

AMENDED IN ASSEMBLY APRIL 23, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 842**

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**Introduced by Assembly Member Jones**  
**(Principal coauthors: Assembly Members DeSaulnier and Lieu)**

February 22, 2007

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An act to add Section 14522.5 to the Government Code, to amend Sections 53545 and 53563 of, and to add Section 53545.2 to, the Health and Safety Code, ~~and to add Section 75066.5 to the Public Resources Code,~~ relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 842, as amended, Jones. Regional plans: traffic reduction.

(1) Existing law authorizes the California Transportation Commission to establish guidelines for the preparation of regional transportation plans.

This bill would require the commission to update its guidelines for the preparation of regional transportation plans, including a requirement that each regional transportation plan provide for a 10% reduction in the growth increment of vehicle miles traveled.

(2) 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. The act establishes the Housing and Emergency

Shelter Trust Fund of 2006 in the State Treasury, requires the sum of \$850,000,000 to be deposited in the Regional Planning, Housing, and Infill Incentive Account, which the act establishes in the fund, and makes the money in the account available, upon appropriation, for infill incentive grants for capital outlay related to infill housing development and other related infill development, and for brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans, subject to the conditions and criteria that the Legislature may provide in statute. The act requires the amount of \$300,000,000 to be deposited in the Transit-Oriented Development Account, which the act establishes in the fund, for transfer to the Transit-Oriented Development Implementation Fund, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program established under the act.

This bill would require ~~the sum of \$300,000,000~~ *an unspecified sum* to be made available, upon appropriation, from the Regional Planning, Housing, and Infill Incentive Account to the Department of Housing and Community Development to fund grants to assist agencies of local government in the planning and production of infill housing. ~~The bill would limit the grants to councils of governments that provide the department with a regional land use and transportation planning document that includes a reduction of the growth increment of vehicle miles traveled by not less than 10% for the region, and to counties not within the region of a council of governments that provide the department with a countywide land use and transportation planning document that includes a reduction of the growth increment of vehicle miles traveled by not less than 10% for the county.~~

The bill would *also* ~~require the sum of \$150,000,000~~ *an unspecified sum* to be allocated from the Transit-Oriented Development Account to the Transit-Oriented Development Implementation Program, in the amount of ~~\$100,000,000~~ *an unspecified sum* for loans and ~~\$50,000,000~~ *an unspecified sum* for grants.

~~The bill would require the department to limit grants and loans under the Transit-Oriented Development Implementation Program to councils of governments and counties that provide the department with a regional or countywide land use and transportation planning document that includes a reduction of the growth increment of vehicle miles traveled by not less than a specified percentage for the region or county.~~

~~(3) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 authorizes the issuance of bonds in the amount of \$5,388,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to fund various public resources projects. Among other things, the act makes available the sum of \$90,000,000 for planning grants and planning incentives, including revolving loan programs and other methods to encourage the development of regional and local land use plans that are designed to promote water conservation; reduce automobile use and fuel consumption, encourage greater infill and compact development, protect natural resources and agricultural lands, and revitalize urban and community centers.~~

~~This bill would require the sum of \$30,000,000 to be made available, upon appropriation, pursuant to certain provisions of the act to councils of governments and counties to fund grants to assist in the development of regional and countywide land use and transportation planning documents. The bill would limit the grants to councils of governments that commit to development of a regional land use and transportation planning document that includes a reduction of the growth increment of vehicle miles traveled by not less than 10% for the region, and to counties not within the region of a council of governments that commit to development of a countywide land use and transportation planning document that includes a reduction of the growth increment of vehicle miles traveled by not less than 10% for the county.~~

~~The bill would require the sum of \$60,000,000 to be made available, upon appropriation, pursuant to certain provisions of the act to the department to provide loans to cities, counties, and cities and counties to assist in conforming general plans, zoning ordinances, and specific project plans to a regional or countywide land use and transportation planning document that includes a reduction of the growth increment of vehicle miles traveled by not less than 10% for the region or county.~~

~~*The bill would also require the department, in ranking applications received for infill housing and the Transit-Oriented Development Implementation Program, to award a substantial preference to applications for projects that meet specified criteria.*~~

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. Section 14522.5 is added to the Government  
2 Code, to read:

3 14522.5. The commission shall update its guidelines for the  
4 preparation of regional transportation plans, including, but not  
5 limited to, a requirement that each regional transportation plan  
6 provide for a 10 percent reduction in the growth increment of  
7 vehicle miles traveled.

