



Date: February 27, 2014
To: ABAG Administrative Committee
From: Miriam Chion, Planning & Research Director

1. Subject: **PDA IMPLEMENTATION:
AFFORDABLE HOUSING AND INFRASTRUCTURE FINANCE**

The Affordable Housing Challenge

The need for affordable housing is one of the most significant challenges to implementing Plan Bay Area's proposed land use pattern and equity goals. Over the past several decades, housing production in the Bay Area has not kept pace with demand, contributing to high housing costs. The recent economic recovery has highlighted the lack of affordable housing options, as housing costs have increased sharply in many of the areas of the region with the greatest access to jobs and amenities, leading to the potential displacement of lower income households.

In the past, the region has struggled to meet its goals for providing housing that is affordable to moderate-, low-, and very-low income households, and this task is likely to be even more challenging in the future. According to Plan Bay Area, the number of people in very low- and low-income households is projected to increase from 40 percent to 43 percent of all households by 2040. ABAG has estimated that the average amount of subsidy needed in the Bay Area to fill the gap between current resources and the additional funds needed to build the housing needed by these households to be \$4.1 billion per year.¹

The difficulty of meeting the need for affordable housing has increased dramatically in recent years with the steady reduction of federal and state subsidies for affordable housing development; the elimination of redevelopment agencies and their requirements for dedicated local housing trust funds and for construction of new and replacement housing; and the legal challenges to the use of local inclusionary housing policies.

ABAG Housing Program

ABAG is working with regional and state agencies, legislators, housing and business advocacy organizations, and others to identify and promote policy changes and new funding sources dedicated to providing local jurisdictions with the flexibility and resources needed to meet unique local housing needs in each community. The three primary focus areas of the housing work program are to (1) facilitate development of new sources of funding to finance creation and preservation of affordable housing; (2) encourage coordination among agencies that impact housing planning, production and affordability; and (3) promote legislation that supports the Bay Area's housing goals.

¹ *Affordable Housing Funding Gap Analysis, Draft Report, February 19, 2014.*

These areas of emphasis are consistent with the legislative priorities for the 2014 legislative session that were identified by ABAG's Legislation and Governmental Organizations Committee:

1. Supporting measures that reduce the voter threshold for infrastructure taxes and bonds statewide and locally; and
2. Pursuing increased funding as well as policy and legislative changes to support Plan Bay Area implementation, including Housing Element reform and funds for affordable housing .

Increased Funding for Affordable Housing

ABAG staff is engaged in discussions about several legislative initiatives under consideration that have the potential to expand the resources available for affordable housing. Of particular interest are the California Homes and Jobs Act (SB 391) and the Governor's Infrastructure Finance District Trailer Bill.

The California Homes and Jobs Act, SB 391 (DeSaulnier), introduced February 20, 2013, would generate an estimated \$500 million annually for affordable housing programs through a \$75 recordation fee on real estate transactions other than home sales. ABAG is supportive of the bill in concept and has been conveying to the sponsors and supporters of SB 391 the importance of incorporating language to specify that funds will be returned to the place where they were generated. More detail about SB391 is available in *Attachment 1, Assembly Committee on Appropriations Bill Analysis*.

One of the most compelling potential tools to support Plan Bay Area implementation, including production of affordable housing, is the creation of Infrastructure Financing Districts (IFDs). Governor Brown's proposed budget expressed support for expanding the types of projects that can be funded through an IFD to include urban infill, transit priority projects, and affordable housing. ABAG staff is currently reviewing proposed legislative changes to IFDs to ensure that the revisions would adequately support affordable housing production and preservation. More detail about the Governor's proposal for IFDs is available in *Attachment 2, Trailer Bill Language for the Local Economic Development Proposal from the California Department of Finance (DOF)*.

Another potential source of funding for affordable housing is the state's cap and trade auction. Governor Brown's proposed budget included \$100 million for local assistance funding to support regions as they implement their Sustainable Communities Strategies. ABAG staff will contribute to discussions about how these funds are targeted to ensure they support Plan Bay Area.

Given the uncertainty about the potential for adoption of these funding mechanisms at the state level, ABAG staff is also exploring options for how best to ensure that the affordable housing resources available at the regional level—including the Transit-Oriented Affordable Housing Fund (TOAH) and the ABAG Finance Authority's Multifamily Housing Finance Program—are supporting the goals of Plan Bay Area. In particular, staff has emphasized the importance of promoting the acquisition and rehabilitation of existing properties as an affordable housing and anti-displacement strategy. This strategy is described in more detail in *Attachment 3, Acquisition/Rehab as a Plan Bay Area Implementation Strategy*.

At the local level, the ruling in 2009 in *Palmer v. City of Los Angeles* that prohibited the imposition of inclusionary requirements on rental units and the loss of redevelopment agencies has led many jurisdictions to rely on impact fees as a primary source of funds for affordable housing. To implement a housing impact fee or commercial linkage fees, a jurisdiction must first conduct a nexus study to show the relationship between new housing or jobs and the need for affordable housing in the community. ABAG is exploring ways to support local jurisdictions that want to conduct the nexus studies necessary to implement these fees, similar to the approach that is currently being undertaken by 21 Elements in San Mateo County. A synopsis of this approach is presented in *Attachment 4, San Mateo County Multicity Affordable Housing Impact Fee Nexus Study and Feasibility Report*.

