AMENDED IN ASSEMBLY MARCH 24, 2011

AMENDED IN ASSEMBLY FEBRUARY 14, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL No. 31

Introduced by Assembly Member Beall

December 6, 2010

An act to amend Sections 53395.1 and 65080 of, to add Sections 53395.8 and 65460.2.5 to, and to add Chapter 9.5 (commencing with Section 66050) to Division 1 of Title 7 of, the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

AB 31, as amended, Beall. Land use: high-speed rail: local master plan.

(1) The California High-Speed Rail Act establishes the High-Speed Rail Authority to develop and implement an intercity high-speed rail system in the state, exclusively grants to the authority the responsibility for planning, construction, and operation of that system, and confers upon the authority specified powers and duties relating to that system.

The Planning and Zoning Law requires each city and county to prepare and adopt a comprehensive, long-term general plan for the physical development of the city or county and any land outside its boundaries that bears relation to its planning.

This bill would establish the High-Speed Rail Local Master Plan Pilot Program, applicable to specified cities and counties, and would authorize each of those jurisdictions to prepare and adopt, by ordinance, a master plan for development in the areas surrounding the high-speed rail system in each jurisdiction. The bill would authorize the high-speed rail master plan to include incentives for encouraging investment and coherent growth in the areas surrounding the high-speed rail system in each participating jurisdiction. The bill would also authorize the participating jurisdictions to collaborate with the State Air Resources Board to develop incentives to encourage development while concurrently reducing greenhouse gas emissions, consistent with or pursuant to the California Global Warming Solutions Act of 2006 or another specified provision of law requiring the board to provide greenhouse gas emission reduction targets for the preparation of regional sustainable communities strategies. The bill would authorize the master plan to exceed the requirements of the jurisdiction's general plan or the applicable regional sustainable communities strategy with respect to fostering sustainable communities around the high-speed rail system.

(2) Existing law authorizes the legislative body of a city or county to adopt an infrastructure financing plan for the purpose of financing certain infrastructure facilities, if specified procedural requirements are met, and requires the legislative body, if it adopts the plan, to submit the proposal to create an infrastructure financing district pursuant to the plan to qualified electors of the proposed district. Existing law authorizes the legislative body to implement the infrastructure financing plan and create an infrastructure financing district, by ordinance, if $^2\!/_3$ of the qualified electors of the proposed district vote in favor of adoption of the plan and creation of the district, and also authorizes the legislative body to initiate proceedings to issue bonds to finance the infrastructure facilities if $^2\!/_3$ of those electors vote in favor of the issuance.

This bill would provide that, with respect to an infrastructure financing district proposed to implement a high-speed rail master plan, an election is not required to form the district, implement the infrastructure financing plan, or issue the infrastructure facilities bonds, and the geographic boundaries of this type of district are authorized to extend *up* to *one mile from the station platform, but not farther than* the limits of the area covered by the jurisdiction's high-speed rail master plan. *The bill would prohibit the formation of this type of infrastructure financing district unless the city or county has prepared an environmental impact report that provides that the base population density within the area covered by the high-speed rail master plan has increased.*

(3) Existing law requires each metropolitan planning organization to prepare a sustainable communities strategy, as specified, for inclusion in the applicable regional transportation plan. Existing law requires the

metropolitan transportation organization, in preparing the sustainable communities strategy, to consider spheres of influence that have been adopted by the local agency formation commissions within its region.

This bill would instead authorize each metropolitan planning organization, in preparing the sustainable communities strategy, to consider spheres of influence that have been adopted by the local agency formation commissions within its region, and the high-speed rail system, any high-speed rail station established within the region, and any associated effects of either that bears relation to the sustainable communities strategy.

(4) The Transit Village Development Planning Act of 1994 authorizes a city or county to prepare a transit village plan for a transit village development district, addressing specified characteristics.

This bill would require a city or county, if it finances any portion of a transit village development district pursuant to provisions of law relating to infrastructure financing districts, to use at least 20% of property tax increment revenue it receives pursuant to those provisions of law to increase, improve, and preserve the supply of affordable housing, as defined, within the transit village development district.

(5) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare or cause to be prepared, and to certify the completion of, an environmental impact report (EIR) on a project it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds the project will not have that effect.

