

**Senate Bill No. 310**

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Passed the Senate September 9, 2011

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*Secretary of the Senate*

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Passed the Assembly September 8, 2011

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 53395.14 of, to add Section 53393.3.5 to, and to add Article 9 (commencing with Section 65470) to Chapter 3 of Division 1 of Title 7 of, the Government Code, relating to local development.

## LEGISLATIVE COUNSEL'S DIGEST

SB 310, Hancock. Local development.

(1) Existing law authorizes the legislative body of a city or county to adopt an infrastructure financing plan, which is required to contain specified information, 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 the voters. Existing law authorizes the legislative body to create an infrastructure financing district, by ordinance, if  $\frac{2}{3}$  of the qualified electors of the proposed district vote in favor of adoption of the plan, and also authorizes the legislative body to initiate proceedings to issue bonds to finance the infrastructure facilities if  $\frac{2}{3}$  of those electors vote in favor of the issuance. Existing law authorizes infrastructure finance districts to finance specified projects, including financing certain infrastructure facilities.

This bill would authorize a district to reimburse a developer that meets specified requirements for permit expenses or expenses related to the construction of affordable housing units pursuant to the Transit Priority Project Program described below. This bill would also require that an infrastructure financing plan also include a plan to finance any potential costs for reimbursing a developer that meets specified requirements for permit and affordable housing expenses related to a project of the Transit Priority Project Program.

(2) The Transit Village Development Planning Act of 1994 authorizes a city or county to create a transit village plan for a transit village development district that addresses specified characteristics. In order to increase transit ridership and to reduce vehicle traffic on the highways, the act encourages local, regional,

and state plans to direct new development close to transit stations and provide financial incentives to implement these plans.

This bill would establish the Transit Priority Project Program, and authorize a city or county to participate in the program by adopting an ordinance indicating its intent to participate in the program and by forming an infrastructure financing district. The bill would require a city or county that elects to participate in the program to amend, if necessary, its general plan, and any related specific plan, to authorize participating developers to build at an increased height of a minimum of 3 stories within the newly created infrastructure financing district. This bill would exempt from its provisions a city or county that has adopted specified language in its charter, or by ordinance or resolution.

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

SECTION 1. Section 53395.3.5 is added to the Government Code, to read:

53395.3.5. Notwithstanding subdivision (b) of Section 53395.3, a district may reimburse a developer of a project that is located entirely within the boundaries of that district for any permit expenses incurred and to offset additional expenses incurred by the developer in constructing affordable housing units pursuant to the Transit Priority Program established in Section 65470.

SEC. 2. Section 53395.14 of the Government Code is amended to read:

53395.14. After receipt of a copy of the resolution of intention to establish a district, the official designated pursuant to Section 53395.13 shall prepare a proposed infrastructure financing plan. The infrastructure financing plan shall be consistent with the general plan of the city within which the district is located and shall include all of the following:

(a) A map and legal description of the proposed district, which may include all or a portion of the district designated by the legislative body in its resolution of intention.

(b) A description of the public facilities required to serve the development proposed in the area of the district including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance

from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the public improvements and facilities.

(c) A finding that the public facilities are of communitywide significance and provide significant benefits to an area larger than the area of the district.

(d) A financing section, which shall contain all of the following information:

(1) A specification of the maximum portion of the incremental tax revenue of the city and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time.

(2) A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.

(3) A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt.

(4) A limit on the total number of dollars of taxes which may be allocated to the district pursuant to the plan.

(5) A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 30 years from the date on which the ordinance forming the district is adopted pursuant to Section 53395.23.

(6) An analysis of the costs to the city of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city as a result of expected development in the area of the district.

(7) An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity.

(8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project.

(e) If any dwelling units occupied by persons or families of low or moderate income are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53395.5.

SEC. 3. Article 9 (commencing with Section 65470) is added to Chapter 3 of Division 1 of Title 7 of the Government Code, to read:

Article 9. Transit Priority Project Program

65470. (a) (1) It is the intent of the Legislature to provide a process for cities and counties to create development patterns in the form of transit priority projects that comply with Chapter 4.2 (commencing with Section 21155) of Division 13 of the Public Resources Code, create jobs, reduce vehicle miles traveled, expand the availability of accessible open-space, build the density needed for transit viability, and meet regional housing targets.