Policies to Provide Affordable Housing and Prevent Displacement

In addition to trying to identify new sources of funding for affordable housing development and preservation, ABAG staff is also promoting policies that increase housing supply and affordability and prevent displacement. At the state level, ABAG has convened a series of meetings with staff from the California Department of Housing and Community Development (HCD), the California Housing Finance Agency (CalHFA), and DOF to discuss potential changes to state policies and requirements that would support better implementation of the redevelopment agency dissolution process, local Housing Elements, and Plan Bay Area.

At the local level, ABAG is working on several initiatives that will inform local Housing Elements, the Priority Development Area Investment and Growth Strategies prepared by county Congestion Management Agencies (CMAs), and the next Sustainable Communities Strategy. Staff has been working with the Housing Leadership Council of San Mateo County and other housing advocacy organizations to develop a toolkit of best practices for local government staff to consider as they update their Housing Elements for the 2014-2022 period. Through the HUD Sustainable Communities Grant, ABAG staff is currently developing a “Development Dashboard” that will facilitate the collection and reporting of details about housing developments as they move through the entitlement process. The HUD Grant is also supporting ABAG’s work to help research and promote best-practices that local jurisdictions may employ to mitigate displacement of businesses and residents by targeted growth in PDAs.

Discussion Questions

Which of the following examples of housing-related implementation activities use ABAG’s comparative advantages most effectively?

Building support for affordable housing

- Provide data, fact sheets and/or talking points that make the case for affordable housing development and displacement mitigation tailored to local needs
- Convene meetings among local elected officials, staff, and other stakeholders to discuss the need to address local affordable housing and displacement issues

Addressing affordable housing funding and displacement mitigation at the local level

- Develop annual progress report on affordable housing development

- Develop annual progress report on local adoption of policies and programs that address displacement
- Provide technical assistance to local jurisdictions to support local adoption of housing and commercial linkage impact fees when invited to do so
- Promote and facilitate local adoption of housing and commercial linkage impact fees as needed

Facilitating sub-regional (e.g., within counties and/or along transportation corridors) communication and cooperation related to housing issues

- Share best practices related to affordable housing and displacement mitigation with jurisdictions and CMAs
- Establish county or corridor working groups to address housing issues

Working with appropriate State agencies (HCD, DOF, Governor's Office of Planning and Research) to explore changes in state regulations that facilitate creation of affordable housing

- Count congregate housing (e.g., senior assisted living facilities) toward Regional Housing Need Allocation goals and make Housing Element provisions related to acquisition/ rehabilitation easier to use
- Expedite DOF procedures for transferring former redevelopment agency land

Attachments:

- *Attachment 1, Assembly Committee on Appropriations Bill Analysis*
- *Attachment 2, Trailer Bill Language for the Local Economic Development Proposal from the California Department of Finance (DOF)*
- *Attachment 3, Acquisition/Rehab as a Plan Bay Area Implementation Strategy*
- *Attachment 4, San Mateo County Multicity Affordable Housing Impact Fee Nexus Study and Feasibility Report*

Attachment 1, Assembly Committee on Appropriations Bill Analysis

Date of Hearing: August 30, 2013

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Mike Gatto, Chair

SB 391 (DeSaulnier) – As Amended: August 8, 2013

Policy Committee: Labor and Employment	Vote: 5-2
Housing and Community Development	4-2

Urgency: Yes State Mandated Local Program: Yes Reimbursable: No

SUMMARY

This bill establishes the California Homes and Jobs Act of 2013 (the Act) to provide funding for affordable housing. Specifically, this bill:

- 1) Beginning January 1, 2014, imposes a \$75 fee on every real estate instrument, paper or notice required or permitted by law, excluding documents recorded in connection with a transfer that is subject to a documentary transfer tax.
- 2) Requires the fee, minus any administrative costs of the county recorder for collection, to be transferred quarterly to the Department of Housing and Community Development (HCD) and deposited into the Homes and Jobs Trust Fund.
- 3) Allows money in the Trust Fund, upon appropriation by the Legislature, to be used to support the development, acquisition, rehabilitation and preservation of housing affordable to low- and moderate-income households, as specified.
- 4) Requires HCD, in consultation with the California Housing Finance Agency, the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee to develop a California Homes and Jobs Trust Fund Investment Strategy.
- 5) Requires HCD to submit the first investment strategy to the Legislature as part of the Governor's May Revision of the Budget Act in 2014-15 and every five years after as part of the Budget Act beginning in 2019-20.
- 6) Requires the Bureau of State Audits to conduct periodic audits to ensure that the annual allocation to individual programs is awarded in a timely fashion beginning two years from the bill's effective date.

FISCAL EFFECT

- 1) The fee imposed by this bill would generate unknown revenue ranging from \$300 million to \$720 million per year depending on the volume of recorded documents.
- 2) Estimated annual administrative costs would be approximately \$5.4 million to fund up to 47 positions at HCD, which would be fully covered by the fees.

- 3) Costs would be in the range of \$250,000 to \$350,000 in 2016-17 for BSA to conduct an initial audit, with ongoing periodic audit costs in the range of \$150,000 to \$250,000. All BSA audit costs would be fully covered by the fees.
- 4) The allocation of the funds is to be determined. This bill requires that monies in the Homes and Jobs Trust Fund go for the development, acquisition, rehabilitation, and preservation of homes affordable to low- and moderate-income households, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities. Aside from these general parameters, however, this bill does not allocate funds to particular programs or uses and is subject to legislative appropriation.

