

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 23, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 596

Introduced by Assembly Member Evans

February 25, 2009

An act to amend Section 75125 of, and to add Section 75131 to, the Public Resources Code, relating to community planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 596, as amended, Evans. Community planning grants.

Existing law establishes the Strategic Growth Council that is required to take actions with regard to coordinating programs of member state agencies to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of the California Global Warming Solutions Act of 2006, encourage sustainable land use planning, and revitalize urban and community centers in a sustainable manner.

This bill would establish the Community Planning Grant and Loan Fund and would authorize the council to expend the revenues in the fund, upon appropriation by the Legislature, to carry out the Community Planning Grant and Loan Program which this bill would establish. The bill would require the council to expend these funds to provide competitive grants and loans to support community planning by providing grants and loans for projects to improve sustainability and livability of California's communities by reducing communities' contributions to global warming.

The bill would specify procedures for the council to follow in managing and awarding these grants. The bill would create a local advisory committee to make recommendations to the council regarding the program and would require the council to develop guidelines for awarding financial assistance. The bill would require the council to provide an annual report to the Legislature regarding the grant and loan program.

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 declares all the
2 following:

3 (a) In 2002, the Legislature enacted Assembly Bill 857 (Chapter
4 1016 of the Statutes of 2001), which provided the following three
5 state planning priorities that are intended to promote equity,
6 strengthen the economy, protect the environment, and promote
7 public health and safety in the state:

8 (1) To improve infill development and equity by rehabilitating,
9 maintaining, and improving existing infrastructure that supports
10 infill development and appropriate reuse and redevelopment
11 particularly in underserved areas.

12 (2) To protect environmental and agricultural resources by
13 protecting, preserving, and enhancing the state's most valuable
14 natural resources.

15 (3) To encourage efficient development patterns by ensuring
16 that any infrastructure associated with development, other than
17 infill development, is located in an area appropriately planned for
18 growth that is served by adequate transportation and that uses land
19 efficiently.

20 (b) In 2008, the Legislature passed and the Governor signed
21 Senate Bill 375 (Chapter 728 of the Statutes of 2008), which sought
22 to achieve reduction of greenhouse gas emissions from cars and
23 light trucks through the adoption of sustainable communities
24 strategies by metropolitan planning organizations.

25 (c) The Legislature finds and declares that California local
26 governments need a sustainable source of funding to be able to
27 accommodate patterns of growth consistent with the state's climate,
28 air quality, and energy conservation goals.

(d) In 2008, the Legislature passed and the Governor signed Senate Bill 732 (Chapter 729 of the Statutes of 2008), which added Chapter 13 (commencing with Section 75120) to Division 43 of the Public Resources Code to establish the Strategic Growth Council.

(e) Among other things, the Strategic Growth Council is required to encourage sustainable land use planning, and to take steps to revitalize urban and community centers in a sustainable manner.

(f) Local planning decisions play a critical role not only in implementing the state's climate goals, but also goals related to infrastructure development, open space and farmland protection, affordable housing, ground and surface water quality, and coastal protection. Thus, the state has an interest in ensuring that local planning processes are well funded and have the opportunity to address new state goals.

(g) Cities and counties have the opportunity to help achieve the state's planning objectives and infrastructure goals by using new planning methodologies, such as improved geographic information system (GIS) technology or form-based codes, to appropriately balance the new growth with a variety of existing challenges, including deterioration of historic neighborhoods, protection of farmland and important natural areas, and improved pedestrian safety.

(h) In creating a competitive grant fund that is replenished annually for local planning agencies, the state can leverage its resources to encourage local governments to develop and adopt policies that are consistent with the state's infrastructure, climate, affordable housing, and open-space goals without creating a new mandate.

(i) The Legislature supports innovative local planning efforts by establishing the Community Planning Grant Program pursuant to this act.

SEC. 2. Section 75125 of the Public Resources Code is amended to read:

75125. The council shall do all of the following:

(a) Identify and review activities and funding programs of member state agencies that may be coordinated to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of the California Global Warming Solutions Act of 2006

1 (Division 25.5 (commencing with Section 38500) of the Health
2 and Safety Code), encourage sustainable land use planning, and
3 revitalize urban and community centers in a sustainable manner.
4 At a minimum, the council shall review and comment on the
5 five-year infrastructure plan developed pursuant to Article 2
6 (commencing with Section 13100) of Chapter 2 of Part 3 of
7 Division 3 of the Government Code and the State Environmental
8 Goals and Policy Report developed pursuant to Section 65041 of
9 the Government Code.

10 (b) Recommend policies and investment strategies and priorities
11 to the Governor, the Legislature, and to appropriate state agencies
12 to encourage the development of sustainable communities, such
13 as those communities that promote equity, strengthen the economy,
14 protect the environment, and promote public health and safety,
15 and is consistent with subdivisions (a) and (c) of Section 75065.

16 (c) Provide, fund, and distribute data and information to local
17 governments and regional agencies that will assist in developing
18 and planning sustainable communities.

