

AMENDED IN SENATE AUGUST 13, 2008
AMENDED IN SENATE JUNE 24, 2008
AMENDED IN ASSEMBLY JANUARY 17, 2008
AMENDED IN ASSEMBLY APRIL 23, 2007
AMENDED IN ASSEMBLY MARCH 29, 2007
CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 842

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

February 22, 2007

An act to amend Sections 53545.13 and 53563 of the Health and Safety Code, relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

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

Existing law authorizes the Department of Housing and Community Development to administer the Infill Incentive Grant Program of 2007, to fund selected capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project or a qualifying infill area, and specifies the conditions that a qualifying infill project or qualifying infill area must meet to receive a capital improvement project grant award. The department is also required to review and rank applicants for the award of capital improvement project grants based upon various priorities, including, among others, project readiness, the depth and duration of the

affordability of the housing proposed for a qualifying infill project or qualifying infill area, and the proximity of housing to parks, employment or retail centers, schools, or social services.

This bill would additionally require the department to rank applicants for the award of capital improvement project grants based upon a reduction of vehicle miles traveled as a result of the project, as specified.

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 53545.13 of the Health and Safety Code
- 2 is amended to read:
- 3 53545.13. (a) The Infill Incentive Grant Program of 2007 is
- 4 hereby established to be administered by the department.
- 5 (b) Upon appropriation of funds by the Legislature for the
- 6 purpose of implementing paragraph (1) of subdivision (b) of
- 7 Section 53545, the department shall establish and administer a
- 8 competitive grant program to allocate those funds to selected
- 9 capital improvement projects that are an integral part of, or
- 10 necessary to facilitate the development of, a qualifying infill project
- 11 or a qualifying infill area.
- 12 (c) A qualifying infill project or qualifying infill area for which
- 13 a capital improvement project grant may be awarded shall meet
- 14 all of the following conditions:
- 15 (1) Be located in a city, county, or city and county, in which
- 16 the general plan of the city, county, or city and county, has an
- 17 adopted housing element that has been found by the department,
- 18 pursuant to Section 65585 of the Government Code, to be in
- 19 compliance with the requirements of Article 10.6 (commencing
- 20 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
- 21 Government Code.
- 22 (2) Include not less than 15 percent of affordable units, as
- 23 follows:
- 24 (A) For projects that contain both rental and ownership units,
- 25 units of either or both product types may be included in the
- 26 calculation of the affordability criteria.
- 27 (B) (i) To the extent included in a project grant application, for
- 28 the purpose of calculating the percentage of affordable units, the

1 department may consider the entire master development in which
2 the development seeking grant funding is included.

3 (ii) Where applicable, an applicant may include a replacement
4 housing plan to ensure that dwelling units housing persons and
5 families of low or moderate income are not removed from the low-
6 and moderate-income housing market. Residential units to be
7 replaced may not be counted toward meeting the affordability
8 threshold required for eligibility for funding under this section.

9 (C) For the purposes of this subdivision, “affordable unit” means
10 a unit that is made available at an affordable rent, as defined in
11 Section 50053, to a household earning no more than 60 percent of
12 the area median income or at an affordable housing cost, as defined
13 in Section 50052.5, to a household earning no more than 120
14 percent of the area median income. Rental units shall be subject
15 to a recorded covenant that ensures affordability for at least 55
16 years. Ownership units shall initially be sold to and occupied by
17 a qualified household, and subject to a recorded covenant that
18 includes either a resale restriction for at least 30 years or equity
19 sharing upon resale.

20 (D) A qualifying infill project or qualifying infill area for which
21 a disposition and development agreement or other project- or
22 area-specific agreement between the developer and the local agency
23 having jurisdiction over the project has been executed on or before
24 the effective date of the act adding this section, shall be deemed
25 to meet the affordability requirement of this paragraph (2) if the
26 agreement includes affordability covenants that subject the project
27 or area to the production of affordable units for very low, low-, or
28 moderate-income households.

29 (3) Include average residential densities on the parcels to be
30 developed that are equal to or greater than the densities described
31 in subparagraph (B) of paragraph (3) of subdivision (c) of Section
32 65583.2 of the Government Code, except that a project located in
33 a rural area as defined in Section 50199.21 shall include average
34 residential densities on the parcels to be developed of at least 10
35 units per acre.

36 (4) Be located in an area designated for mixed-use or residential
37 development pursuant to one of the following adopted plans:

38 (A) A general plan adopted pursuant to Section 65300 of the
39 Government Code.