COMMENTS

- 1) Purpose. According to the author, everyone in California needs a safe and affordable place to call home. The author states affordable rents and mortgages that are within the reach of working families are critical to maintaining California's business competitiveness. According to the author, U.S. military veterans, former foster youth, families with children, people with disabilities, seniors on fixed incomes and other vulnerable Californians, are still in a housing crisis. The author argues millions of Californians are caught in the perfect storm of mortgages remaining out of reach, credit standards tightening and the foreclosure crisis pushing more people into a rental market already suffering from decades of short supply. The author concludes, the most vulnerable who struggled to make rent before the foreclosure crisis, face even more uncertainty in today's rental market and they risk joining the over 130,000 Californians who are homeless on any given night.
- 2) Support. Supporters, including the United Ways of California, argue the California Homes and Jobs Act is an ongoing funding source that helps the state live within its means. It increases California's supply of affordable homes, creates jobs and spurs economic growth without incurring additional debt. The act imposes a \$75 fee on documents related to real estate transactions, excluding home sales. Supporters also note the act will create 29,000 jobs annually, primarily in the beleaguered construction sector, leverage an additional \$2.78 billion in federal, local and private investment and build nearly 10,000 affordable apartments and single-family homes a year for Californians in need, including families, seniors, veterans, people with disabilities, and people experiencing homelessness.

Business groups including the Orange County Business Council and the Silicon Valley Leadership Group say California needs to increase the supply of housing options affordable to workers, so companies can compete for the talent that drives California's economy.

- 3) Opposition. Opponents contend the proposed fee established by this bill has no relation to affordable housing and places additional financial burdens on ordinary Californians. They point out that some recordings or transactions involve more than one document, in which case the per-document fee will add to the already substantial cost of recording. In addition, county recorders will encounter significant increases in staff time to collect fees and address unsatisfied customers.

The California Credit Union League (CCUL) argues that the new tax imposed by this bill would result in their members having to incur additional costs when refinancing their home loans or looking to modify their home loans. CCUL states that during these difficult times,

when credit unions are trying to keep their members in their homes and are recording a variety of different real estate documents in order to do so, it is very important that we do not increase costs on credit union members who want to take advantage of these services.

Finally, the Associated Builders and Contractors of California (ABC) contends this bill essentially mandates the use of a project labor agreement because it exempts projects with a project labor agreement from reimbursing DIR for prevailing wage enforcement costs. ABC contends the use of a project labor agreement usually results in higher construction costs for taxpayers.

- 4) Background. Historically, the state has invested in low- and moderate-income housing primarily by providing funding for construction. Because of the high cost of land and construction and the subsidy needed to keep housing affordable to residents, affordable housing is expensive to build. Developers typically use multiple sources of financing, including voter-approved housing bonds, state and federal low-income housing tax credits, private bank financing, and local matching dollars.

Voter-approved bonds have been an important source of funding to support the construction of affordable housing. Proposition 46 of 2002 and Proposition 1C of 2006 together provided \$4.95 billion for affordable housing. These funds financed the construction, rehabilitation, and preservation of 57,220 affordable apartments, including 2,500 supportive homes for people experiencing homelessness, and over 11,600 shelter spaces. In addition, these funds have helped 57,290 families become or remain homeowners. Nearly all of these funds have been awarded.

Until 2011, the Community Redevelopment Law required redevelopment agencies to set aside 20% of all tax increment revenue to increase, improve, and preserve the community's supply of low- and moderate-income housing. In fiscal year 2009-10, redevelopment agencies collectively deposited \$1.075 billion of property tax increment revenues into their low- and moderate-income housing funds. With the elimination of redevelopment agencies, this source of funding for affordable housing is no longer available.

- 5) Types of documents covered. This bill applies the \$75 fee to the recording of all real estate-related documents, except those recorded in connection with a transfer subject to the imposition of a documentary transfer tax, and those expressly exempted from payment of recording fees, which are documents made in connection with the sale of real property, from the new fee. There are many types of documents that fall under the proposed fee including deeds and grant deeds, notices of default, easements and quitclaim deeds.
- 6) Tax or fee? While SB 391 states that the charge it imposes is a fee, Legislative Counsel keyed earlier version of the measure a tax increase for the purposes of Section III of Article XIII A of the California Constitution. As such, the measure requires the approval of 2/3 of the membership of the Senate and the Assembly to be enacted. Prior to 2010, specified fees could be enacted by majority vote, but this authority was significantly limited by Proposition 26 (2010). The bill also contains an urgency clause and an amendment to a continuous appropriation, both of which require a 2/3 vote.

**Attachment 2, Trailer Bill Language for the Local Economic Development
Proposal from the California Department of Finance (DOF) Infrastructure
Financing Districts**

An act to amend Sections 53395, 53395.1, 53395.3, 53395.4, 53395.5, 53395.10, 53395.14, 53395.23, 53395.24, 53396, and 53397.6 of, and to add Sections 53395.3.4, 53397.12, and 53397.13 to, the Government Code relating to local government.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 53395 of the Government Code is amended to read:

53395. (a) The Legislature finds and declares that the state and federal governments have withdrawn in whole or in part from their former role in financing major, regional, or communitywide infrastructure, including highways and interchanges, sewage treatment and water reclamation works, water supply and treatment works, flood control and drainage works, schools, libraries, parks, parking facilities, open space, and seismic retrofit and rehabilitation of public facilities.

(b) The Legislature further finds and declares that the methods available to local agencies to finance public works often place an undue and unfair burden on buyers of new homes, especially for public works that benefit the broader community.

(c) The Legislature further finds and declares that the absence of practical and equitable methods for financing both regional and local public works leads to a declining standard of public works, a reduced quality of life and decreased safety for affected citizens, increased objection to otherwise desirable development, and excessive costs for homebuyers.

