

AMENDED IN ASSEMBLY AUGUST 5, 2013

AMENDED IN ASSEMBLY JUNE 17, 2013

AMENDED IN SENATE MAY 14, 2013

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.

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 25% 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 require the district to implement these affordable housing provisions in accordance with specified provisions of the Community Redevelopment Law, to the extent not inconsistent with the provisions governing infrastructure financing districts. The bill would require the adoption of an ordinance that would require the replacement of designated low-income dwelling units, upon their removal from the district, within 2 years of their displacement. 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.

1 (4) Existing law authorizes cities and counties to create  
2 infrastructure financing districts (IFDs) and utilize related  
3 tax-increment financing for infrastructure improvements in local  
4 jurisdictions.

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

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

17 (7) Greater use of public transportation, facilitated by the  
18 development of transit priority projects, will increase the  
19 development of walkable, mixed-use communities; increase the  
20 use of public transit, intercity rail, and future high-speed rail  
21 services; improve local street, road, and highway congestion;  
22 provide viable alternatives to automobile use; and decrease  
23 transportation-related emissions.

24 (8) Investment in local transit priority project development can  
25 improve local and regional economies by providing appropriate  
26 commercial and residential development opportunities, including  
27 job creation through the construction of related facilities, and job  
28 creation through employment opportunities associated with related  
29 entertainment, retail, residential, and other mixed-use development.

30 (9) Expediting the process for local governments to create IFDs  
31 to implement transit priority projects will provide significant  
32 environmental and economic benefits to local jurisdictions and  
33 help meet the state’s climate, air quality, and energy conservation  
34 goals.

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

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

3 53395.7.5. (a) The district may finance any project that  
4 implements a transit priority project pursuant to Section 21155 of  
5 the Public Resources Code.

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

11 (c) (1) At least 25 percent of all revenues derived from the  
12 property tax increment under this section shall be used for the  
13 purposes of increasing, improving, and preserving the supply of  
14 lower and moderate-income housing available in the district at an  
15 affordable housing cost, as defined in Section 50052.5 of the Health  
16 and Safety Code, ~~and occupied Code.~~ *Units funded pursuant to*  
17 *this subdivision shall be restricted to occupancy* by persons and  
18 families of low or moderate income, as defined in Section 50093  
19 of the Health and Safety Code, lower income households, as  
20 defined in Section 50079.5 of the Health and Safety Code, very  
21 low income households, as defined in Section 50105 of the Health  
22 and Safety Code, and extremely low income households, as defined  
23 in Section 50106 of the Health and Safety Code.

24 (2) Notwithstanding any other law, the district shall implement  
25 this subdivision in accordance with Section 33334.2 and all other  
26 applicable affordable housing provisions of the Community  
27 Redevelopment Law (Part 1 (commencing with Section 33000)  
28 of Division 24 of the Health and Safety Code), to the extent not  
29 inconsistent with this chapter.

30 (d) The district may provide for the receipt of tax increment  
31 funds pursuant to this chapter, for purposes of a project subject to  
32 this section, provided that the local government with land use  
33 jurisdiction has adopted an ordinance that ~~requires~~ *does both of*  
34 *the following:*

35 (1) *Prohibits the number of housing units occupied by extremely*  
36 *low, very low, and low-income households, including the number*  
37 *of bedrooms in those units, within the territory of the district at*  
38 *the time the district is established from being reduced during the*  
39 *effective period of the infrastructure plan.*

1    (2) *Requires* the replacement of dwelling units that house  
2 extremely low, very low, or low-income households, upon their  
3 removal from the district, pursuant to subdivision (a) of Section  
4 33413, within two years of their displacement.

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