

AMENDED IN ASSEMBLY MARCH 5, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 29**

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**Introduced by Assembly Member Hancock**

December 4, 2006

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An act to add Chapter 11 (commencing with Section 66150) to Division 1 of Title 7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 29, as amended, Hancock. Infill development: incentive grants.

Existing law, the Housing and Emergency Shelter Trust Fund Act of 2006, authorizes the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.

This bill would require certain of those funds, upon appropriation, to be made available to the ~~Secretary of Business, Transportation and Housing for distribution to designated councils of governments, as defined, to fund competitive infill incentive grants for local public agencies that~~ *Department of Housing and Community Development for the purposes of making infrastructure grants for construction or acquisition of capital assets, as defined, to qualifying cities, counties, and cities and counties. The bill would require a project to meet certain, listed criteria in order to be eligible for grant funding.*

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. The Legislature finds and hereby declares all of
- 2 the following:
- 3 (a) California’s population increased 42 percent between 1980
- 4 and 2000, from 24 million residents to 34 million. By 2025, the
- 5 state’s population is expected to increase by another 44 percent to
- 6 49 million people.
- 7 (b) Five California urban areas rank in the top 15 most congested
- 8 in the nation. Those urban areas are Los Angeles, San
- 9 Francisco-Oakland, San Diego, San Bernardino-Riverside, and
- 10 Sacramento. The San Jose and Oxnard-Ventura areas are in the
- 11 top 30.
- 12 (c) California’s cities and urban neighborhoods encompass
- 13 nearly 500,000 potential infill parcels comprising 220,000 acres
- 14 of land. If the amount of infill development could be doubled,
- 15 roughly 100,000 acres of undeveloped land could potentially be
- 16 saved over the next 25 years.
- 17 (d) Given current constraints, and understanding that not all of
- 18 the identified infill sites would be developed with housing,
- 19 California’s infill housing potential is estimated in the range of 1
- 20 million to 1.5 million additional units.
- 21 (e) If every potential infill parcel in California were to be
- 22 developed to its fullest potential with housing, the state’s infill
- 23 inventory could theoretically accommodate between 2 million and
- 24 4 million additional housing units.
- 25 (f) Between 1980 and 2000, vehicle miles of travel on
- 26 California’s roads increased 97 percent—from 156 billion miles
- 27 to 307 billion miles per year.
- 28 (g) In 1960, there were 9 million registered vehicles in the state.
- 29 In 2005, there are over 30 million vehicles registered in the state.
- 30 (h) Vehicle miles of travel are projected to increase another 63
- 31 percent by the year 2025.
- 32 (i) At present, approximately 8 percent of the 100 million acres
- 33 in California (8 million acres) are devoted to crops. Each year
- 34 about 122,000 of these 8 million acres (approximately 1.5 percent)
- 35 are lost from production when swallowed by urban and industrial
- 36 spread.
- 37 (j) As the population grows, more and more people need a place
- 38 to live and work, placing increasing demands on limited land areas.

1 In general, each person added to the population requires  
2 approximately one acre of land for urbanization and highways.

3 (k) When the California population doubles to 64 million, as  
4 projected for 2035, approximately 32 million of California’s 100  
5 million acres will need to be used for the housing, employment,  
6 and transportation needs of those 32 million additional people.

7 SEC. 2. Chapter 11 (commencing with Section 66150) is added  
8 to Division 1 of Title 7 of the Government Code, to read:

9

10 CHAPTER 11. INFILL DEVELOPMENT INCENTIVE GRANT  
11 PROGRAM  
12

13 66150. (a) For the purposes of this chapter the following terms  
14 have the following meanings, unless the context clearly requires  
15 otherwise:

16 ~~(1) “Council of governments” means a single or multicounty~~  
17 ~~council established under a joint powers agreement pursuant to~~  
18 ~~Chapter 5 (commencing with Section 6500) of Division 1 of Title~~  
19 ~~7.~~

20 (1) *“Department” means the Department of Housing and*  
21 *Community Development.*

22 (2) *“Infill development” means residential or mixed commercial*  
23 *and residential development on an infill site, as defined under*  
24 *Section 21061.3 of the Public Resources Code, or in an area of an*  
25 *incorporated city that is predominately developed with qualified*  
26 *urban uses and has been designated for infill development in a*  
27 *regional growth plan.*