(d) The Legislature further finds and declares that it is equitable and in the public interest to provide alternative procedures for financing public works and services needed to meet the needs of new housing and other development projects.

(e) The Legislature further finds and declares that with the dissolution of redevelopment agencies, public benefits will accrue if local agencies, excluding schools, are provided a means to finance the reuse and revitalization of former military bases, fund the creation of transit priority projects and the implementation of sustainable



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communities plans, construct and rehabilitate affordable housing units, and construct facilities to house providers of consumer goods and services in the communities served by these efforts.

SEC. 2. 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, 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 or county 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 separate and distinct from the city that established it pursuant to this chapter for the sole purpose of financing public facilities or other projects as authorized by this



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chapter. An infrastructure financing district shall be a “local agency” for purposes of Chapter 9 (commencing with Section 54950).

(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.

SEC. 3. Section 53395.3 of the Government Code is amended to read:

53395.3. (a) (1) A district may finance ~~(1) the~~ any of the following:

(A) The purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer which satisfies the requirements of subdivision (b), ~~(2) may finance planning~~ (b).

(B) The planning and design work which is directly related to the purchase, construction, expansion, or rehabilitation of that property and ~~(3) the property.~~

(C) The costs described in Sections 53395.5, and 53396.5. ~~A district may only finance the purchase of facilities for which construction has been completed, as determined by the legislative body. The~~



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(2) The facilities need not be physically located within the boundaries of the district. A district may not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind.

(b) The district shall finance only public capital facilities or other specified projects of communitywide significance, which provide significant benefits to ~~an area larger than the area of the district or the surrounding community~~, including, but not limited to, all of the following:

(1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

(2) Sewage treatment and water reclamation plants and interceptor pipes.

(3) Facilities for the collection and treatment of water for urban uses.

(4) Flood control levees and dams, retention basins, and drainage channels.

(5) Child care facilities.

(6) Libraries.

(7) Parks, recreational facilities, and open space.

(8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.

(9) Brownfields restoration and other environmental mitigation.

(10) The development of projects on a former military base, provided that the projects are consistent with the military base authority reuse plan and are approved by the military base reuse authority, if applicable.

(11) The repayment of the transfer of funds to a military base reuse authority pursuant to Section 67851 that occurred on or after the creation of the district.



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(12) The acquisition, construction, or rehabilitation of housing for rental or purchase.

(13) The purchase of land, property, or buildings for the development of facilities to house providers of consumer goods or services, or the provision of funding to assist in the development of those facilities. Facilities developed pursuant to this paragraph that are not located in a transit priority project area shall not exceed a gross internal area of 60,000 square feet. Any facility developed pursuant to this paragraph that exceeds 30,000 square feet in gross internal area shall devote at least 75 percent of its indoor retail space to the sale of grocery items. For purposes of this paragraph, the term “consumer goods” shall not include automobiles.

(14) The acquisition, construction, or repair of industrial structures for private use.

(15) Transit priority projects, as defined in Section 21155 of the Public Resources Code, that are located within a transit priority project area. For purposes of this paragraph, a transit priority project may include a military base reuse plan that meets the definition of a transit priority project area and it may also include a contaminated site within a transit priority project area.

(16) Projects that implement a sustainable communities strategy, when the State Air Resources Board, pursuant to Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7, has accepted a metropolitan planning organization’s determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.



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(17) Infrastructure improvements and other work necessary to expand telecommunications network access to persons residing within the district's boundaries.

(c) Any district ~~which~~ that constructs dwelling units outside the boundaries of a transit priority project area, or outside the parameters of a sustainable communities strategy shall set aside not less than 20 percent of those units to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, to persons and families of low- and moderate-income, as defined in Section 50093 of the Health and Safety Code.

(d) A district may utilize any powers under the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code), and finance any action necessary to implement that act.

SEC. 4. Section 53395.3.4 is added to the Government Code, to read:

53395.3.4. (a) A city, county, or city and county that created a redevelopment agency, as that term is defined in Section 33003 of the Health and Safety Code, shall not initiate the creation of a district or participate in the governance or financing of a district, until it receives certification from the Department of Finance that each of the following has occurred:

(1) The successor agency for the former redevelopment agency created by the city, county, or city and county has received a finding of completion, as specified in Section 34179.7 of the Health and Safety Code.



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(2) The state and the successor agency for the former redevelopment agency created by the city, county, or city and county, or if applicable, the applicable designated local authority for the former redevelopment agency, have resolved all litigation related to Part 1.8 (commencing with Section 34161) or Part 1.85 (commencing with Section 34170) of the Health and Safety Code, either through settlement or through the final determination, including all appeals, of a competent court of law.

(3) The state and the entity that created the former redevelopment agency have resolved all litigation, related to Part 1.8 (commencing with Section 34161) or Part 1.85 (commencing with Section 34170) of the Health and Safety Code, either through settlement or through the final determination, including all appeals, of a competent court of law. For purposes of this paragraph, the term “entity that created the former redevelopment agency” shall also include entities as defined in Section 34167.10 of the Health and Safety Code.

(4) The State Controller has completed its review, as specified in Sections 34167.5 and 34167.8 of the Health and Safety Code.

(5) The successor agency and the entity that created the former redevelopment agency have complied with all findings and orders by the State Controller stemming from the reviews as specified in paragraph (4).

(b) A city, county, or city and county shall submit its certification request to the Department of Finance, in the form and manner specified by the department. Within 10 business days of receiving a certification request, the department shall provide the certification, or shall notify the requesting entity of the reason why the certification is being denied. The department shall not deny a certification if the requesting entity and



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successor agency have complied with paragraphs (1) to (5), inclusive, of subdivision (a).