This bill would require a participating city or county to prepare an EIR for its high-speed rail master plan in accordance with CEQA, and would exempt any proposed development project within the area of that plan that is consistent with that plan from CEQA.

(6)This bill would make legislative findings and declarations as to the necessity of a special statute for the cities and counties described above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 53395.1 of the Government Code is amended to read:

53395.1. Unless the context otherwise requires, the definitions contained in this article shall govern the construction of this chapter.

(a) "Affected taxing entity" means any governmental taxing agency which levied or had levied on its behalf a property tax on all or a portion of the property located in the proposed district in the fiscal year prior to the designation of the district, but not including any county office of education, school district, or community college district.

(b) "City" means a city, a county, or a city and county.

(c) "Debt" means any binding obligation to repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals.

(d) "Designated official" means the city engineer or other appropriate official designated pursuant to Section 53395.13.

(e) (1) "District" means an infrastructure financing district.

(2) An infrastructure financing district is a "district" within the meaning of Section 1 of Article XIII A of the California Constitution.

(f) "Infrastructure financing district" means a legally constituted governmental entity established pursuant to this chapter for the sole purpose of financing public facilities.

(g) "Landowner" or "owner of land" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of the land by the legislative body. The legislative body has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this chapter. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed district.

(h) "Legislative body" means the city council or board of supervisors.

(i) "Transit facility" includes, but is not limited to, any publicly owned facility and amenity necessary to implement a high-speed rail master plan adopted pursuant to Chapter 9.5 (commencing with Section 66050) of Division 1 of Title 7.

(j) "Master plan" means a master plan developed pursuant to the High-Speed Rail Local Master Plan Pilot Project (Chapter 9.5 (commencing with Section 66050) of Division 1 of Title 7).

SEC. 2. Section 53395.8 is added to the Government Code, to read:

53395.8. (a) (1) With respect to an infrastructure financing district proposed to implement a high-speed rail master plan adopted pursuant to Chapter 9.5 (commencing with Section 66050) of Division 1 of Title 7, an election is not required to form an infrastructure financing district, adopt an infrastructure financing plan, or issue bonds pursuant to this chapter.

(2) The geographic boundaries of this type of infrastructure financing district may extend ~~to~~ *up to one mile from the station platform, but shall not extend beyond* the limits of the area covered by the ~~jurisdiction's~~ high-speed rail master plan.

(b) Any other provision of this chapter applies to the formation of an infrastructure financing district and the adoption of an infrastructure financing plan.

(c) An infrastructure financing district may be formed pursuant to this section only after the city or county provides in its environmental impact report prepared pursuant to subdivision (f) of Section 66050 that the base population density within the area covered by the high-speed rail master plan has increased.

SEC. 3. Section 65080 of the Government Code is amended to read:

65080. (a) Each transportation planning agency designated under Section 29532 or 29532.1 shall prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement, and aviation facilities and services. The plan shall be action-oriented and pragmatic, considering both the short-term and long-term future, and shall present clear, concise policy guidance to local and state officials. The regional transportation plan shall consider factors specified in Section 134 of Title 23 of the United States Code. Each transportation planning agency shall consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.

(b) The regional transportation plan shall be an internally consistent document and shall include all of the following:

(1) A policy element that describes the transportation issues in the region, identifies and quantifies regional needs, and describes the desired short-range and long-range transportation goals, and pragmatic objective and policy statements. The objective and policy statements shall be consistent with the funding estimates of the financial element. The policy element of transportation planning agencies with populations that exceed 200,000 persons may quantify a set of indicators, including, but not limited to, all of the following:

(A) Measures of mobility and traffic congestion, including, but not limited to, daily vehicle hours of delay per capita and vehicle miles traveled per capita.

(B) Measures of road and bridge maintenance and rehabilitation needs, including, but not limited to, roadway pavement and bridge conditions.

(C) Measures of means of travel, including, but not limited to, percentage share of all trips (work and nonwork) made by all of the following:

(i) Single occupant vehicle.

(ii) Multiple occupant vehicle or carpool.

(iii) Public transit including commuter rail and intercity rail.

(iv) Walking.

(v) Bicycling.

(D) Measures of safety and security, including, but not limited to, total injuries and fatalities assigned to each of the modes set forth in subparagraph (C).

