

AMENDED IN SENATE APRIL 10, 2013

AMENDED IN SENATE APRIL 2, 2013

**SENATE BILL**

**No. 628**

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**Introduced by Senator Beall**

February 22, 2013

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An act to add Section 53395.7.5 to the Government Code, relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

SB 628, as amended, Beall. Infrastructure financing: transit priority projects.

(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. Under existing law, a transit priority project that meets specified criteria is designated as a sustainable communities project, and is thus exempt from certain environmental review requirements.

This bill would eliminate the requirement of voter approval for the creation of an infrastructure financing district, the issuance of bonds, and the establishment or change of the appropriations limit 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 associated property tax increment revenues for the purposes of increasing, improving, and preserving the supply of lower and moderate-income housing available in the district and occupied by persons and families of moderate-, low-, very low, and extremely low income. 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.

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) The transportation sector contributes over 40 percent of the  
4 greenhouse gas emissions in the State of California.

5 (2) Greenhouse gas emissions from automobiles and light trucks  
6 can be substantially reduced by new vehicle technology and by  
7 the increased use of low-carbon fuel. However, even taking these  
8 measures into account, it will be necessary to achieve significant  
9 additional greenhouse gas reductions from changed land use  
10 patterns and improved transportation.

11 (3) California local governments need sustainable funding  
12 sources to accommodate transportation and land use planning and  
13 to develop projects that are consistent with the state's climate, air  
14 quality, and energy conservation goals.

15 (4) Existing law authorizes cities and counties to create  
16 infrastructure financing districts (IFDs) and utilize related  
17 tax-increment financing for infrastructure improvements in local  
18 jurisdictions.

19 (5) Tax-increment financing of transit priority projects, through  
20 the use of IFDs, will provide a new tool for green development to  
21 help achieve the sustainable communities strategy and regional  
22 transportation plan goals of Senate Bill 375 of the 2007–08 Regular  
23 Session of the Legislature (Chapter 728 of the Statutes of 2008),  
24 as well as the greenhouse gas reduction goals of Assembly Bill 32  
25 of the 2005–06 Regular Session of the Legislature (Chapter 488  
26 of the Statutes of 2006).

1 (6) Recent studies of transit ridership in California indicate that  
2 people who live within a one-half mile radius of transit stations  
3 utilize the transit system in far greater numbers than does the  
4 general public living elsewhere.

5 (7) Greater use of public transportation, facilitated by the  
6 development of transit priority projects, will increase the  
7 development of walkable, mixed-use communities; increase the  
8 use of public transit, intercity rail, and future high-speed rail  
9 services; improve local street, road, and highway congestion;  
10 provide viable alternatives to automobile use; and decrease  
11 transportation-related emissions.

12 (8) Investment in local transit priority project development can  
13 improve local and regional economies by providing appropriate  
14 commercial and residential development opportunities, including  
15 job creation through the construction of related facilities, and job  
16 creation through employment opportunities associated with related  
17 entertainment, retail, residential, and other mixed-use development.

18 (9) Expediting the process for local governments to create IFDs  
19 to implement transit priority projects will provide significant  
20 environmental and economic benefits to local jurisdictions and  
21 help meet the state’s climate, air quality, and energy conservation  
22 goals.

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

29 SEC. 2. Section 53395.7.5 is added to the Government Code,  
30 to read:

31 53395.7.5. (a) The district may finance any project that  
32 implements a transit priority project pursuant to Section 21155 of  
33 the Public Resources Code, regional transportation plan, or other  
34 project that is consistent with the general use, designation, density,  
35 building intensity, and applicable policies specified for the project  
36 area in either a sustainable communities strategy, or an alternative  
37 planning strategy, for which the State Air Resources Board,  
38 pursuant to Chapter 2.5 (commencing with Section 65080) of  
39 Division 1 of Title 7, has accepted a metropolitan planning  
40 organization’s determination that the sustainable communities

1 strategy or the alternative planning strategy, if implemented, would  
2 achieve the greenhouse gas emission reduction targets.

3 (b) With respect to an infrastructure financing district proposed  
4 to implement a transit priority project pursuant to Section 21155  
5 of the Public Resources Code, an election is not required to form  
6 an infrastructure financing district, issue bonds, or establish or  
7 change the appropriations limit pursuant to this chapter.

8 (c) At least 20 percent of all revenues derived from the property  
9 tax increment under this ~~chapter~~ *section* shall be used for the  
10 purposes of increasing, improving, and preserving the supply of  
11 lower and moderate-income housing available in the district at an  
12 affordable housing cost, as defined in Section 50052.5 of the Health  
13 and Safety Code, and occupied by persons and families of low or  
14 moderate income, as defined in Section 50093 of the Health and  
15 Safety Code, lower income households, as defined in Section  
16 50079.5 of the Health and Safety Code, very low income  
17 households, as defined in Section 50105 of the Health and Safety  
18 Code, and extremely low income households, as defined in Section  
19 50106 of the Health and Safety Code.