(c) Subdivision (a) shall not be construed to limit a city, county, or city and county that created a district prior to January 1, 2015, from participating in, or governing that preexisting district.

SEC. 5. Section 53395.4 of the Government Code is amended to read:

53395.4. (a) A district may ~~not~~ include any portion of a former redevelopment project area ~~which is or has been~~ that was previously created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, ~~whether the creation is or was proper or improper. A redevelopment project area may not include any portion of a district created pursuant to this chapter~~ provided that the city, county, or city and county that created the former redevelopment agency has received a certification from the Department of Finance pursuant to Section 53395.3.4.

(b) A district may finance only the facilities ~~or services~~ authorized in this chapter to the extent that the facilities ~~or services~~ are in addition to those provided in the territory of the district before the district was created. The additional facilities ~~or services~~ may not supplant facilities ~~or services~~ already available within that territory when the district was created but may supplement, rehabilitate, upgrade, or make more sustainable those facilities ~~and services as needed to serve new developments.~~

(c) A district may include areas which are not contiguous.

SEC. 6. Section 53395.5 of the Government Code is amended to read:

53395.5. It is the intent of the Legislature that the area creation of the districts ~~created be substantially undeveloped, and the establishment of a district should not~~



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ordinarily lead to the removal of existing dwelling units. If, however, any dwelling units are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, the legislative body shall do all of the following:

(a) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons or families of low or moderate income, of an equal number of replacement dwelling units at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed were inhabited by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(b) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons of low or moderate income, a number of dwelling units which is at least one unit but not less than 20 percent of the total dwelling units removed at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed or destroyed were not inhabited by persons of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(c) Provide relocation assistance and make all the payments required by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, to persons displaced by any public or private development occurring within the territory of the district. This displacement shall be deemed to be the result of public action.

(d) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income not take place unless and until there are suitable



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housing units, at comparable cost to the units from which the persons or families were displaced, available and ready for occupancy by the residents of the units at the time of their displacement. The housing units shall be suitable to the needs of these displaced persons or families and shall be decent, safe, sanitary, and otherwise standard dwellings.

SEC. 7. Section 53395.10 of the Government Code is amended to read:

53395.10. A legislative body of a city or county may designate one or more proposed infrastructure financing districts pursuant to this chapter. Proceedings for the establishment of a district shall be instituted by the adoption of a resolution of intention to establish the proposed district and shall do all of the following:

(a) State that an infrastructure financing district is proposed to be established under the terms of this chapter and describe the boundaries of the proposed district, which may be accomplished by reference to a map on file in the office of the clerk of the city.

(b) State the type of public facilities and development proposed to be financed or assisted by the district. ~~The district may only finance public facilities authorized by district in accordance with~~ Section 53395.3.

(c) State the need for the district and the goals the district proposes to achieve.

(e)

(d) State that incremental property tax revenue from the city or county and some or all affected taxing entities within the district, if approved by resolution pursuant to Section 53395.19, may be used to finance these public facilities activities.

(d)

(e) Fix a time and place for a public hearing on the proposal.



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SEC. 8. 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 or county 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 and~~ other forms of development or financial assistance that is 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~~ development and financial assistance.

(c) ~~A~~ If funding from affected taxing entities is incorporated into the financing plan, a finding that the ~~public facilities~~ development and financial assistance 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 or county 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.



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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) 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~~45 years from the date on which the ordinance forming the district is adopted pursuant to Section 53395.23 issuance of bonds is approved pursuant to subdivision (a) of Section 53397.6, or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53397.12.

(B) Notwithstanding any other provision of law, if the issuance of bonds pursuant to subdivision (a) of Section 53397.6, or the issuance of a loan pursuant to Section 53397.12, has not occurred within 25 years of the date that the infrastructure financing plan is approved and adopted pursuant to Section 53397.23, the approval and adoption of the plan shall be rendered null and void, and the plan shall terminate.

(6) An analysis of the costs to the city or county of providing facilities and services to the area of the district while the area is being developed and after the area



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is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county 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.

(f) The goals the district proposes to achieve for each project financed pursuant to Section 53395.3.

SEC. 9. Section 53395.23 of the Government Code is amended to read:

53395.23. After the canvass of returns of any election pursuant to Section 53395.20, the legislative body may, by ordinance, adopt the infrastructure financing plan and create the district with full force and effect of law, if ~~two-thirds~~ fifty-five percent of the votes upon the question of creating the district are in favor of creating the district.

SEC. 10. Section 53395.24 of the Government Code is amended to read:



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53395.24. After the canvass of returns of any election conducted pursuant to Section 53395.20, the legislative body shall take no further action with respect to the proposed infrastructure financing district for one year from the date of the election if the question of creating the district fails to receive approval by ~~two-thirds~~ fifty-five percent of the votes cast upon the question.

SEC. 11. Section 53396 of the Government Code is amended to read:

53396. Any infrastructure financing plan may contain a provision that taxes, if any, levied upon taxable property in the area included within the infrastructure financing district each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance adopted pursuant to Section 53395.23 to create the district, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance adopted pursuant to Section 53395.23 to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city or county and each affected taxing entity which has agreed to participate pursuant to Section 53395.19 in excess of the amount specified in subdivision (a) shall be allocated to, and when collected shall be paid into



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a special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district exceeds the total assessed value of the taxable property in the district as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the district shall be paid to the respective affected taxing entities. When the district ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the district shall be paid to the respective affected taxing entities as taxes on all other property are paid.