8 SEC. 2. Section 53545 of the Health and Safety Code is  
9 amended to read:

10 53545. The Housing and Emergency Shelter Trust Fund of  
11 2006 is hereby created in the State Treasury. The Legislature  
12 intends that the proceeds of bonds deposited in the fund shall be  
13 used to fund the housing-related programs described in this chapter  
14 over the course of the next decade. The proceeds of bonds issued  
15 and sold pursuant to this part for the purposes specified in this  
16 chapter shall be allocated in the following manner:

17 (a) (1) One billion five hundred million dollars (\$1,500,000,000)  
18 to be deposited in the Affordable Housing Account, which is  
19 hereby created in the fund. Notwithstanding Section 13340 of the  
20 Government Code, the money in the account shall be continuously  
21 appropriated in accordance with the following schedule:

22 (A) (i) Three hundred forty-five million dollars (\$345,000,000)  
23 shall be transferred to the Housing Rehabilitation Loan Fund to  
24 be expended for the Multifamily Housing Program authorized by  
25 Chapter 6.7 (commencing with Section 50675) of Part 2. The  
26 priorities specified in Section 50675.13 shall apply to the  
27 expenditure of funds pursuant to this clause.

28 (ii) Fifty million dollars (\$50,000,000) shall be transferred to  
29 the Housing Rehabilitation Loan Fund to be expended under the  
30 Multifamily Housing Program authorized by Chapter 6.7  
31 (commencing with Section 50675) of Part 2 for housing meeting  
32 the definitions in paragraphs (2) and (3) of subdivision (e) of  
33 Section 11139.3 of the Government Code. The department may  
34 provide higher per-unit loan limits as necessary to achieve  
35 affordable housing costs to the target population. Any funds not  
36 encumbered for the purposes of this clause within 30 months of  
37 availability shall revert for general use in the Multifamily Housing  
38 Program.

1 (B) One hundred ninety-five million dollars (\$195,000,000)  
2 shall be transferred to the Housing Rehabilitation Loan Fund to  
3 be expended for the Multifamily Housing Program authorized by  
4 Chapter 6.7 (commencing with Section 50675) of Part 2, to be  
5 used for supportive housing for individuals and households moving  
6 from emergency shelters or transitional housing or those at risk of  
7 homelessness. The Department of Housing and Community  
8 Development shall provide for higher per-unit loan limits as  
9 reasonably necessary to achieve housing costs affordable to those  
10 individuals and households. For purposes of this subparagraph,  
11 “supportive housing” means housing with no limit on length of  
12 stay, that is occupied by the target population, as defined in  
13 subdivision (d) of Section 53260, and that is linked to onsite or  
14 offsite services that assist the tenant to retain the housing, improve  
15 his or her health status, maximize his or her ability to live, and,  
16 when possible, work in the community. The criteria for selecting  
17 projects shall give priority to the following:

18 (i) Supportive housing for people with disabilities who would  
19 otherwise be at high risk of homelessness where the applications  
20 represent collaboration with programs that meet the needs of the  
21 person’s disabilities.

22 (ii) Projects that demonstrate funding commitments from local  
23 governments for operating subsidies or services funding, or both,  
24 for five years or longer.

25 (C) One hundred thirty-five million dollars (\$135,000,000) shall  
26 be transferred to the fund created by subdivision (b) of Section  
27 50517.5 to be expended for the programs authorized by Chapter  
28 3.2 (commencing with Section 50517.5) of Part 2.

