of fraud. The voted ballots shall be returned to the*
35 *election officer conducting the election not later than the hour*
36 *specified in the resolution calling* ~~spend any funds to construct~~
37 *public works projects until the election. However, if all the*
38 *qualified voters have voted, the election shall be closed. annual*
39 *report is submitted.*

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

8 SEC. 11. Section 53396 of the Government Code is amended
 9 to read:

10 53396. Any infrastructure financing plan may contain a
 11 provision that taxes, if any, levied upon taxable property in the
 12 area included within the infrastructure financing district each year
 13 by or for the benefit of the State of California, or any affected
 14 taxing entity after the effective date of the ordinance adopted
 15 pursuant to Section 53395.23 to create the district, *unless the*
 16 *district implements a transit priority project plan pursuant to*
 17 *Section 53395.75, shall be divided as follows:*

18 (a) That portion of the taxes which would be produced by the
 19 rate upon which the tax is levied each year by or for each of the
 20 affected taxing entities upon the total sum of the assessed value
 21 of the taxable property in the district as shown upon the assessment
 22 roll used in connection with the taxation of the property by the
 23 affected taxing entity, last equalized prior to the effective date of
 24 the ordinance adopted pursuant to Section 53395.23 to create the
 25 district, shall be allocated to, and when collected shall be paid to,
 26 the respective affected taxing entities as taxes by or for the affected
 27 taxing entities on all other property are paid.

28 (b) That portion of the levied taxes each year specified in the
 29 adopted infrastructure financing plan for the city and each affected
 30 taxing entity which has agreed to participate pursuant to Section
 31 53395.19 in excess of the amount specified in subdivision (a) shall
 32 be allocated to, and when collected shall be paid into a special
 33 fund of, the district for all lawful purposes of the district. Unless
 34 and until the total assessed valuation of the taxable property in a
 35 district exceeds the total assessed value of the taxable property in
 36 the district as shown by the last equalized assessment roll referred
 37 to in subdivision (a), all of the taxes levied and collected upon the
 38 taxable property in the district shall be paid to the respective
 39 affected taxing entities. When the district ceases to exist pursuant
 40 to the adopted infrastructure financing plan, all moneys thereafter

1 received from taxes upon the taxable property in the district shall
2 be paid to the respective affected taxing entities as taxes on all
3 other property are paid.

4 SEC. 12. Section 53397.1 of the Government Code is amended
5 to read:

6 53397.1. The legislative body may, by majority vote, initiate
7 proceedings to issue bonds pursuant to this chapter by adopting a
8 ~~resolution stating its intent to issue the bonds.~~ *resolution.*

9 SEC. 13. Section 53397.2 of the Government Code is amended
10 to read:

11 53397.2. The resolution adopted pursuant to Section 53397.1
12 shall contain all of the following information:

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

15 (b) The estimated cost of the facilities, the estimated cost of
16 preparing and issuing the bonds, and the principal amount of the
17 ~~proposed~~ bond issuance.

18 (c) The maximum interest rate and discount on the proposed
19 bond issuance.

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

22 ~~(e)~~

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

26 ~~(f)~~

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

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

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

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

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

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

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

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

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

39 SEC. 14. Section 65460.2.5 is added to the Government Code,
40 to read:

1 65460.2.5. If a city, county, or city and county finances a
2 district that implements a transit priority project plan adopted
3 pursuant to this article, the city, county, or city and county shall
4 do all of the following:

5 (a) Use at least 20 percent of all revenues derived from the
6 property tax increment under Chapter 2.8 (commencing with
7 Section 53395) of Part 1 of Division 2 of Title 5 for the purposes
8 of increasing, improving, and preserving the supply of lower and
9 moderate-income housing available in the district at an affordable
10 housing cost, as defined in Section 50052.5 of the Health and
11 Safety Code, and occupied by persons and families of low or
12 moderate income, as defined in Section 50093 of the Health and
13 Safety Code, lower income households, as defined in Section
14 50079.5 of the Health and Safety Code, very low income
15 households, as defined in Section 50105 of the Health and Safety
16 Code, and extremely low income households, as defined in Section
17 50106 of the Health and Safety Code. The amount of very low,
18 low- and moderate-income housing shall be in compliance with
19 the Community Redevelopment Law (Part 1 (commencing with
20 Section 33000) of Division 24 of the Health and Safety Code) and
21 any adopted policies of the city, county, or city and county that
22 adopted the transit priority project plan.

23 (b) Require that housing units described in subdivision (a)
24 remain available at affordable housing cost to, and occupied by,
25 persons and families of low- or moderate-income and very low
26 income and extremely low income households for the longest
27 feasible time, but for not less than 55 years for rental units and 45
28 years for owner-occupied units. The covenants or restrictions
29 implementing this requirement shall be in compliance with
30 subdivision (f) of Section 33334.3 of the Health and Safety Code.

31 (c) Rehabilitate, develop, or construct, or cause to be
32 rehabilitated, developed, or constructed for rental or sale to persons
33 or families of low or moderate income an equal number of
34 replacement dwelling units that have an equal or greater number
35 of bedrooms as the destroyed or removed units, at affordable
36 housing costs within the district, and within four years after the
37 destruction or removal, whenever dwelling units housing persons
38 or families of low or moderate income are destroyed or removed
39 from the low- and moderate-income housing market as part of the
40 development of a district that is subject to a written agreement

1 with the city, county, or city and county, or when financial
2 assistance has been provided by the city, county, or city and county.
3 The replacement dwelling units shall be available at affordable
4 housing cost to, and occupied by, persons and families in the same
5 or a lower income category as the persons and families displaced
6 from those destroyed or removed units.

7 (d) Include in the transit priority project plan both of the
8 following:

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

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

O