(c) Notwithstanding subdivisions (a) and (b), where any district boundaries overlap with the boundaries of any former redevelopment project area, any debt or obligation of a district shall be subordinate to any and all enforceable obligations of the former redevelopment agency, as approved by the Oversight Board and the Department of Finance. For the purposes of this chapter, the division of taxes allocated to the district pursuant to subdivision (b) shall not include any taxes required to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund created pursuant to subdivision (b) of Section 34170.5 of the Health and Safety Code.

(d) The Legislative body of the city forming the district may choose to dedicate any portion of its net available revenue to the district through the financing plan described in Section 53395.14.

(e) For the purposes of this section, the term “net available revenue” means periodic distributions to the city from the Redevelopment Property Tax Trust Fund created pursuant to Section 34170.5 of the Health and Safety Code, that are available



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to the city after all preexisting legal commitments and statutory obligations funded from that revenue are made pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. "Net available revenue" shall not include any amounts deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund or amounts remaining in the Redevelopment Property Tax Trust Fund prior to the distribution from that fund. "Net available revenues" shall not include any moneys payable to a school district that maintains kindergarten and grades 1 to 12, including, community college district, county offices of education, or to the Education Revenue Augmentation Fund, pursuant to paragraph (4) of subdivision (a) of Section 34183 of the Health and Safety Code.

SEC. 12. Section 53397.6 of the Government Code is amended to read:

53397.6. (a) The bonds may be issued if ~~two-thirds~~ fifty-five percent of the voters voting on the proposition vote in favor of issuing the bonds.

(b) If the voters approve the issuance of the bonds as provided by subdivision (a), the legislative body shall proceed with the issuance of the bonds by adopting a resolution which shall provide for all of the following:

- (1) The issuance of the bonds in one or more series.
- (2) The principal amount of the bonds, which shall be consistent with the amount specified in subdivision (b) of Section 53397.2.
- (3) The date the bonds will bear.
- (4) The date of maturity of the bonds.
- (5) The denomination of the bonds.
- (6) The form of the bonds.



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- (7) The manner of execution of the bonds.
- (8) The medium of payment in which the bonds are payable.
- (9) The place or manner of payment and any requirements for registration of the bonds.
- (10) The terms of call or redemption, with or without premium.

SEC. 13. Section 53397.12 is added to the Government Code, to read:

53397.12. Upon the approval of its governing board, a city, county, city and county, or special district that contains territory within the boundaries of a district, may loan moneys to the district to fund those activities described in the infrastructure financing plan approved and adopted pursuant to Section 53395.23. Moneys loaned pursuant to this section may be repaid at an interest rate that does not exceed the Local Agency Investment Fund rate that is in effect on the date that the loan is approved by the governing board.

SEC. 14. Section 53397.13 is added to the Government Code, to read:

53397.13. (a) Every two years after the issuance of debt pursuant to Section 53397.6, the district shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

(b) The Department of Finance may conduct financial and performance audits of a district, at the discretion of the Director of Finance. The results of an audit shall be provided to the district, the Controller, and the Joint Legislative Budget Committee.



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LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____

General Subject: Infrastructure financing districts.

(1) Existing law authorizes a legislative body of a city, defined to mean a city or a city and county, to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon approval by $\frac{2}{3}$ of the voters. Existing law authorizes an infrastructure financing district to fund infrastructure projects through tax increment financing, pursuant to the infrastructure financing plan and the agreement of affected taxing entities, as defined. Existing law requires an infrastructure financing plan to include the date on which an infrastructure financing district will cease to exist, which may not be more than 30 years from the date on which the ordinance forming the district is adopted



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This bill would revise the definition of a city, for purposes of the creation and administration of infrastructure financing districts, to also include a county. This bill would additionally authorize the creation of an infrastructure financing district and the issuance of debt with 55% voter approval. This bill would authorize a city, county, city and county, or special district that contains territory within the boundaries of an infrastructure financing district, upon approval of its governing body, to loan moneys to the infrastructure financing district to fund the activities described in the infrastructure financing plan, as specified. The bill would authorize the creation of an infrastructure financing district for up to 45 years from the date on which the issuance of bonds is approved, as specified. The bill would additionally provide that the adoption of the plan is null and void and the plan terminates that if the issuance of bonds or a loan has not occurred within 25 years of the date that the infrastructure financing plan is approved, as specified. This bill would require an infrastructure financing district to contract for the performance of an independent financial and performance audit every two years, as specified, and would authorize the Department of Finance to conduct a financial and performance audit of an infrastructure financing district at the discretion of the Director of Finance.

(2) Existing law authorizes the legislative body of a city or county to establish an infrastructure financing district, and requires proceedings for the establishment of a district to be instituted by the adoption of a resolution of intention to establish the proposed district that, among other things, states the type of public facilities proposed to be financed by the district.



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This bill would instead require the resolution to state the type of public facilities and development proposed to be financed or assisted by the district, and would additionally require the resolution to state the need for the district and the goals the district proposes to achieve.

(3) Existing law prohibits an infrastructure financing district from including any portion of a former redevelopment project area.

This bill would delete that prohibition and would authorize an infrastructure financing district to finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area, as specified. The bill would additionally prohibit a city, county, or city and county that created a redevelopment agency from creating a district until it receives certification from the Department of Finance that specified conditions related to the wind down of the former redevelopment agency have been satisfied. The bill would provide that any debt or obligation of an infrastructure financing district is subordinate to an enforceable obligation of a former redevelopment agency. The bill would additionally authorize the legislative body of the city forming an infrastructure financing district to chose to dedicate any portion of its net available revenue, as defined, to the infrastructure financing district through the infrastructure financing plan, as specified.