(2) It is the intent of the Legislature that, when implemented, a Transit Priority Project Program will help a development project in meeting the standards for expedited review under paragraph (2) of subdivision (a) of Section 65950.

(b) (1) A city or county may participate in the Transit Priority Project Program by adopting an ordinance indicating its intent to participate in the program and by forming an infrastructure financing district pursuant to Article 1 (commencing with Section 53395) of Chapter 2.8 of Part 1 of Title 5.

(2) Nothing in this article shall be construed to add to the definitions of or to the requirements to implement Chapter 4.2 (commencing with Section 21155) of Division 13 of the Public Resources Code.

(c) If a city or county elects to participate in the program by adopting the ordinance described in subdivision (b) and forms an infrastructure financing district, the city or county shall amend, if necessary, the general plan and any related specific plan to authorize participating developers to build at an increased height of a minimum of three stories within the boundaries of the infrastructure financing district created pursuant to subdivision (b).

(d) A Transit Priority Project Program development project shall meet all of the following requirements:

(1) Is located in a designated transit priority project and within one-half of one mile of a transit station, pursuant to Section 21155 of the Public Resources Code.

(2) Is located within a zone in which buildings of three stories or more are authorized.

(3) Meets State Air Resources Board land use guidelines with respect to distance from major emitters.

(4) Provides onsite bicycle parking.

(5) Provides for car sharing if a car sharing program is available in the city or county. The car sharing area may be onsite, or the developer may pay a fee to the city or county to cover the cost of providing for car sharing at an offsite location near the project. The developer shall provide one car share for the first 20 units and one car share for every 50 units thereafter.

(6) Provides unbundled parking.

(7) Provides to all units transit passes for 10 years as part of the rent or condo fees if transit passes are available from local providers.

(8) Provides to tenants recycling for bottles, cans, paper, and plastic containers.

(9) Provides open space onsite, including, but not limited to, accessible roof gardens, or pays a fee into a fund established for local open space. The fee shall not exceed 10 cents (\$0.10) per square foot.

(10) Provides 20 percent affordable units in rental or owner occupied housing for low- or moderate-income persons and families, or pays a fee in an amount equivalent to the cost to provide affordable units elsewhere within the city's or county's jurisdiction, as determined by the city or county. The developer shall require, by covenants or restrictions, that the housing units built pursuant to this paragraph shall remain available at affordable housing cost to, and occupied by, persons and families of low- or moderate-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.

(11) Pays prevailing wages to construction workers for residential projects over 100 units pursuant to Sections 1770, 1773, and 1773.1 of the Labor Code.

(12) For purposes of this subdivision, “unbundled parking” means renting a parking space for the residential units separately from the residential units, or pays a fee to the appropriate local transit management fund to cover one-half of the cost to provide a parking space.

(e) (1) A development project that meets the criteria established in subdivision (d) shall comply with any local design guidelines that were adopted prior to the submission of the project application.

(2) The infrastructure financing district formed pursuant to subdivision (b) may reimburse a developer of a project that is consistent with the requirements established in subdivision (d) for any permit costs, or costs associated with the construction of the affordable housing units required pursuant to paragraph (10) of subdivision (d).

(f) This article shall not apply to a city or county that has adopted language in its charter or by ordinance or resolution that does either of the following:

(1) Provides that the requirements of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code do not apply to some or all work awarded or funded by the city or county that would otherwise be subject to those requirements.

(2) Prohibits a contractor, subcontractor, or other person or firm engaged in the construction, rehabilitation, alteration, conversion, extension, maintenance, repair, or improvement of public works, from executing or otherwise becoming a party to any prehire, collective bargaining, or similar agreement entered into with one or more labor organizations, employees, or employee representatives that establishes the terms and conditions of employment on a construction project, or the city or county from incorporating such an agreement into the bid specifications or contract for a construction project, or the governing body of the city or county from deciding that the city or county should enter into such an agreement for a particular construction project or projects.

Approved \_\_\_\_\_, 2011

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*Governor*