

ASSEMBLY BILL

No. 1231

Introduced by Assembly Member Garcia

February 23, 2007

An act to add Chapter 8.7 (commencing with Section 50720) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1231, as introduced, Garcia. 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. 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.

This bill would require the Department of Housing and Community Development to use funds allocated from the Regional Planning, Housing, and Infill Incentive Account to make infrastructure grants for construction or acquisition of capital assets to qualifying cities, counties,

and cities and counties. The bill would require the grants to be used for infrastructure that is directly related to, and integral to facilitating the development of, identified infill housing projects. The bill would require the department to issue periodic Notices of Funding Availability specifying per-project limits and the competitive criteria upon which projects shall be selected. The bill would require projects to conform to certain criteria in order to be eligible for 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. Chapter 8.7 (commencing with Section 50720)
2 is added to Part 2 of Division 31 of the Health and Safety Code,
3 to read:

4
5 CHAPTER 8.7. REGIONAL PLANNING, HOUSING, AND INFILL
6 INCENTIVE ACCOUNT
7

8 50720. (a) The department shall use funds allocated pursuant
9 to subdivision (b) of Section 53545 to make infrastructure grants
10 for construction or acquisition of capital assets, as set forth in
11 Section 16727 of the Government Code, to qualifying cities,
12 counties, and cities and counties. The grants shall be used for
13 infrastructure that is directly related to, and integral to facilitating
14 the development of, identified infill housing projects. Funds may
15 be used for any purpose specified in subdivision (b) of Section
16 53545, subject to the restrictions contained in that subdivision.
17 The department shall issue periodic Notices of Funding Availability
18 specifying per-project limits and the competitive criteria upon
19 which projects shall be selected. In order to be eligible for funding,
20 projects shall 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 of the Government Code, to be in
25 substantial compliance with the requirements of Article 10.6
26 (commencing with Section 65580) of Chapter 3 of Division 1 of
27 Title 7 of the Government Code.

1 (2) Be located in a city, county, or city and county that has met
2 or exceeded housing production thresholds established by the
3 department in consultation with the Department of Finance.

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

7 (A) A project area redevelopment plan.

8 (B) A regional blueprint plan.

9 (C) A capital improvement plan.

10 (D) A regional transportation plan or a transportation corridor
11 plan.

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

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

25 (b) For the purposes of this program, a qualifying infill project
26 shall be located within an urbanized area or within an urban cluster
27 on a site that has been previously developed for urban uses, or a
28 vacant site where the properties adjoining at least two sides of the
29 project site are, or previously have been, developed for urban uses.
30 For the purposes of this program, an urbanized area or an urban
31 cluster is as defined by the United States Census Bureau.

32 (c) In its review and rating of applications, the department shall
33 consider factors that include, but are not limited to, all of the
34 following:

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

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

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

38 (4) The proximity of housing to access to mass transit, parks,
39 social services, and other amenities.

1 (5) The applicant’s previous performance in meeting its regional
2 housing need allocation.
3 (d) To the extent feasible, the project selection process shall
4 ensure a reasonable geographic distribution of funds.
5 (e) Funds awarded pursuant to this chapter shall supplement,
6 but shall not supplant, other available funding.
7 (f) (1) If the housing identified in the grant application is not
8 produced within five years after the date of completion of the
9 infrastructure project funded through this program, all funds
10 allocated under the grant shall be reimbursed by the applicant to
11 the Regional Planning, Housing, and Infill Incentive Account.
12 (2) The department may grant one five-year extension to the
13 deadline imposed under paragraph (1) if it determines that the
14 inability to complete the required housing was related to
15 unanticipated market forces beyond the control of the applicant.
16 50722. The department shall adopt guidelines for the operation
17 of the program, and may administer the program under those
18 guidelines for 24 months after the date of adoption of the
19 guidelines, during which time the guidelines shall not be subject
20 to the requirements of Chapter 3.5 (commencing with Section
21 11340) of Part 1 of Title 2 of the Government Code.