(4) Existing law authorizes an infrastructure financing district to finance only public capital facilities of communitywide significance, including, among other things, highways, libraries, and parks and other recreational facilities.

This bill would additionally authorize an infrastructure financing district to finance brownfields restoration and other environmental mitigation, the development



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of projects on a former military base, the repayment of the transfer of funds to a military base reuse authority, the acquisition, construction, or rehabilitation of housing for rental or purchase; the purchase of land, property, or buildings for the development of facilities to house providers of consumer goods or services; the acquisition, construction, or repair of industrial structures for private use; transit priority projects, projects to implement a sustainable communities strategy, and infrastructure improvements and other work necessary to expand telecommunications network access. The bill would also authorize a district to utilize any powers under the Polanco Redevelopment Act.

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



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Date: February 5, 2014

To: Ezra Rapport, Executive Director

From: Brad Paul, Deputy Executive Director

Subject: **Acquisition/Rehab as a Plan Bay Area Implementation Strategy**

Plan Bay Area, the region's first Sustainable Communities Strategy, was adopted by the ABAG Executive Board and Metropolitan Transportation Commission (MTC) in July 2013. Its purpose is to help manage the Bay Area's long-term growth to reduce greenhouse gas emissions (GHGs), promote economic development, incorporate community equity, protect natural resources, and enhance resiliency to natural disasters.

ABAG is now facilitating the combined efforts of the Bay Area's 109 cities and counties as they implement the pattern of focused growth envisioned in Plan Bay Area. Much of the region's future growth is expected to occur in locally-nominated Priority Development Areas (PDAs). ABAG will continue working with local jurisdictions and other key agencies to help PDAs become "complete communities" that provide existing and future residents with easy access to employment, shopping, and services such as schools, parks, and health care in appealing walkable neighborhoods.

One of the most essential characteristics of a complete community is access to a range of housing choices that can serve people at all income levels. Addressing the need for affordable housing is one of the most significant challenges to implementing the vision articulated in Plan Bay Area. The degree of difficulty of this challenge has increased dramatically in recent years with the steady reduction of federal and state subsidies for affordable housing development and the elimination of redevelopment agencies and their requirements for dedicated local housing trust funds and for construction of new and replacement housing.

ABAG is working with housing advocacy organizations, regional and state agencies, legislators, and others to identify and promote policy changes and new funding sources dedicated to providing local jurisdictions with the flexibility and resources needed to meet local needs in each community. ABAG is also researching and promoting best-practices local jurisdictions may employ to mitigate displacement of businesses and residents by targeted growth in PDAs.

Acquisition and Rehabilitation of Existing Homes

ABAG is pursuing increased funding and policy changes to promote one of the most promising tools to address these challenges: the acquisition and rehabilitation of existing older apartment buildings to create long-term affordable housing by non-profit housing organizations. This "acq/rehab" strategy increases the supply of

permanently affordable housing, mitigates displacement, and helps revitalize neighborhoods with concentrations of aging rental housing. These outcomes further the goals of Plan Bay Area. Importantly, it is also a flexible tool that can be adapted to meet the housing needs in jurisdictions of all sizes.

Preventing Displacement

Providing affordable housing near transit is critical if the Bay Area is going to meet the GHG reduction target identified for the region in Plan Bay Area. Fourteen percent of workers with income below 200 percent of poverty commuted by public transit compared to nine percent of workers with income above 200 percent of poverty.

According to the Plan's forecast, the number of people in very low- and low-income households is projected to increase from 40 percent to 43 percent of all households by 2040. At the same time, market demand for housing near transit is expected to increase based on forecasted demographic changes in the region. There is the potential that the increased investments in PDAs envisioned in Plan Bay Area will spur additional demand for housing in these areas. Amplifying these pressures, 56 percent of new jobs will be at relatively low wage rates. To respond to these trends, local and regional agencies need additional tools and resources to prevent the displacement of existing very low- and low-income households from areas near transit.

As the economy has improved, some Bay Area jurisdictions have experienced rapid increases in residential rents, which have made it even more difficult for low- and moderate-income households to afford housing. The acquisition and rehabilitation of existing rental homes is a strategy that can help prevent displacement in these areas with overheated real estate markets.

Any money government agencies, foundations or others currently contribute to a city's affordable housing program help that city add to its permanent affordable housing inventory. Typically, each source imposes requirements. Historically, there was a regulatory tension and balance between local sources, especially redevelopment agency funds, that required or encouraged preference for local residents and federal sources that discouraged or disallowed local preference policies as discriminatory. With the elimination of redevelopment agencies, and the near impossibility of building new affordable housing without federal subsidies, federal fair housing policy prevails and any newly constructed housing must hold a lottery to determine who moves in. This approach does little or nothing to help nearby low-income and working poor families avoid displacement as rents escalate beyond their reach. They get no preference in these oversubscribed lotteries.

For example, in San Francisco's South of Market (SOMA) neighborhood, escalating rents are driving out hundreds of working and immigrant families that have lived there for generations. While several new affordable housing developments of 50-80 units have opened recently, SOMA residents have not fared well in those lotteries.

Last year, given the unmet citywide need for affordable housing, almost 2,500 families entered a lottery for 50 very affordable apartments. The odds were 50:1. After intense door-to-door outreach, 150 SOMA families submitted valid applications. This was more than five times the normal volume of applicants from SOMA due to this extraordinary outreach. Statistically, only 3 apartments would be expected to go to SOMA families, and as luck would have it, desperate SOMA families won only 2 of the 50 units. By contrast, in a 50-unit non-profit acquisition/rehabilitation project, also financed using federal funds, federal fair housing laws would **require** that current residents of the building be given first preference for retaining their home after renovation. In those cases where major renovation is not necessary, families would remain in place.