19 (d) Manage and award grants and loans to support the planning
20 and development of sustainable communities, pursuant to Sections
21 75127, 75128, and 75129. To implement this subdivision, the
22 council may do all of the following:

23 (1) Develop guidelines for awarding financial assistance,
24 including criteria for eligibility and additional consideration.

25 (2) Develop criteria for determining the amount of financial
26 assistance to be awarded. The council shall award a revolving loan
27 to an applicant for a planning project, unless the council determines
28 that the applicant lacks the fiscal capacity to carry out the project
29 without a grant. The council may establish criteria that would allow
30 the applicant to illustrate an ongoing commitment of financial
31 resources to ensure the completion of the proposed plan or project.

32 (3) Provide for payments of interest on loans made pursuant to
33 this article. The rate of interest shall not exceed the rate earned by
34 the Pooled Money Investment Board.

35 (4) Provide for the time period for repaying a loan made
36 pursuant to this article.

37 (5) Provide for the recovery of funds from an applicant that fails
38 to complete the project for which financial assistance was awarded.
39 The council shall direct the Controller to recover funds by any
40 available means.

1 (6) Provide technical assistance for application preparation.

2 (7) Designate a state agency or department to administer
3 technical and financial assistance programs for the disbursing of
4 grants and loans to support the planning and development of
5 sustainable communities, pursuant to Sections 75127, 75128, and
6 75129.

7 (e) No later than July 1, 2010, and every year thereafter, provide
8 a report to the Legislature that shall include, but is not limited to,
9 all of the following:

10 (1) A list of applicants for financial assistance.

11 (2) Identification of which applications were approved.

12 (3) The amounts awarded for each approved application.

13 (4) The remaining balance of available funds.

14 (5) A report on the proposed or ongoing management of each
15 funded project.

16 (6) Any additional minimum requirements and priorities for a
17 project or plan proposed in a grant or loan application developed
18 and adopted by the council pursuant to subdivision (c) of Section
19 75216.

20 (f) Manage and award grants and loans from funds made
21 available from the Community Planning Grant and Loan Program
22 established by Section 75131.

23 (1) The Local Advisory Committee is hereby created, which
24 shall be comprised of two representatives recommended by the
25 League of California Cities, two representatives recommended by
26 ~~the County Supervisors Association of California~~, *California State*
27 *Association of Counties*, and the director of the Governor's Office
28 of Planning and Research or designee thereof.

29 (2) To implement this subdivision, the council shall do all of
30 the following:

31 (A) Receive recommendations from the local advisory
32 committee to ensure that achieving the goals of the program is
33 balanced with local needs and autonomy.

34 (B) Develop guidelines for awarding financial assistance,
35 including criteria for eligibility and additional consideration.

36 (C) Develop criteria for determining the amount of financial
37 assistance to be awarded. The council may establish criteria that
38 would allow the applicant to illustrate an ongoing commitment of
39 financial resources to ensure the completion of the proposed plan
40 or project.

(D) Provide for the recovery of funds from an applicant that fails to complete the project for which financial assistance was awarded. The council shall direct the Controller to recover funds by any available means.

(E) Provide technical assistance for application preparation.

(3) When funds are appropriated to the Community Planning Grant Fund established pursuant to Section 75131, the council shall provide an annual report to the Legislature that shall include all of the following:

(A) A list of applicants for financial assistance.

(B) Identification of which applications were approved.

(C) The amounts awarded for each approved application.

(D) The remaining balance of available funds.

(E) A report on the proposed or ongoing management of each funded project.

SEC. 3. Section 75131 is added to the Public Resources Code, to read:

75131. (a) For purposes of this section, the following definitions shall apply:

(1) "Community planning" means the adoption or improved capacity or public engagement related to a general plan, specific plan, zoning ordinance, or an amendment to any of these documents by a city, county, or city and county.

(2) "Fund" means the Community Planning Grant and Loan Fund established pursuant to this section.

(3) "Program" means the Community Planning Grant and Loan Program created pursuant to this section.

(b) The Community Planning Grant and Loan Fund is hereby established in the State Treasury and may be expended by the council, upon appropriation by the Legislature, to carry out the Community Planning Grant and Loan Program created pursuant to this section.

(c) The council shall expend the money in the fund to provide competitive grants and loans for community planning projects that would improve the sustainability and livability of California's communities by reducing communities' contribution to global warming, including, but not limited to, projects for any of the following:

(1) Adopting form-based codes.

(2) Using technology to improve planning capacity.

- 1 (3) Increasing the supply of affordable housing.
- 2 (4) Planning for public transit improvements.
- 3 (5) Revitalizing urban centers.
- 4 (6) Establishing public engagement processes, including
- 5 charettes, environmental planning, and other planning processes.
- 6 (d) The Governor's Office of Planning and Research may
- 7 expend up to 5 percent of any funds appropriated to the fund for
- 8 costs in administering the program.