28 (3) *“Regional growth plan” is a plan that meets the definition*  
29 *established under Section 65060.7.*

30 ~~(4) “Secretary” means the Secretary of Business, Transportation~~  
31 ~~and Housing.~~

32 (b) Funds deposited in the Regional Planning, Housing, and  
33 Infill Incentive Account under subdivision (b) of Section 53545  
34 of the Health and Safety Code, upon appropriation, shall be made  
35 available to the secretary for distribution to designated councils  
36 of governments to fund competitive infill incentive grants for local  
37 public agencies that meet the following criteria:

38 (1) ~~The local public agency is included in a regional growth~~  
39 ~~plan.~~

1 ~~(2) The local public agency has conformed its local planning~~  
2 ~~to the regional growth plan by adopting any land use policies,~~  
3 ~~including, but not limited to, amendments to its general plan,~~  
4 ~~community or neighborhood plans, zoning codes, subdivision~~  
5 ~~codes, guidelines, and policies necessary to provide for growth in~~  
6 ~~those areas designated for urban development and prohibiting or~~  
7 ~~limiting growth in those areas designated for other than urban uses~~  
8 ~~consistent with the regional growth plan.~~

9 ~~(3) The region meets the requirements for local plan consistency~~  
10 ~~for the current round of grant funding.~~

11 ~~(e) The secretary shall establish additional criteria for the award~~  
12 ~~of infill incentive grants to local agencies based on the degree to~~  
13 ~~which the grants will assist the local public agency in increasing~~  
14 ~~infill development and urban revitalization in an area designated~~  
15 ~~by the regional growth plan for that development. available to the~~  
16 ~~department for the purposes of making infrastructure grants for~~  
17 ~~construction or acquisition of capital assets, as defined in Section~~  
18 ~~16727, to qualifying cities, counties, and cities and counties. In~~  
19 ~~order to be eligible for funding under this chapter, a project shall~~  
20 ~~conform to all of the following:~~

21 ~~(1) Be consistent with the adopted general plan of the applicant~~  
22 ~~city, county, or city and county. The adopted general plan shall~~  
23 ~~include an adopted housing element that the department has found,~~  
24 ~~pursuant to Section 65585, to be in substantial compliance with~~  
25 ~~the requirements of Article 10.6 (commencing with Section 65580)~~  
26 ~~of Chapter 3.~~

27 ~~(2) Be included in, and be consistent with, the zoning or specific~~  
28 ~~plan and any of the following additional plans applicable to the~~  
29 ~~subject area or site:~~

30 ~~(A) A project area redevelopment plan.~~

31 ~~(B) A regional blueprint plan.~~

32 ~~(C) A capital improvement plan.~~

33 ~~(D) A regional transportation plan or a transportation corridor~~  
34 ~~plan.~~

35 ~~(3) For any plan identified in paragraph (1) or (2) that is subject~~  
36 ~~to the California Environmental Quality Act (Division 13~~  
37 ~~(commencing with Section 21000) of the Public Resources Code),~~  
38 ~~the notice of determination pursuant to that act shall have been~~  
39 ~~completed, and the statutory period for challenges shall have~~  
40 ~~expired. Both the infrastructure project for which funding is applied~~

1 *for, and the housing project to be facilitated, shall be identified*  
2 *with sufficient specificity to be considered to have complied with*  
3 *the California Environmental Quality Act.*

4 *(4) Be an integral part of infrastructure needs that are required*  
5 *to allow an infill housing project to proceed to completion in a*  
6 *timely manner, including, but not limited to, brownfield cleanup.*

7 *(c) For the purposes of this program, a qualifying infill project*  
8 *shall be located within one-half mile of a mass transit system. For*  
9 *the purposes of this subdivision, “mass transit system” includes,*  
10 *but is not limited to, light rail, fixed rail, trolley car, ferry, and*  
11 *major bus hub.*

12 *(d) In its review and rating of applications for funding under*  
13 *this chapter, the department shall consider factors that include,*  
14 *but are not limited to, all of the following:*

