

AMENDED IN ASSEMBLY MAY 26, 2000  
AMENDED IN ASSEMBLY MAY 2, 2000  
AMENDED IN ASSEMBLY APRIL 24, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2054**

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**Introduced by Assembly Member Torlakson**

February 22, 2000

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An act to add and repeal Article 2.10 (commencing with Section 65891) of Chapter 4 of Division 1 of Title 7 of the Government Code, relating to a jobs-housing balance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2054, as amended, Torlakson. Inter-Regional Partnership State Pilot Project to Improve the Balance of Jobs and Housing.

Existing law requires the Department of Housing and Community Development to prepare a guidebook for use by governmental agencies in planning and developing a housing supply to meet the need created by employment growth.

This bill would create the Inter-Regional Partnership (IRP) State Pilot Project to Improve the Balance of Jobs and Housing, which would be monitored by the Department of Housing and Community Development, to test and evaluate policies and incentives, as specified, to mitigate current and future imbalances of jobs and housing in specified counties. The bill would make these provisions inoperative on July 31, 2004, and would repeal them as of January 1, 2005.

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

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

1 SECTION 1. Article 2.10 (commencing with Section  
2 65891) is added to Chapter 4 of Division 1 of Title 7 of the  
3 Government Code, to read:

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5 Article 2.10. Inter-Regional Partnership (IRP) State  
6 Pilot Project to Improve the Balance of Jobs and  
7 Housing  
8

9 65891. This article may be cited and shall be known as  
10 the Inter-Regional Partnership (IRP) State Pilot Project  
11 to Improve the Balance of Jobs and Housing.

12 65891.1. For the purposes of this article, the following  
13 terms have the following meanings:

14 (a) “Inter-Regional Partnership” or “IRP” means an  
15 organization of elected officials from the Counties of  
16 Alameda, Contra Costa, Santa Clara, San Joaquin, and  
17 Stanislaus and a number of cities therein, that was formed  
18 under the sponsorship of the three regional councils of  
19 government, the Association of Bay Area Governments  
20 (ABAG), the San Joaquin Council of Governments, and  
21 the Stanislaus Council of Governments, that oversee  
22 regional land use and transportation planning for the five  
23 counties.

24 (b) “Incentives” include, subject to negotiations with  
25 appropriate state and local agencies, the following:

26 (1) Providing tax credit priority for development of  
27 multifamily residential construction in areas with job  
28 surpluses and for job generating projects in areas with  
29 housing surpluses.

30 (2) Providing a return of property tax for  
31 development of affordable housing in areas with job  
32 surpluses and for job generating projects in areas with  
33 housing surpluses.

34 ~~(3) Streamlining under the California Environmental~~  
35 ~~Quality Act (Division 13 (commencing with Section~~



1 ~~21000) of the Public Resources Code) to facilitate desired~~  
2 ~~development in selected areas.~~

3 ~~(4) Providing loans for up-front planning and~~  
4 ~~environmental evaluation to streamline permitting time~~  
5 ~~for projects meeting identified guidelines.~~

6 ~~(5)–~~

7 (3) Pooling of redevelopment funds.

8 ~~(6)–~~

9 (4) Tax-increment financing for jobs-housing  
10 opportunity zones based on the redevelopment model.

11 (c) “Jobs-housing opportunity zone” means a zone  
12 selected by the IRP State Pilot Project for the purpose of  
13 mitigating current and future imbalances of jobs and  
14 housing in the Counties of Alameda, Contra Costa, Santa  
15 Clara, San Joaquin, and Stanislaus that has the following  
16 characteristics:

17 (1) Is no smaller than 50 acres and no larger than 500  
18 acres.

19 (2) Contains significant portions of land that are  
20 vacant, underutilized, and suitable for urban use.

21 (3) Is created for the purpose of either providing  
22 needed workforce housing if there is a surplus of jobs or  
23 providing jobs for the area’s workers if there is a surplus  
24 of housing.

25 (4) Is eligible to receive incentives, subject to  
26 negotiation with appropriate resource agencies.

27 (5) Is serviced by adequate infrastructure and transit  
28 service, or *has* commitments to provide adequate  
29 infrastructure and transit service, to support significant  
30 proposed development.

31 (6) Is intended to support development that will  
32 improve the jobs-housing imbalance across the  
33 five-county IRP area.

34 65891.2. It is the intent of the Legislature to establish  
35 the Inter-Regional Partnership (IRP) as a  
36 state-supported pilot project to test and evaluate a variety  
37 of policies and incentives designed to mitigate current  
38 and future imbalances of jobs and housing in the Counties  
39 of Alameda, Contra Costa, Santa Clara, San Joaquin, and  
40 Stanislaus.



