

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2428

Introduced by Assembly Member Ting

February 19, 2016

~~An act to amend Section 26050 of the Public Resources Code, relating to energy.~~ *An act to amend Section 104.16 of the Streets and Highways Code, relating to state highways.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2428, as amended, Ting. ~~Property Assessed Clean Energy Resource program.~~ *State highways: property leases.*

Existing law provides that the Department of Transportation has full possession and control of the state highway system, including associated property. Existing law authorizes the department to lease certain property, including the area above or below a state highway, and certain property held for future highway purposes, to public agencies under specified terms and conditions, including specific provisions governing leases of airspace and other property in the City and County of San Francisco for purposes of an emergency shelter or feeding program, at a lease cost of \$1 per month and payment of an administrative fee not to exceed \$500 per year.

This bill would revise the provisions governing leases of department property in the City and County of San Francisco under these financial terms to also authorize leases of property for park, recreational, or open-space purposes, subject to certain additional terms and conditions, including a requirement for the lessee to be responsible for all associated maintenance costs. The bill would provide for the lease to authorize the lessee to subsidize its maintenance costs through a limited

revenue generation model, with any revenues generated above the maintenance costs to be shared with the state, as specified.

~~Existing law requires the California Alternative Energy and Advanced Transportation Financing Authority to develop and administer a Property Assessed Clean Energy Reserve program to reduce the overall costs to property owners of a Property Assessed Clean Energy Reserve bond, or PACE bond, issued by an applicant that has established a Property Assessed Clean Energy program, or PACE program, by providing a reserve of no more than 10% of the initial amount of the PACE bond. Existing law makes various findings and declarations regarding PACE financing.~~

~~This bill would make a nonsubstantive change to the findings and declarations.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 104.16 of the Streets and Highways Code
- 2 is amended to read:
- 3 104.16. (a) Any airspace under a freeway, or real property
- 4 acquired for highway purposes, in the City and County of San
- 5 Francisco, ~~which~~ *that* is not excess property, may be leased by the
- 6 department to the city and county or another political subdivision
- 7 or a state agency for purposes of an emergency shelter or feeding
- 8 ~~program.~~ *program, or for park, recreational, or open-space*
- 9 *purposes.*
- 10 (b) The lease shall be for one dollar (\$1) per month. The lease
- 11 amount may be paid in advance of the term covered in order to
- 12 reduce the administrative costs associated with the payment of the
- 13 monthly rental fee. The lease shall require the payment of an
- 14 administrative fee not to exceed five hundred dollars (\$500) per
- 15 year, unless the department determines that a higher administrative
- 16 fee is necessary, for the department’s cost of administering the
- 17 lease.
- 18 (c) *In the case of a lease for park, recreational, or open-space*
- 19 *purposes, the lease shall require the lessee to fund and construct*
- 20 *all associated infrastructure, and to accept full responsibility for*
- 21 *liability related to those uses. The lease shall require the lessee to*
- 22 *be responsible for all maintenance costs associated with those*

1 *uses, except as otherwise provided in the lease. The lease shall*
2 *authorize the lessee to subsidize its associated maintenance costs*
3 *through generation of revenue under a limited revenue generation*
4 *model, such as from limited parking facilities located on the leased*
5 *property, if any revenues generated that exceed the associated*
6 *maintenance costs are shared with the state, at a rate not less than*
7 *50 percent of those excess revenues, with that amount to be*
8 *deposited in the State Highway Account.*

9 (e)

10 (d) The Legislature finds and declares that the lease of real
11 property pursuant to this section serves a public purpose.

12 ~~SECTION 1. Section 26050 of the Public Resources Code is~~
13 ~~amended to read:~~

14 ~~26050. (a) The Legislature finds and declares all of the~~
15 ~~following:~~

16 ~~(1) Property Assessed Clean Energy (PACE) financing has been~~
17 ~~pioneered by municipalities and counties in California as a way~~
18 ~~for homeowners and small business owners to finance voluntary~~
19 ~~energy and water efficiency and clean energy improvements.~~

20 ~~(2) PACE financing was pioneered in the City of Berkeley,~~
21 ~~while the City and County of San Francisco, City of San Diego,~~
22 ~~City of Palm Desert, Sonoma County, and the California Statewide~~
23 ~~Communities Development Authority have already initiated or are~~
24 ~~working to launch additional programs.~~

25 ~~(3) Seventeen other states, including Colorado and New York,~~
26 ~~have also enacted enabling PACE legislation.~~

27 ~~(4) The public subsidy provided by the PACE financing is~~
28 ~~justified by the benefits received in job creation, lower energy~~
29 ~~demand, and spurring new clean industries that will grow the~~
30 ~~economy.~~

31 ~~(b) It is the intent of the Legislature to assist local jurisdictions~~
32 ~~in financing the installation of distributed generation renewable~~
33 ~~energy sources, electric vehicle charging infrastructure, or energy~~
34 ~~or water efficiency improvements that are permanently fixed to~~
35 ~~real property through the use of voluntary contractual assessments.~~

36 ~~(e) It is not the intent of the Legislature to create any debt,~~
37 ~~liability, or obligation on the part of the state in assisting local~~
38 ~~jurisdictions pursuant to this division.~~

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