(E) Measures of equity and accessibility, including, but not limited to, percentage of the population served by frequent and reliable public transit, with a breakdown by income bracket, and percentage of all jobs accessible by frequent and reliable public transit service, with a breakdown by income bracket.

(F) The requirements of this section may be met utilizing existing sources of information. No additional traffic counts, household surveys, or other sources of data shall be required.

(2) A sustainable communities strategy prepared by each metropolitan planning organization as follows:

(A) No later than September 30, 2010, the State Air Resources Board shall provide each affected region with greenhouse gas emission reduction targets for the automobile and light truck sector for 2020 and 2035, respectively.

(i) No later than January 31, 2009, the state board shall appoint a Regional Targets Advisory Committee to recommend factors to be considered and methodologies to be used for setting greenhouse gas emission reduction targets for the affected regions. The committee shall be composed of representatives of the metropolitan planning organizations, affected air districts, the League of California Cities, the California State Association of Counties, local transportation agencies, and members of the public, including homebuilders, environmental organizations, planning organizations, environmental justice organizations, affordable housing organizations, and others. The advisory committee shall transmit a report with its recommendations to the state board no later than September 30, 2009. In recommending factors to be considered and methodologies to be used, the advisory committee may consider any relevant issues, including, but not limited to, data needs, modeling techniques, growth forecasts, the impacts of regional jobs-housing balance on interregional travel and greenhouse gas emissions, economic and demographic trends, the magnitude of greenhouse gas reduction benefits from a variety of land use and transportation strategies, and appropriate methods to describe regional targets and to monitor performance in attaining those targets. The state board shall consider the report prior to setting the targets.

(ii) Prior to setting the targets for a region, the state board shall exchange technical information with the metropolitan planning organization and the affected air district. The metropolitan planning organization may recommend a target for the region. The metropolitan planning organization shall hold at least one public workshop within the region after receipt of the report from the advisory committee. The state board shall release draft targets for each region no later than June 30, 2010.

(iii) In establishing these targets, the state board shall take into account greenhouse gas emission reductions that will be achieved by improved vehicle emission standards, changes in fuel composition, and other measures it has approved that will reduce greenhouse gas emissions in the affected regions, and prospective measures the state board plans to adopt to reduce greenhouse gas emissions from other greenhouse gas emission sources as that term is defined in subdivision (i) of Section 38505 of the Health and Safety Code and consistent with the regulations promulgated pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(iv) The state board shall update the regional greenhouse gas emission reduction targets every eight years consistent with each metropolitan planning organization's timeframe for updating its regional transportation plan under federal law until 2050. The state board may revise the targets every four years based on changes in the factors considered under clause (iii). The state board shall exchange technical information with the Department of Transportation, metropolitan planning organizations, local governments, and affected air districts and engage in a consultative process with public and private stakeholders prior to updating these targets.

(v) The greenhouse gas emission reduction targets may be expressed in gross tons, tons per capita, tons per household, or in any other metric deemed appropriate by the state board.

(B) Each metropolitan planning organization shall prepare a sustainable communities strategy, subject to the requirements of Part 450 of Title 23 of, and Part 93 of Title 40 of, the Code of Federal Regulations, including the requirement to utilize the most recent planning assumptions considering local general plans and other factors. The sustainable communities strategy shall (i) identify the general location of uses, residential densities, and building intensities within the region, (ii) identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation, and employment growth, (iii) identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Section 65584, (iv) identify a transportation network to service the transportation needs of the region, (v) gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Section 65080.01, (vi) consider the state housing goals specified in Sections 65580 and 65581, (vii) set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the state board, and (viii) allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Sec. 7506).

(C) (i) Within the jurisdiction of the Metropolitan Transportation Commission, as defined by Section 66502, the Association of Bay Area Governments shall be responsible for clauses (i), (ii), (iii), (v), and (vi) of subparagraph (B), the Metropolitan Transportation Commission shall be responsible for clauses (iv) and (viii) of subparagraph (B); and the Association of Bay Area Governments and the Metropolitan Transportation Commission shall jointly be responsible for clause (vii) of subparagraph (B).

