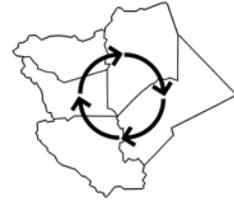


**INTER-REGIONAL
PARTNERSHIP**
Alameda County
Contra Costa County
San Joaquin County
Santa Clara County
Stanislaus County



Date: April 25, 2001
To: IRP Legislative Committee Members
From: Staff
RE: Other Legislative Activities

Background

Attached is a summary of bills making their way through the state legislature that are directed at economic development, affordable housing, jobs-housing balance, and the IRP Pilot Program. As a regular feature on the IRP legislative committee agenda, IRP staff will be tracking bills and providing members with an update as to their progress.

Requested Action

For review and discussion by the committee.

2001/2002 Legislative Session: Jobs, Housing, & Central Valley Bills

Affordable Housing

AB 369 (Dutra)

Existing law requires local agencies to make specified findings before disapproving or conditionally approving certain housing development projects affordable to very low, low-, or moderate-income households, as that term is defined, and authorizes a court to order compliance with that requirement.

This bill would delete the term "affordable" from those provisions and make the provisions applicable to housing for very low, low-, and moderate-income households. The bill would revise the provisions for enforcement to authorize the court to require the agency to approve the project or condition the approval to render the project feasible to develop, and to award specified damages, costs, and attorney fees.

Status: Amended by author and re-referred to Committee on Housing & Community Development (Chair: Lownthal)
Hearing Date: 04/25/2001

AB 404 (Diaz)

Existing law contains, among other provisions to promote housing development, provisions known as the Downtown Rebound Program, which provides funds for residential infill projects to allow workers to live closer to their employment. This bill would enact provisions to be known as the New Neighborhoods Program that would provide cities and counties with state funding to defray the cost of infrastructure for multifamily affordable housing projects. The bill would create the New Neighborhoods Multifamily Affordable Housing Fund, which would be continuously appropriated to the Department of Housing and Community Development for grants to cities and counties for the program. This bill would transfer \$200,000,000 from the General Fund to the New Neighborhoods Multifamily Affordable Housing Fund.

Status: Referred to Committee on Housing & Community Development (Chair: Lownthal)
Hearing Date: 04/25/2001

AB 490 (Diaz)

This bill would require the Department of Housing and Community Development to establish a program to make matching grants, from money appropriated by the Legislature for that purpose from the California Housing Trust Fund, to local agencies that establish housing trust funds, to provide financing for affordable housing to be occupied primarily by low-income persons and families.

Status: Referred to Committee on Housing & Community Development (Chair: Lownthal)
Hearing Date: 04/25/2001

AB 1284 (Lowenthal)

This bill would enact the Job-Center, Community Infill Housing Development Incentive Act of 2001 to promote, encourage, and facilitate adequate housing development to provide affordable housing to California's growing work force. The bill would authorize a city, county, or city and county having a serious imbalance between jobs and housing supply to create a housing opportunity district and would require a portion of the property tax revenues resulting

from increases in assessed value due to affordable housing construction to be paid to the district. The bill would create a state-mandated local program because, under other existing provisions, counties would be required to allocate those property tax revenues. The bill would require the housing opportunity districts to pay those costs.

Status: Passed Housing & Community Development Committee (Chair: Lowenthal) and re-referred to Local Government (Chair: Wiggins)

Hearing Date: 04/25/2001 in Local Government Cmte

SB 503 (Vasconcellos)

This bill would require specified counties (San Diego and Santa Clara Counties) to establish attainable housing zones in which the development of attainable housing, as defined, would be encouraged by providing incentives to developers. The bill would establish the Attainable Housing Zone Infrastructure Improvement Fund, which would be administered by the Department of Housing and Community Development. Money in the fund would be used to provide grants to cities for infrastructure surrounding developments.

Status: Referred to Senate Committee on Housing and Community Development (Chair: Dunn)

Hearing Date: Hearing cancelled at request of author, no new hearing date set.

SB 910 (Dunn)

This bill would require a court, on a finding that there is not substantial compliance, to award the plaintiff reasonable attorney's fees and costs and to levy a penalty not to exceed \$1,000 per unit of the total projected housing need for the jurisdiction. The bill would provide that all penalties shall accrue to the Housing Rehabilitation Loan Fund. Because all money in this fund is continuously appropriated to the Department of Housing and Community Development for specified purposes, this bill would make an appropriation.