In response to this problem, policy advocates recently convinced the San Francisco Mayor's Office of Housing to use a portion of San Francisco's affordable housing resources to support a new *Small Sites Acquisition/Rehab* program. It will use some of the city's housing funds to purchase existing 4-40 unit buildings that, because they need only minor renovation, prevent displacing low-income tenants. With this approach, **100 percent** of those city housing dollars will benefit existing at-risk SOMA residents compared to 4 percent in the prior new construction example.

Addressing Concerns About Impacts on Neighborhood Quality of Life and Schools

An acquisition and rehabilitation strategy also addresses two major concerns that often drive local opposition to affordable housing in older suburbs and small towns: a fear of outsiders moving into small, tight knit neighborhoods and the impact the newcomers' children might have on struggling local school districts. Acquiring existing buildings that already house low- and moderate-income households is a strategy aimed at preventing the displacement of existing residents who are potential opponents' current neighbors and their children's current friends and classmates. The children living in the houses and apartment buildings that would be acquired through this strategy are already in the local school system and have probably been so for many years. In general, an acquisition/rehab strategy's impact on local school enrollment should be negligible.

A Special Opportunity to Meet the Needs of Bay Area Seniors

Many of the current residents in older rental properties are seniors. Based on the growth forecast in Plan Bay Area, the region's population aged 65 and over will increase from 12 percent of the total population to 22 percent by 2040. Economic displacement due to rent pressure can be particularly problematic for seniors, who often face the loss of the support networks and access to services upon which they rely when forced to relocate. While creating affordable housing through the acquisition/rehab strategy alone cannot stabilize housing for more than a fraction of the number of Bay Area seniors who will face displacement pressures, it will make a transformational difference for the initial occupants and will subsequently provide housing security for several generations over many decades to come.



San Mateo County Multicity Affordable Housing Impact Fee Nexus Study and Feasibility Report

December 10, 2013

Overview

Since the loss of redevelopment agencies and the state court prohibition of rental inclusionary zoning, cities have increasingly relied on impact fees to support affordable housing. Generally, impact fees require new construction to pay money into a fund which, in this case is used to support affordable housing. To enact an affordable housing impact fee, cities must first conduct a nexus study that demonstrates the relationship between new housing or jobs and the need for affordable housing in the community.

Additionally, based on recent court cases, cities with inclusionary zoning may want to participate in a nexus study to help support the requirements of their ordinance against potential legal challenges. If the courts decide that inclusionary housing is an exaction, cities will need to conduct a nexus study in order to have the legal basis for their inclusionary requirements. For many years the need for a nexus study seemed unlikely, but based on recent and pending court cases, the need for a nexus study to support local inclusionary requirements has become more critical.

Typically, each city hires a consultant to conduct a nexus study on its own, with the timing of the study based on local priorities and resources. A better alternative is to collaborate with other jurisdictions to save time and money and to make it more likely that good policies will be adopted.

21 Elements is coordinating a nexus study for all 21 jurisdictions in the county. Specifically, the study will document the permissible and recommended fee levels for each jurisdiction for both residential and commercial development. The fees listed in the report will be unique for each city and will be based on local conditions. The recommended fees will be set to not discourage development. After cities receive the study findings they are free to adopt or not adopt the fees as they see fit. The estimated cost of the nexus study is \$16,000 - \$20,000 for each participating jurisdiction, and the deadline to agree to participate is January 10th, 2013. Jurisdictions will be able to participate at a later date, but their costs will be higher.

The total cost for the nexus study is approximately \$185,000. Enterprise Community Partners is contributing \$25,000 and MTC is contributing \$5000, which brings the cost down to \$155,000. Eight jurisdictions have agreed to participate so far, bringing the cost at this point to below \$20,000 for each participating jurisdiction. For every additional jurisdiction that joins, the cost will drop another \$1,000 - \$2,000. By contrast, it would cost an individual jurisdiction \$30,000 - \$60,000 to get the same information on their own, which is a savings of 33-66 percent.

Specifics

In November 2013, we released a request for proposals and received six bids. Based on the proposals we received we intend to sign a contract with Strategic Economics and Vernazza Wolfe Associates.

The consultant would produce the following:

- Maximum fees permitted on new residential development (nexus study)
- Recommended fees for new residential development (feasibility study)
- Inclusionary zoning levels permitted (nexus study)
- Maximum fees permitted on new commercial development (nexus study)
- Recommended fees for new commercial development (feasibility study)
- Supporting material such as fee levels in other cities and the potential benefits of the fees

The nexus and feasibility study for each jurisdiction will be based on the conditions in that jurisdiction.

Participating Jurisdictions

Participating jurisdictions include: Burlingame, Foster City, Menlo Park, Redwood City, San Bruno, San Mateo (City), San Mateo County, South San Francisco. Millbrae intends to participate but is not listed because they cannot contribute until next fiscal year.

Foster City is acting as the fiscal agent and will collect the checks from participating jurisdictions and pay the consultants.

Deadlines

Jurisdictions that are interested should be in touch as soon as possible. The deadline to decide to participate is January 10th, 2013 and the deadline to contribute is January 30th, 2013. After this point, the cost to join will increase 10-20 percent.

Please contact Joshua Abrams, 510.761.6001, abrams@bdplanning.com for more information.