(ii) Within the jurisdiction of the Tahoe Regional Planning Agency, as defined in Sections 66800 and 66801, the Tahoe Metropolitan Planning Organization shall use the Regional Plan for the Lake Tahoe Region as the sustainable community strategy, provided that it complies with clauses (vii) and (viii) of subparagraph (B).

(D) In the region served by the multicounty transportation planning agency described in Section 130004 of the Public Utilities Code, a subregional council of governments and the county transportation commission may work together to propose the sustainable communities strategy and an alternative planning strategy, if one is prepared pursuant to subparagraph (I), for that subregional area. The metropolitan planning organization may adopt a framework for a subregional sustainable communities strategy or a subregional alternative planning strategy to address the intraregional land use, transportation, economic, air quality, and climate policy relationships. The metropolitan planning organization shall include the subregional sustainable communities strategy for that subregion in the regional sustainable communities strategy to the extent consistent with this section and federal law and approve the subregional alternative planning strategy, if one is prepared pursuant to subparagraph (I), for that subregional area to the extent consistent with this section. The metropolitan planning organization shall develop overall guidelines, create public participation plans pursuant to subparagraph (F), ensure coordination, resolve conflicts, make sure that the overall plan complies with applicable legal requirements, and adopt the plan for the region.

(E) The metropolitan planning organization shall conduct at least two informational meetings in each county within the region for members of the board of supervisors and city councils on the sustainable communities strategy and alternative planning strategy, if any. The metropolitan planning organization may conduct only one informational meeting if it is attended by representatives of the county board of supervisors and city council members representing a majority of the cities representing a majority of the population in the incorporated areas of that county. Notice of the meeting or meetings shall be sent to the clerk of the board of supervisors and to each city clerk. The purpose of the meeting or meetings shall be to discuss the sustainable communities strategy and the alternative planning strategy, if any, including the key land use and planning assumptions ~~to~~, *with* the members of the board of supervisors and the city council members in that county and to solicit and consider their input and recommendations.

(F) Each metropolitan planning organization shall adopt a public participation plan, for development of the sustainable communities strategy and an alternative planning strategy, if any, that includes all of the following:

(i) Outreach efforts to encourage the active participation of a broad range of stakeholder groups in the planning process, consistent with the agency's adopted Federal Public Participation Plan, including, but not limited to, affordable housing advocates, transportation advocates, neighborhood and community groups, environmental advocates, homebuilder representatives, broad-based business organizations, landowners, commercial property interests, and homeowner associations.

(ii) Consultation with congestion management agencies, transportation agencies, and transportation commissions.

(iii) Workshops throughout the region to provide the public with the information and tools necessary to provide a clear understanding of the issues and policy choices. At least one workshop shall be held in each county in the region. For counties with a population greater than 500,000, at least three workshops shall be held. Each workshop, to the extent practicable, shall include urban simulation computer modeling to create visual representations of the sustainable communities strategy and the alternative planning strategy.

(iv) Preparation and circulation of a draft sustainable communities strategy and an alternative planning strategy, if one is prepared, not less than 55 days before adoption of a final regional transportation plan.

(v) At least three public hearings on the draft sustainable communities strategy in the regional transportation plan and alternative planning strategy, if one is prepared. If the metropolitan transportation organization consists of a single county, at least two public hearings shall be held. To the maximum extent feasible, the hearings shall be in different parts of the region to maximize the opportunity for participation by members of the public throughout the region.

(vi) A process for enabling members of the public to provide a single request to receive notices, information, and updates.

(G) In preparing a sustainable communities strategy, the metropolitan planning organization may consider both of the following:

(i) Spheres of influence that have been adopted by the local agency formation commissions within its region.

(ii) The high-speed rail system, any high-speed rail station established within the region, and any associated effects of either that bears relation to the sustainable communities strategy.

(H) Prior to adopting a sustainable communities strategy, the metropolitan planning organization shall quantify the reduction in greenhouse gas emissions projected to be achieved by the sustainable communities strategy and set forth the difference, if any, between the amount of that reduction and the target for the region established by the state board.