15 *(1) The number of housing units to be created.*

16 *(2) The depth and duration of the affordability of the housing.*

17 *(3) The creation of housing in job-rich areas.*

18 *(4) The proximity of housing to access to parks, social services,*  
19 *and other amenities.*

20 *(5) The local jurisdiction’s share of historical housing*  
21 *production within the region.*

22 *(6) The local jurisdiction’s share of production of affordable*  
23 *housing.*

24 *(7) Whether the local jurisdiction has an inclusionary housing*  
25 *ordinance.*

26 *(e) To the extent feasible, the project selection process shall*  
27 *ensure a reasonable geographic distribution of funds.*

28 *(f) Funds awarded pursuant to this chapter shall supplement,*  
29 *but shall not supplant, other available funding.*

30 *(1) If the housing identified in the grant application is not*  
31 *produced within five years after the date of completion of the*  
32 *infrastructure project funded under this chapter, all funds allocated*  
33 *under the grant shall be reimbursed by the applicant to the*  
34 *Regional Planning, Housing, and Infill Incentive Account.*

35 *(2) The department may grant one five-year extension to the*  
36 *deadline imposed under paragraph (1) if it determines that the*  
37 *inability to complete the required housing was related to*  
38 *unanticipated market forces beyond the control of the applicant.*

39 *(g) (1) For each year that funds are available, the department*  
40 *shall issue a Notice of Funding Availability to cover building*

1 *permits issued during a 12-month time period. The department*  
2 *shall accept applications at the close of the 12-month period. Grant*  
3 *amounts shall be determined as a per-bedroom incentive for each*  
4 *unit. For the purposes of this section single-room occupancies and*  
5 *studio apartments shall be considered as one-bedroom units. The*  
6 *grant shall be allocated according to the following formula:*

7 (A) *For market rate units, two thousand dollars (\$2,000) per*  
8 *bedroom.*

9 (B) *For moderate-income units, four thousand dollars (\$4,000)*  
10 *per bedroom.*

11 (C) *For low-income units, seven thousand five hundred dollars*  
12 *(\$7,500) per bedroom.*

13 (D) *For very low-income units, ten thousand dollars (\$10,000)*  
14 *per bedroom.*

15 (2) *If the eligibility for funds exceeds the amount of funding*  
16 *available for this program, the department shall reduce all grants*  
17 *proportionally.*

18 ~~(e)~~

19 (h) *Grant funds may be used for any capital outlay purpose*  
20 *consistent with this chapter and subdivision (b) of Section 53545*  
21 *of the Health and Safety Code, including, but not limited to, any*  
22 *of the following purposes:*

23 (1) *Creation, development and rehabilitation of urban parks,*  
24 *bicycle paths, river parkways, and other public recreational*  
25 *facilities.*

26 (2) *Urban greening projects, including, but not limited to, tree*  
27 *planting, community landscaping, public gardening, and other*  
28 *improvements to enhance the enjoyment and livability of urban*  
29 *neighborhoods.*

30 (3) *Water, sewer transferring public, utilities to underground,*  
31 *or other public utility infrastructure costs associated with infill*  
32 *development.*

33 (4) *Street, road, or other transportation improvements, including,*  
34 *but not limited to, transit improvements, bikeways, trolleys, and*  
35 *pedestrian facilities.*

36 ~~(e)~~

37 (i) *Allocation of grants shall be consistent with regional plans*  
38 *for growth and shall do all of the following:*

39 (1) *Promote infill development and equity by rehabilitating,*  
40 *maintaining, and improving existing infrastructure that supports*

1 infill development and appropriate reuse and redevelopment of  
2 previously developed, underutilized land that is presently served  
3 by transit, street, water, sewer, and other essential services,  
4 particularly in underserved areas, and by preserving cultural and  
5 historic resources.

6 (2) Encourage efficient development patterns by ensuring that  
7 any infrastructure associated with development that is not infill  
8 supports new development that uses land efficiently, is built  
9 adjacent to existing developed areas, is in an area appropriately  
10 planned for growth, is served by adequate transportation and other  
11 essential utilities and services, and minimizes ongoing costs to  
12 taxpayers.

13 ~~(f) Grants issued under this chapter shall comply with Section~~  
14 ~~21159.24 of the Public Resources Code.~~