- 1 (B) A project area redevelopment plan approved pursuant to
2 Section 33330.
- 3 (C) A regional blueprint plan as defined in the California
4 Regional Blueprint Planning Program administered by the
5 Business, Transportation and Housing Agency, or a regional plan
6 as defined in Section 65060.7 of the Government Code.
- 7 (5) For qualifying infill projects or qualifying infill areas located
8 in a redevelopment project area, meet the requirements contained
9 in subdivision (a) of Section 33413.
- 10 (d) In its review and ranking of applications for the award of
11 capital improvement project grants, the department shall rank the
12 affected qualifying infill projects and qualifying infill areas based
13 on the following priorities:
 - 14 (1) Project readiness, which shall include all of the following:
 - 15 (A) A demonstration that the project or area development can
16 complete environmental review and secure necessary entitlements
17 from the local jurisdiction within a reasonable period of time
18 following the submittal of a grant application.
 - 19 (B) A demonstration that the eligible applicant can secure
20 sufficient funding commitments derived from sources other than
21 this part for the timely development of a qualifying infill project
22 or development of a qualifying infill area.
 - 23 (C) A demonstration that the project or area development has
24 sufficient local support to achieve the proposed improvement.
 - 25 (2) The depth and duration of the affordability of the housing
26 proposed for a qualifying infill project or qualifying infill area.
 - 27 (3) The extent to which the average residential densities on the
28 parcels to be developed exceed the density standards contained in
29 paragraph (3) of subdivision (c).
 - 30 (4) The qualifying infill project's or qualifying infill area's
31 inclusion of, or proximity or accessibility to, a transit station or
32 major transit stop.
 - 33 (5) The proximity of housing to parks, employment or retail
34 centers, schools, or social services.
 - 35 (6) The qualifying infill project or qualifying infill area
36 location's consistency with an adopted regional blueprint plan or
37 other adopted regional growth plan intended to foster efficient land
38 use.
 - 39 (7) Applications for projects that are located in a city, county,
40 or city and county that has adopted a general plan that will reduce

1 the growth increment in vehicle miles traveled by at least 10
2 percent, and the project is consistent with the plan.

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

9 (e) In allocating funds pursuant to this section, the department,
10 to the maximum extent feasible, shall ensure a reasonable
11 geographic distribution of funds.

12 (f) Funds awarded pursuant to this section shall supplement,
13 not supplant, other available funding.

14 (g) (1) The department shall adopt guidelines for the operation
15 of the grant program, including guidelines to ensure the tax-exempt
16 status of the bonds issued pursuant to this part, and may administer
17 the program under those guidelines.

18 (2) The guidelines shall include provisions for the reversion of
19 grant awards that are not encumbered within four years of the fiscal
20 year in which an award was made, and for the recapture of grants
21 awarded, but for which development of the related housing units
22 has not progressed in a reasonable period of time from the date of
23 the grant award, as determined by the department.

24 (3) The guidelines shall not be subject to the requirements of
25 Chapter 3.5 (commencing with Section 11340) of Division 3 of
26 Title 2 of the Government Code.

27 (h) For each fiscal year within the duration of the grant program,
28 the department shall include within the report to the Legislature,
29 required by Section 50408, information on its activities relating
30 to the grant program. The report shall include, but is not limited
31 to, the following information:

32 (1) A summary of the projects that received grants under the
33 program for each fiscal year that grants were awarded.

34 (2) The description, location, and estimated date of completion
35 for each project that received a grant award under the program.

36 (3) An update on the status of each project that received a grant
37 award under the program, and the number of housing units created
38 or facilitated by the program.

39 SEC. 2. Section 53563 of the Health and Safety Code is
40 amended to read:

1 53563. (a) In ranking applications pursuant to this part, the
2 department shall, among other criteria, consider the extent to which
3 the project or development will increase public transit ridership
4 and minimize automobile trips.

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

9 (c) In ranking applications received pursuant to this section, the
10 department shall award a substantial preference to both of the
11 following:

12 (1) Applications for projects that are located in a city, county,
13 or city and county that has adopted a general plan that will reduce
14 the growth increment in vehicle miles traveled by at least 10
15 percent and the project is consistent with the plan.

16 (2) Applications for projects that are located in a region covered
17 by a council of governments that has adopted a transportation plan,
18 a regional transportation plan, a regional blueprint, or similar
19 document that will reduce the growth increment in vehicle miles
20 traveled by at least 10 percent and the project is consistent with
21 the plan, blueprint, or similar document.

22 (d) *In ranking applications pursuant to this part, the department*
23 *shall rely upon the expertise of the Department of Transportation.*