(I) If the sustainable communities strategy, prepared in compliance with subparagraph (B) or (D), is unable to reduce greenhouse gas emissions to achieve the greenhouse gas emission reduction targets established by the state board, the metropolitan planning organization shall prepare an alternative planning strategy to the sustainable communities strategy showing how those greenhouse gas emission targets would be achieved through alternative development patterns, infrastructure, or additional transportation measures or policies. The alternative planning strategy shall be a separate document from the regional transportation plan, but it may be adopted concurrently with the regional transportation plan. In preparing the alternative planning strategy, the metropolitan planning organization:

(i) Shall identify the principal impediments to achieving the targets within the sustainable communities strategy.

(ii) May include an alternative development pattern for the region pursuant to subparagraphs (B) to (G), inclusive.

(iii) Shall describe how the greenhouse gas emission reduction targets would be achieved by the alternative planning strategy, and why the development pattern, measures, and policies in the alternative planning strategy are the most practicable choices for achievement of the greenhouse gas emission reduction targets.

(iv) An alternative development pattern set forth in the alternative planning strategy shall comply with Part 450 of Title 23 of, and Part 93 of Title 40 of, the Code of Federal Regulations, except to the extent that compliance will prevent achievement of the greenhouse gas emission reduction targets approved by the state board.

(v) For purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), an alternative planning strategy shall not constitute a land use plan, policy, or regulation, and the inconsistency of a project with an alternative planning strategy shall not be a consideration in determining whether a project may have an environmental effect.

(J) (i) Prior to starting the public participation process adopted pursuant to subparagraph (F), the metropolitan planning organization shall submit a description to the state board of the technical methodology it intends to use to estimate the greenhouse gas emissions from its sustainable communities strategy and, if appropriate, its alternative planning strategy. The state board shall respond to the metropolitan planning organization in a timely manner with written comments about the technical methodology, including specifically describing any aspects of that methodology it concludes will not yield accurate estimates of greenhouse gas emissions, and suggested remedies. The metropolitan planning organization is encouraged to work with the state board until the state board concludes that the technical methodology operates accurately.

(ii) After adoption, a metropolitan planning organization shall submit a sustainable communities strategy or an alternative planning strategy, if one has been adopted, to the state board for review, including the quantification of the greenhouse gas emission reductions the strategy would achieve and a description of the technical methodology used to obtain that result. Review by the state board shall be limited to acceptance or rejection of the metropolitan planning organization's determination that the strategy submitted would, if implemented, achieve the greenhouse gas emission reduction targets established by the state board. The state board shall complete its review within 60 days.

(iii) If the state board determines that the strategy submitted would not, if implemented, achieve the greenhouse gas emission reduction targets, the metropolitan planning organization shall revise its strategy or adopt an alternative planning strategy, if not previously adopted, and submit the strategy for review pursuant to clause (ii). At a minimum, the metropolitan planning organization must obtain state board acceptance that an alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets established for that region by the state board.

(K) Neither a sustainable communities strategy nor an alternative planning strategy regulates the use of land, nor, except as provided by subparagraph (J), shall either one be subject to any state approval. Nothing in a sustainable communities strategy shall be interpreted as superseding the exercise of the land use authority of cities and counties within the region. Nothing in this section shall be interpreted to limit the state board's authority under any other provision of law. Nothing in this section shall be interpreted to authorize the abrogation of any vested right whether created by statute or by common law. Nothing in this section shall require a city's or county's land use policies and regulations, including its general plan, to be consistent with the regional transportation plan or an alternative planning strategy. Nothing in this section requires a metropolitan planning organization to approve a sustainable communities strategy that would be inconsistent with Part 450 of Title 23 of, or Part 93 of Title 40 of, the Code of Federal Regulations and any administrative guidance under those regulations. Nothing in this section relieves a public or private entity or any person from compliance with any other local, state, or federal law.

(L) Nothing in this section requires projects programmed for funding on or before December 31, 2011, to be subject to the provisions of this paragraph if they (i) are contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, (ii) are funded pursuant to Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2, or (iii) were specifically listed in a ballot measure prior to December 31, 2008, approving a sales tax increase for transportation projects. Nothing in this section shall require a transportation sales tax authority to change the funding allocations approved by the voters for categories of transportation projects in a sales tax measure adopted prior to December 31, 2010. For purposes of this subparagraph, a transportation sales tax authority is a district, as defined in Section 7252 of the Revenue and Taxation Code, that is authorized to impose a sales tax for transportation purposes.