29 (D) Three hundred million dollars (\$300,000,000) shall be  
30 transferred to the Self-Help Housing Fund created by Section  
31 50697.1. These funds shall be available to the Department of  
32 Housing and Community Development, to be expended for the  
33 purposes of enabling households to become or remain homeowners  
34 pursuant to the CalHome Program authorized by Chapter 6  
35 (commencing with Section 50650) of Part 2, except ten million  
36 dollars (\$10,000,000) shall be expended for construction  
37 management under the California Self-Help Housing Program  
38 pursuant to subdivision (b) of Section 50696.

39 (E) Two hundred million dollars (\$200,000,000) shall be  
40 transferred to the Self-Help Housing Fund created by Section

1 50697.1. These funds shall be available to the California Housing  
2 Finance Agency, to be expended for the purposes of the California  
3 Homebuyer's Downpayment Assistance Program authorized by  
4 Chapter 11 (commencing with Section 51500) of Part 3. Up to one  
5 hundred million dollars (\$100,000,000) of these funds may be  
6 expended pursuant to subdivision (b) of Section 51504.

7 (F) One hundred million dollars (\$100,000,000) shall be  
8 transferred to the Affordable Housing Innovation Fund, which is  
9 hereby created in the State Treasury, to be administered by the  
10 Department of Housing and Community Development. Funds shall  
11 be expended for competitive grants or loans to sponsoring entities  
12 that develop, own, lend, or invest in affordable housing and used  
13 to create pilot programs to demonstrate innovative, cost-saving  
14 approaches to creating or preserving affordable housing. Specific  
15 criteria establishing eligibility for and use of the funds shall be  
16 established in statute as approved by a two-thirds vote of each  
17 house of the Legislature. Any funds not encumbered for the  
18 purposes set forth in this subparagraph within 30 months of  
19 availability shall revert to the Self-Help Housing Fund created by  
20 Section 50697.1 and shall be available for the purposes described  
21 in subparagraph (D).

22 (G) One hundred twenty-five million dollars (\$125,000,000)  
23 shall be transferred to the Building Equity and Growth in  
24 Neighborhoods Fund to be used for the Building Equity and  
25 Growth in Neighborhoods (BEGIN) Program pursuant to Chapter  
26 14.5 (commencing with Section 50860) of Part 1. Any funds not  
27 encumbered for the purposes set forth in this subparagraph within  
28 30 months of availability shall revert for general use in the  
29 CalHome Program.

30 (H) Fifty million dollars (\$50,000,000) shall be transferred to  
31 the Emergency Housing and Assistance Fund to be distributed in  
32 the form of capital development grants under the Emergency  
33 Housing and Assistance Program authorized by Chapter 11.5  
34 (commencing with Section 50800) of Part 2 of Division 31. The  
35 funds shall be administered by the Department of Housing and  
36 Community Development in a manner consistent with the  
37 restrictions and authorizations contained in Provision 3 of Item  
38 2240-105-0001 of the Budget Act of 2000, except that any  
39 appropriations in that item shall not apply. The competitive system  
40 used by the department shall incorporate priorities set by the

1 designated local boards and their input as to the relative merits of  
2 submitted applications from within the designated local board's  
3 county in relation to those priorities. In addition, the funding  
4 limitations contained in this section shall not apply to the  
5 appropriation in that budget item.

6 (2) The Legislature may, from time to time, amend the  
7 provisions of law related to programs to which funds are, or have  
8 been, allocated pursuant to this subdivision for the purpose of  
9 improving the efficiency and effectiveness of the program, or for  
10 the purpose of furthering the goals of the program.

11 (3) The Bureau of State Audits shall conduct periodic audits to  
12 ensure that bond proceeds are awarded in a timely fashion and in  
13 a manner consistent with the requirements of this subdivision, and  
14 that awardees of bond proceeds are using funds in compliance with  
15 applicable provisions of this subdivision. The first audit shall be  
16 conducted no later than one year from voter approval of this part.

17 (4) In its annual report to the Legislature, the Department of  
18 Housing and Community Development shall report how funds that  
19 were made available pursuant to this subdivision and allocated in  
20 the prior year were expended. The department shall make the report  
21 available to the public on its Internet Web site.

