

AMENDED IN ASSEMBLY MARCH 27, 2007

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**  
*(Coauthor: Assembly Member Ruskin)*

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 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~~ *REGIONAL PLANNING,*  
11 *HOUSING, AND INFILL INCENTIVE GRANT 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) “Department” means the Department of Housing and  
17 Community Development.

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

24 (3) “Regional growth plan” is a plan that meets the definition  
25 established under Section 65060.7.

26 (b) Funds deposited in the Regional Planning, Housing, and  
27 Infill Incentive Account under subdivision (b) of Section 53545  
28 of the Health and Safety Code, upon appropriation, shall be made  
29 available to the department for the purposes of making  
30 infrastructure grants for construction or acquisition of capital assets,  
31 as defined in Section 16727, to qualifying cities, counties, and  
32 cities and counties. In order to be eligible for funding under this  
33 chapter, a project shall conform to all of the following:

34 (1) Be consistent with the adopted general plan of the applicant  
35 city, county, or city and county. The adopted general plan shall  
36 include an adopted housing element that the department has found,  
37 pursuant to Section 65585, to be in substantial compliance with  
38 the requirements of Article 10.6 (commencing with Section 65580)  
39 of Chapter 3.

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

4 (A) A project area redevelopment plan.

5 (B) A regional blueprint plan.

6 (C) A capital improvement plan.

7 (D) A regional transportation plan or a transportation corridor  
8 plan.

9 (3) For any plan identified in paragraph (1) or (2) that is subject  
10 to the California Environmental Quality Act (Division 13  
11 (commencing with Section 21000) of the Public Resources Code),  
12 the notice of determination pursuant to that act shall have been  
13 completed, and the statutory period for challenges shall have  
14 expired. Both the infrastructure project for which funding is applied  
15 for, and the housing project to be facilitated, shall be identified  
16 with sufficient specificity to be considered to have complied with  
17 the California Environmental Quality Act.

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

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

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

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

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

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

32 (4) The proximity of housing to access to parks, social services,  
33 and other amenities.

34 (5) The local jurisdiction’s share of historical housing production  
35 within the region.

36 (6) The local jurisdiction’s share of production of affordable  
37 housing.

38 (7) Whether the local jurisdiction has an inclusionary housing  
39 ordinance.

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

3 (f) Funds awarded pursuant to this chapter shall supplement,  
4 but shall not supplant, other available funding.

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

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

14 (g) (1) For each year that funds are available, the department  
15 shall issue a Notice of Funding Availability to cover building  
16 permits issued during a 12-month time period. The department  
17 shall accept applications at the close of the 12-month period. Grant  
18 amounts shall be determined as a per-bedroom incentive for each  
19 unit. For the purposes of this section single-room occupancies and  
20 studio apartments shall be considered as one-bedroom units. The  
21 grant shall be allocated according to the following formula:

22 (A) For market rate units, two thousand dollars (\$2,000) per  
23 bedroom.

24 (B) For moderate-income units, four thousand dollars (\$4,000)  
25 per bedroom.

26 (C) For low-income units, seven thousand five hundred dollars  
27 (\$7,500) per bedroom.

28 (D) For very low income units, ten thousand dollars (\$10,000)  
29 per bedroom.

30 (2) If the eligibility for funds exceeds the amount of funding  
31 available for this program, the department shall reduce all grants  
32 proportionally.

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

37 (1) Creation, development and rehabilitation of urban parks,  
38 bicycle paths, river parkways, *trails*, *access ways that connect*  
39 *neighborhoods with open-space areas*, and other public recreational  
40 facilities.

- 1 (2) Urban greening projects, including, but not limited to, tree  
2 planting, community landscaping, public gardening, and other  
3 improvements to enhance the enjoyment and livability of urban  
4 neighborhoods.
- 5 (3) ~~Water, sewer transferring public, utilities to underground,~~  
6 or other public utility infrastructure costs associated with infill  
7 development, *including, but not limited to, the costs of transferring*  
8 *public utilities underground.*
- 9 (4) Street, road, or other transportation improvements, including,  
10 but not limited to, transit improvements, bikeways, trolleys, and  
11 pedestrian facilities.
- 12 (5) *Expansion of recreational opportunities in high density*  
13 *housing areas through acquisition and enhancement of park land.*
- 14 (6) *Creation of safe routes to schools for children.*
- 15 (i) Allocation of grants shall be consistent with regional plans  
16 for growth and shall do all of the following:
  - 17 (1) Promote infill development and equity by rehabilitating,  
18 maintaining, and improving existing infrastructure that supports  
19 infill development and appropriate reuse and redevelopment of  
20 previously developed, underutilized land that is presently served  
21 by transit, street, water, sewer, and other essential services,  
22 particularly in underserved areas, and by preserving cultural and  
23 historic resources.
  - 24 (2) Encourage efficient development patterns by ensuring that  
25 any infrastructure associated with development that is not infill  
26 supports new development that uses land efficiently, is built  
27 adjacent to existing developed areas, is in an area appropriately  
28 planned for growth, is served by adequate transportation and other  
29 essential utilities and services, and minimizes ongoing costs to  
30 taxpayers.