(M) A metropolitan planning organization, or a regional transportation planning agency not within a metropolitan planning organization, that is required to adopt a regional transportation plan not less than every five years, may elect to adopt the plan not less than every four years. This election shall be made by the board of directors of the metropolitan planning organization or regional transportation planning agency no later than June 1, 2009, or thereafter 54 months prior to the statutory deadline for the adoption of housing elements for the local jurisdictions within the region, after a public hearing at which comments are accepted from members of the public and representatives of cities and counties within the region covered by the metropolitan planning organization or regional transportation planning agency. Notice of the public hearing shall be given to the general public and by mail to cities and counties within the region no later than 30 days prior to the date of the public hearing. Notice of election shall be promptly given to the Department of Housing and Community Development. The metropolitan planning organization or the regional transportation planning agency shall complete its next regional transportation plan within three years of the notice of election.

(N) Two or more of the metropolitan planning organizations for Fresno County, Kern County, Kings County, Madera County, Merced County, San Joaquin County, Stanislaus County, and Tulare County may work together to develop and adopt multiregional goals and policies that may address interregional land use, transportation, economic, air quality, and climate relationships. The participating metropolitan planning organizations may also develop a multiregional sustainable communities strategy, to the extent consistent with federal law, or an alternative planning strategy for adoption by the metropolitan planning organizations. Each participating metropolitan planning organization shall consider any adopted multiregional goals and policies in the development of a sustainable communities strategy and, if applicable, an alternative planning strategy for its region.

(3) An action element that describes the programs and actions necessary to implement the plan and assigns implementation responsibilities. The action element may describe all transportation projects proposed for development during the 20-year or greater life of the plan. The action element shall consider congestion management programming activities carried out within the region.

(4) (A) A financial element that summarizes the cost of plan implementation constrained by a realistic projection of available revenues. The financial element shall also contain recommendations for allocation of funds. A county transportation commission created pursuant to Section 130000 of the Public Utilities Code shall be responsible for recommending projects to be funded with regional improvement funds, if the project is consistent with the regional transportation plan. The first five years of the financial element shall be based on the five-year estimate of funds developed pursuant to Section 14524. The financial element may recommend the development of specified new sources of revenue, consistent with the policy element and action element.

(B) The financial element of transportation planning agencies with populations that exceed 200,000 persons may include a project cost breakdown for all projects proposed for development during the 20-year life of the plan that includes total expenditures and related percentages of total expenditures for all of the following:

(i) State highway expansion.

(ii) State highway rehabilitation, maintenance, and operations.

(iii) Local road and street expansion.

(iv) Local road and street rehabilitation, maintenance, and operation.

(v) Mass transit, commuter rail, and intercity rail expansion.

(vi) Mass transit, commuter rail, and intercity rail rehabilitation, maintenance, and operations.

(vii) Pedestrian and bicycle facilities.

(viii) Environmental enhancements and mitigation.

(ix) Research and planning.

(x) Other categories.

(C) The metropolitan planning organization or county transportation agency, whichever entity is appropriate, shall consider financial incentives for cities and counties that have resource areas or farmland, as defined in Section 65080.01, for the purposes of, for example, transportation investments for the preservation and safety of the city street or county road system and farm-to-market and interconnectivity transportation needs. The metropolitan planning organization or county transportation agency, whichever entity is appropriate, shall also consider financial assistance for counties to address countywide service responsibilities in counties that contribute toward the greenhouse gas emission reduction targets by implementing policies for growth to occur within their cities.

(c) Each transportation planning agency may also include other factors of local significance as an element of the regional transportation plan, including, but not limited to, issues of mobility for specific sectors of the community, including, but not limited to, senior citizens.

(d) Except as otherwise provided in this subdivision, each transportation planning agency shall adopt and submit, every four years, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation. A transportation planning agency located in a federally designated air quality attainment area or that does not contain an urbanized area may at its option adopt and submit a regional transportation plan every five years. When applicable, the plan shall be consistent with federal planning and programming requirements and shall conform to the regional transportation plan guidelines adopted by the California Transportation Commission. Prior to adoption of the regional transportation plan, a public hearing shall be held after the giving of notice of the hearing by publication in the affected county or counties pursuant to Section 6061.