22 (b) Eight hundred fifty million dollars (\$850,000,000) shall be  
23 deposited in the Regional Planning, Housing, and Infill Incentive  
24 Account, which is hereby created in the fund. Funds in the account  
25 shall be available, upon appropriation by the Legislature, and  
26 subject to such other conditions and criteria as the Legislature may  
27 provide in statute, for the following purposes:

28 (1) For infill incentive grants for capital outlay related to infill  
29 housing development and other related infill development,  
30 including, but not limited to, all of the following:

31 (A) No more than two hundred million dollars (\$200,000,000)  
32 for park creation, development, or rehabilitation to encourage infill  
33 development.

34 (B) Water, sewer, or other public infrastructure costs associated  
35 with infill development.

36 (C) Transportation improvements related to infill development  
37 projects.

38 (D) Traffic mitigation.

1 (2) For brownfield cleanup that promotes infill housing  
 2 development and other related infill development consistent with  
 3 regional and local plans.

4 (c) Three hundred million dollars (\$300,000,000) to be deposited  
 5 in the Transit-Oriented Development Account, which is hereby  
 6 created in the fund, for transfer to the Transit-Oriented  
 7 Development Implementation Fund, for expenditure, upon  
 8 appropriation by the Legislature, pursuant to the Transit-Oriented  
 9 Development Implementation Program authorized by Part 13  
 10 (commencing with Section 53560).

11 (d) Two hundred million dollars (\$200,000,000) shall be  
 12 deposited in the Housing Urban-Suburban-and-Rural Parks  
 13 Account, which is hereby created in the fund. Funds in the account  
 14 shall be available upon appropriation by the Legislature for  
 15 housing-related parks grants in urban, suburban, and rural areas,  
 16 subject to the conditions and criteria that the Legislature may  
 17 provide in statute.

18 SEC. 3. Section 53545.2 is added to the Health and Safety  
 19 Code, to read:

20 53545.2. (a) Upon appropriation, the sum of ~~three hundred~~  
 21 ~~million dollars (\$300,000,000)~~ *\_\_\_\_\_ dollars (\$\_\_\_\_\_)* shall be made  
 22 available from the Regional Planning, Housing, and Infill Incentive  
 23 Account established under subdivision (b) of Section 53545 to the  
 24 department to fund grants to assist agencies of local government  
 25 in the planning and production of infill housing. ~~The grants shall~~  
 26 ~~be limited to the following:~~ *In ranking applications received*  
 27 *pursuant to this section, the department shall award a substantial*  
 28 *preference to both of the following:*

29 ~~(1) Councils of governments that provide the department with~~  
 30 ~~a regional land use and transportation planning document that~~  
 31 ~~includes a reduction of the growth increment of vehicle miles~~  
 32 ~~traveled by not less than 10 percent for the region.~~

33 ~~(2) Counties not within the region of a council of governments~~  
 34 ~~that provide the department with a countywide land use and~~  
 35 ~~transportation planning document that includes a reduction of the~~  
 36 ~~growth increment of vehicle miles traveled by not less than 10~~  
 37 ~~percent for the county.~~

38 *(1) Applications for projects that are located in a city, county,*  
 39 *or city and county that has adopted a general plan that will reduce*

1 *the amount of vehicle miles traveled by at least 10 percent and the*  
2 *project is consistent with the plan.*

3 *(2) Applications for projects that are located in a region covered*  
4 *by a council of governments that has adopted a transportation*  
5 *plan, a regional transportation plan, a regional blueprint, or*  
6 *similar document that will reduce the amount of vehicle miles*  
7 *traveled by at least 10 percent and the project is consistent with*  
8 *the plan, blueprint, or similar document.*

9 (b) Upon appropriation, the sum of ~~one hundred fifty million~~  
10 ~~dollars (\$150,000,000)~~ \_\_\_\_\_ dollars (\$\_\_\_\_\_) shall be allocated  
11 from the Transit-Oriented Development Account established under  
12 subdivision (c) of Section 53545 to the Transit-Oriented  
13 Development Implementation Program authorized under Part 13  
14 (commencing with Section 53560), in the following amounts, for  
15 the following purposes:

16 (1) ~~One hundred million dollars (\$100,000,000)~~ \_\_\_\_\_ dollars  
17 (\$\_\_\_\_\_) for loans.