1 65891.3. The Legislature finds and declares all of the  
2 following:

3 (a) California will experience significant population  
4 growth in the coming decades. In the San Francisco Bay  
5 Area, one million new residents are forecast by the year  
6 2020. An equal number of new jobs are expected during  
7 the same time period. However, less than 500,000 new  
8 housing units are expected to be built in an already costly  
9 and competitive housing market.

10 (b) Many central valley communities expect to double  
11 or triple in size, but most of them will not attract  
12 equivalent numbers of new jobs. Instead, thousands of  
13 central valley residents are expected to commute far into  
14 the bay area, often driving two hours or more each way.  
15 The challenges to transportation, air quality, and social  
16 quality of life are enormous. Projections estimate the  
17 current number of less than 100,000 daily Altamont Pass  
18 commuters will more than double to 250,000 by the year  
19 2020.

20 (c) These growth-related issues cut across county and  
21 regional boundaries. The Inter-Regional Partnership is  
22 intended to provide a forum for neighboring jurisdictions  
23 governed by different regional councils of government to  
24 deal collaboratively with land use, transportation, and air  
25 quality issues that affect a five-county region.

26 (d) The IRP State Pilot Project will stand as an  
27 important example for other regions in the state in  
28 dealing with multijurisdictional problem solving and  
29 addressing land use planning across metropolitan  
30 borders.

31 (e) The need for communication and cooperation  
32 among these jurisdictions is underscored by the fact that  
33 Alameda County recently sued the City of Tracy in San  
34 Joaquin County concerning the environmental impacts  
35 of a planned housing development on the western edge  
36 of the county where a majority of residents would be  
37 assumed to commute into the San Francisco Bay Area  
38 through Alameda County.

39 (f) These interjurisdictional planning issues are not  
40 unique to the IRP's five-county area; several other



1 expanding metropolitan areas in California are beginning  
2 to experience similar problems. However, the geographic  
3 imbalance in housing and job growth in the IRP area is  
4 among the country's most extreme examples, and, driven  
5 by continued employment growth in the Silicon Valley,  
6 is predicted to worsen significantly in the coming years.

7 (g) The housing market in the Silicon Valley is now the  
8 most expensive in the nation. Land being developed for  
9 housing in the San Joaquin Valley is some of the highest  
10 quality agricultural land in the world.

11 (h) The IRP area is the best place in the state, and  
12 probably one of the best in the country, to implement a  
13 pilot program designed to mitigate the myriad of  
14 problems associated with unbalanced and uncoordinated  
15 growth.

16 (i) By implementing this pilot program, the state will  
17 play an important role in creating a more sustainable  
18 future pattern of land use in the IRP area.

19 (j) Active investment of state resources now in the  
20 interregional balancing of jobs and housing opportunities  
21 will reduce the need for costly transportation  
22 infrastructure investments in the future.

23 (k) The current path of land development in the  
24 five-county area will have very costly transportation and  
25 environmental impacts if efforts are not made soon to link  
26 job growth to housing production.

27 65891.4. (a) The Inter-Regional Partnership (IRP)  
28 State Pilot Project to Improve the Balance of Jobs and  
29 Housing is hereby established.

30 (b) The Department of Housing and Community  
31 Development shall be the state agency responsible for  
32 monitoring the IRP State Pilot Project.

33 (c) The pilot project shall consist of two phases: (1)  
34 research and development, as specified in Section  
35 65891.5, and (2) implementation, as specified in Section  
36 65891.7.

37 65891.5. (a) During the first year after the date that  
38 funding is received, the IRP shall complete all the  
39 necessary research, outreach, and negotiation to allow  
40 the successful establishment of jobs-housing opportunity



1 zones throughout the five IRP counties. At the end of this  
2 phase a series of outreach meetings shall be held with  
3 local jurisdictions and the public to present the data and  
4 recommendations for locations of jobs-housing  
5 opportunity zones. Local jurisdictions wishing to  
6 participate in the pilot project shall enter into  
7 agreements with the IRP to pursue the regional goals and  
8 objectives of opportunity zones within their jurisdictions.

9 (b) The first phase shall provide all of the following:

10 (1) An integrated Geographic Information System  
11 (GIS) enabling easy comparison of data on land use and  
12 transportation trends and alternative scenarios across the  
13 five-county area. The GIS mapping shall focus on  
14 obtaining existing data from a variety of sources and  
15 integrating them into a single system to allow accurate  
16 analysis and scenario work on an interregional scale. The  
17 Legislature finds and declares that the IRP's GIS system  
18 will be a crucial tool for use in determining the location  
19 of proposed jobs-housing opportunity zones.

20 (2) General types of data to be assembled in the GIS  
21 system shall include:

22 (A) Demographic data, including population and  
23 employment by census tract.

24 (B) Projected growth data consisting of information  
25 on where growth, including jobs generation and new  
26 housing location, is predicted to occur over a 20-year  
27 period.

28 (C) Transportation information such as traffic  
29 capacity and usage, transit access and usage, and  
30 journey-to-work data.