SEC. 4. Section 65460.2.5 is added to the Government Code, to read:

65460.2.5. If a city, county, or city and county finances any portion of a district, as defined in this article, under the provisions of Chapter 2.8 (commencing with Section 53395) of Part 1 of Division 2 of Title 5, the city, county, or city and county shall do all of the following:

(a) Use at least 20 percent of all revenues derived from the property tax increment under Chapter 2.8 (commencing with Section 53395) of Part 1 of Division 2 of Title 5 for the purposes of increasing, improving, and preserving the supply of lower and moderate-income housing available in the district at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, and occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, lower income households, as defined in Section 50079.5 of the Health and Safety Code, very low income households, as defined in Section 50105 of the Health and Safety Code, and extremely low income households, as defined in Section 50106 of the Health and Safety Code. The amount of very low, low- and moderate-income housing shall be in compliance with the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code) and any adopted policies of the city, county, or city and county that adopted the transit village plan.

(b) Require that housing units described in subdivision (a) remain available at affordable housing cost to, and occupied by, persons and families of low or moderate income and very low income and extremely low income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units. The covenants or restrictions implementing this requirement shall be in compliance with subdivision (f) of Section 33334.3 of the Health and Safety Code.

(c) Rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed for rental or sale to persons and families of low or moderate income an equal number of replacement dwelling units that have an equal or greater number of bedrooms as the destroyed or removed units, at affordable housing costs within the district, and within four years after the destruction or removal, whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as part of the development of a district that is subject to a written agreement with the city, county, or city and county, or when financial assistance has been provided by the city, county, or city and county. The replacement dwelling units shall be available at affordable housing cost to, and occupied by, persons and families in the same or a lower income category as the persons and families displaced from those destroyed or removed units.

(d) Include in the transit village plan both of the following:

(1) As one of the five demonstrable public benefits required by subdivision (f) of Section 65460.2, either an increased stock of affordable housing or live-travel options for transit-needy groups.

(2) Provisions to implement subdivisions (a) and (b) and paragraph (1).

SEC. 5. Chapter 9.5 (commencing with Section 66050) is added to Division 1 of Title 7 of the Government Code, to read:

Chapter 9.5. High-Speed Rail Local Master Plan Pilot Program

66050. This chapter shall be known and may be cited as the High-Speed Rail Local Master Plan Pilot Program.

66051. (a) ~~The cities and counties in the central valley~~ *Cities and counties* that have an approved station, as authorized and approved by the High-Speed Rail Authority, may participate in the pilot program. The planning agency of each participating jurisdiction may prepare and adopt, by ordinance, a master plan for development of the areas surrounding the high-speed rail system in each jurisdiction. *The master plan may be incorporated into the city's or county's general plan or a specific plan.*

(b) The high-speed rail master plan may include incentives for encouraging investment and coherent growth in the areas surrounding the high-speed rail system.

(c) Each participating jurisdiction may collaborate with the State Air Resources Board to develop incentives to encourage development while concurrently reducing greenhouse gas emissions, consistent with or pursuant to the California Global Warming Solutions Act of 2006 (Part 1 (commencing with Section 38500) of Division 25.5 of the Health and Safety Code) or subparagraph (A) of paragraph (2) of subdivision (b) of Section 65080.

(d) The master plan may exceed the requirements of the jurisdiction's general plan or the applicable regional sustainable communities strategy, adopted pursuant to paragraph (2) of subdivision (b) of Section 65080, with respect to fostering sustainable communities around the high-speed rail system.

(e) A city or county that prepares and adopts a high-speed rail master plan pursuant to subdivision (a) may finance any publicly owned facility or amenity necessary to implement the master plan under Chapter 2.8 (commencing with Section 53395) of Part 1 of Division 2 of Title 5.

(f) In developing the high-speed rail master plan, the city or county shall prepare an environmental impact report for the area covered by the plan pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code. ~~Any proposed development project~~ *Development projects* within the area covered by the ~~high-speed rail master plan~~ *infrastructure finance district* and consistent with the ~~environmental impact report for that area~~ *master plan* shall be exempt from Division 13 (commencing with Section 21000) of the Public Resources Code *for the 10 years following the start of construction of the first building*.

SEC. 6. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the need to commence local planning relating to the high-speed rail system in the region of the state where the initial segments of the system will be located.

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