18 (2) ~~Fifty million dollars (\$50,000,000)~~ \_\_\_\_\_ dollars (\$\_\_\_\_\_)  
19 for grants.

20 SEC. 4. Section 53563 of the Health and Safety Code is  
21 amended to read:

22 53563. (a) In ranking applications pursuant to this part, the  
23 department shall, among other criteria, consider the extent to which  
24 the project or development will increase public transit ridership  
25 and minimize automobile trips.

26 (b) The department shall also grant bonus points to projects or  
27 developments that are in an area designated by the appropriate  
28 council of governments for infill development as part of a regional  
29 plan.

30 ~~(c) The department shall limit grants under this part to the~~  
31 ~~following:~~

32 ~~(1) Councils of governments that demonstrate to the department~~  
33 ~~that the proposed project is consistent with a regional land use and~~  
34 ~~transportation planning document and will reduce the growth~~  
35 ~~increment of vehicle miles traveled by not less than 15 percent for~~  
36 ~~the region.~~

37 ~~(2) Counties not within the region of a council of governments~~  
38 ~~that demonstrate to the department that the proposed project is~~  
39 ~~consistent with a countywide land use and transportation planning~~

1 document and will reduce the growth increment of vehicle miles  
2 traveled by not less than 15 percent for the county.

3 (d) The department shall limit loans under this part to the  
4 following:

5 (1) Councils of governments that demonstrate to the department  
6 that the proposed project is consistent with a regional land use and  
7 transportation planning document and will reduce the growth  
8 increment of vehicle miles traveled by not less than 10 percent for  
9 the region.

10 (2) Counties not within the region of a council of governments  
11 that demonstrate to the department that the proposed project is  
12 consistent with a countywide land use and transportation planning  
13 document and will reduce the growth increment of vehicle miles  
14 traveled by not less than 10 percent for the county.

15 SEC. 5. Section 75066.5 is added to the Public Resources Code,  
16 to read:

17 75066.5. (a) Upon appropriation, the sum of thirty million  
18 dollars (\$30,000,000) shall be made available pursuant to  
19 subdivision (e) of Section 75065 to councils of governments and  
20 counties to fund grants to assist in the development of regional  
21 and countywide land use and transportation planning documents.  
22 The grants shall be limited to the following:

23 (1) Councils of governments that commit to development of a  
24 regional land use and transportation planning document that  
25 includes a reduction of the growth increment of vehicle miles  
26 traveled by not less than 10 percent for the region.

27 (2) Counties not within the region of a council of governments  
28 that commit to development of a countywide land use and  
29 transportation planning document that includes a reduction of the  
30 growth increment of vehicle miles traveled by not less than 10  
31 percent for the county.

32 (b) Upon appropriation, the sum of sixty million dollars  
33 (\$60,000,000) shall be made available pursuant to subdivision (e)  
34 of Section 75065 to the Department of Housing and Community  
35 Development to provide loans to cities, counties, and cities and  
36 counties to assist in conforming general plans, zoning ordinances,  
37 and specific project plans to a regional or countywide land use and  
38 transportation planning document that includes a reduction of the  
39 growth increment of vehicle miles traveled by not less than 10  
40 percent for the region or county.

1 (c) In ranking applications received pursuant to this section,  
2 the department shall award a substantial preference to both of the  
3 following:

4 (1) Applications for projects that are located in a city, county,  
5 or city and county that has adopted a general plan that will reduce  
6 the amount of vehicle miles traveled by at least 10 percent and the  
7 project is consistent with the plan.

8 (2) Applications for projects that are located in a region covered  
9 by a council of governments that has adopted a transportation  
10 plan, a regional transportation plan, a regional blueprint, or  
11 similar document that will reduce the amount of vehicle miles  
12 traveled by at least 10 percent and the project is consistent with  
13 the plan, blueprint, or similar document.

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16 **CORRECTIONS:**

17 **Text—Pages 10 and 11.**

18