31 (D) Land use information, including general plan  
32 layers and zoning designations. It is the intent of the  
33 Legislature that to reduce costs and setup time, the IRP's  
34 GIS undertaking shall not include parcel-level data.

35 (E) Basic environmental data, including floodplains,  
36 slopes, and contamination.

37 (3) A refined description of the incentive program for  
38 application to the jobs-housing opportunity zones within  
39 the IRP counties. This list shall include thorough  
40 descriptions of fiscal and nonfiscal incentives. A variety of



1 state departments shall be involved in determining what  
2 incentives might be made available, including, but not  
3 limited to, the Office of Planning and Research, the  
4 Department of Housing and Community Development,  
5 the California Housing Finance Agency, the Department  
6 of Transportation, and the Department of Conservation.

7 (4) Recommendations for establishing 5 to 10 official  
8 Inter-Regional Partnership Jobs-Housing Opportunity  
9 Zones located throughout the five-county area. Using the  
10 GIS system and meeting with local jurisdictions, the IRP  
11 shall propose a series of jobs-housing opportunity zones.  
12 Each zone shall have specific goals and a description of  
13 the type of action desired to attain these goals, including  
14 recommended state sponsored incentives intended to  
15 encourage the desired results. The types of incentives  
16 requested may vary by zone location and type. Zones  
17 located near, or with good transit access to, existing major  
18 employment centers may receive incentives designed to  
19 promote reasonably priced housing development. Zones  
20 located far from existing employment centers, but near,  
21 or with good transit access to, significant workforce  
22 housing supply, may receive incentives designed to  
23 promote employment development.

24 65891.7. (a) During the second phase of the pilot  
25 project, opportunity zones shall be established.  
26 Negotiation between the state, the IRP, and local  
27 jurisdictions shall result in formal agreements to  
28 implement specific jobs-housing opportunity zones.

29 (b) Results of the second phase shall include:

30 (1) Final selection of not less than 5 nor more than 10  
31 official IRP Jobs-Housing Opportunity Zones that shall be  
32 equitably distributed among each of the five IRP  
33 counties.

34 (2) Reports that include results of GIS analysis and  
35 clearly illustrate the benefits of prescribed developments  
36 toward creating an interregional jobs-housing balance.  
37 Desired outcomes and actions for each zone shall be  
38 included in the report.

39 (3) The IRP shall enter into a memorandum of  
40 understanding with each jurisdiction having one or more



1 of the selected zones for the pilot program and with  
2 appropriate state agencies outlining outcomes and  
3 incentives to be awarded for stated outcomes.

4 65891.8. (a) The goals of the IRP and the pilot project  
5 are to:

6 (1) Encourage economic investment, including job  
7 creation, near available housing.

8 (2) Encourage housing to be located near major  
9 employment centers.

10 (3) Encourage development along corridors served by  
11 transit and near transit stations.

12 (4) Encourage more sustainable and effective  
13 transportation between job and housing centers.

14 (b) The IRP shall contract with a qualified consultant  
15 to conduct an evaluation of the pilot project. Ongoing  
16 monitoring and evaluation shall be conducted  
17 throughout the implementation of phases one and two.  
18 After zones have been selected and projects begin on  
19 each of the zones, the progress of each project shall be  
20 evaluated. The evaluation shall assess ~~differences in~~  
21 ~~traffic and commuter patterns, using the GIS system as a~~  
22 ~~measuring device. A~~ *the gap between jobs and housing by*  
23 *comparing the ratio between the number of jobs and the*  
24 *number of housing units in a local jurisdiction with a*  
25 *designated IRP Jobs-Housing Opportunity Zone, before*  
26 *an opportunity zone project has been approved and after*  
27 *it has been completed. The comparison shall be based on*  
28 *an optimum balance of jobs and housing being one and*  
29 *one-half jobs for one housing unit, as determined by the*  
30 *Department of Finance. The following data shall be used*  
31 *in determining that a jobs-housing balance has been*  
32 *mitigated in a jurisdiction:*

33 (1) *The number of building permits issued as provided*  
34 *by the California Industrial Research Bureau.*

35 (2) *The number of jobs generated, as determined by*  
36 *the Employment Development Department.*

37 A final report shall be submitted by the IRP to the  
38 Department of Housing and Community Development  
39 on or before July 31, 2004.



1 65891.9. Funding for the IRP State Pilot Project shall  
2 be provided in the 2000–01 Budget Act. The IRP State  
3 Pilot Project shall begin on January 1, 2001.

4 65891.10. No local jurisdiction shall be required to  
5 participate in the pilot project. This article shall have no  
6 fiscal impact on any local jurisdiction.

7 65891.11. This article shall become inoperative on July  
8 31, 2004, and, as of January 1, 2005, is repealed, unless a  
9 later enacted statute that is enacted before January 1,  
10 2005, deletes or extends the dates on which it becomes  
11 inoperative and is repealed.