This bill would provide that, in any action filed on or after January 1, 2002, challenging the validity of a housing element, there shall be a rebuttable presumption of nonvalidity of the element or amendment if the department has found that the element or amendment does not substantially comply. This bill would ~~declare the intent of the Legislature to withhold unidentified state funding from~~ *require the Controller to reduce by specified percentages the monthly allocation of funds disbursed under various fuel tax laws to any city, county, or city and county that does not have a whose third or subsequent revision of its housing element is not in substantial compliance with state law and to redistribute the money to those cities, counties, or cities and counties whose housing elements are in compliance in the following month. The bill would require the department to report to the Controller monthly a list of jurisdictions in noncompliance.* The bill would state that, for the purposes of this provision, an authorized self-certification of a housing element shall be deemed to have been approved by the department *unless a court finds that jurisdiction's housing element does not substantially comply with state law.*

Status: Passed Senate Committee on Housing and Community Development (Chair: Dunn) and re-referred to Transportation Committee

Hearing Date: Hearing date postponed, no new hearing date set

Economic Development – Central Valley

AB 13 (Florez) (As Amended)

This bill would enact the San Joaquin Valley Economic Development Corridor Act of 2001 to establish a program, to be administered by the San Joaquin Valley Economic Development Joint Powers Authority, to enhance economic development within the boundaries of the authority. The bill would establish a 2-year micro-loan program and would create the San Joaquin Valley Economic Development Fund in the State Treasury for purposes of the act. The bill would expressly authorize the authority to receive funding and issue revenue bonds and other forms of indebtedness for eligible projects, as defined.

The purpose of San Joaquin Valley Economic Development JPA is to:

1. Identify regionally significant transportation projects that assist in the development of the San Joaquin Valley as an agriculturally based sustainable economy.
2. Support economic development activities that target small- and medium-sized businesses.
3. Encourage workforce development opportunities.

This bill would appropriate the sum of one hundred million seven hundred fifty thousand dollars (\$100,750,000) from the General Fund to the Technology, Trade, and Commerce Agency, to be allocated to the San Joaquin Valley Economic Development Joint Powers Authority as follows:

- (a) Seven hundred fifty thousand dollars (\$750,000) for a study on the utilization of short line rail in the San Joaquin Valley to enhance goods movement and support economic development in the region.
- (b) One hundred million dollars (\$100,000,000) for transfer to the San Joaquin Valley Economic Development Fund for expenditure pursuant to this act.

Status: Amended by author and re-Referred to Committees on Jobs, Education & the Economy (Chair: Reyes) and Revenue & Taxation (Chair: Corbett)

Hearing Date: 04/24/2001 (in J, ED & E Cmte)

AB 31 (Reyes)

This bill would establish the Rural Infrastructure Investment Account in the California Infrastructure and Economic Development Bank Fund under the Bergeson-Peace Infrastructure and Economic Development Bank Act, for the purpose of providing grants, beginning July 1, 2001, for qualifying projects to rural communities and small cities in the Counties of Fresno, Kings, Kern, Tulare, Madera, Merced, Stanislaus, and San Joaquin. It would appropriate \$20,000,000 from the General Fund to the account for this purpose.

Moneys in the account shall be used exclusively to provide for grants, not to exceed the sum of four hundred thousand dollars (\$400,000) each, to rural communities and small cities with a median income of 80 percent or less of the state median income, within the Counties of Fresno, Kings, Kern, Tulare, Madera, Merced, Stanislaus, and San Joaquin.

Status: Passed in Jobs Economic Development & the Economy Committee (Chair: Reyes) and referred to the Committee on Appropriations

Hearing Date: None Set

AB 1391 (Cardoza)

This bill would require the Technology, Trade, and Commerce Agency to establish, until January 1, 2007, the Communications ~~and~~ Leadership *and* Information Center (CLIC) in the Technology, Trade, and Commerce Agency for the purposes of promoting the expansion of the telecommunications infrastructure in the San Joaquin Valley, facilitating the creation of a technology leadership team in the 8 counties within the San Joaquin Valley, acting as a liaison on communications infrastructure matters with state and local entities, championing private sector telecommunications investments in the San Joaquin Valley, and overseeing a grant and loan program for public investments in the telecommunications infrastructure of the San Joaquin Valley.

This bill would establish the San Joaquin Valley Communications ~~and~~ Leadership *and* Information Center Grant and Loan Program as a 5-year program to provide \$22,250,000 in grants to eligible entities, as described, including small cities and rural communities and \$100,000,000 in loans to eligible entities, as described, including large cities. The grant portion of the program would include a local match component.

Status: Passed in Jobs, Economic Development & the Economy Committee as amended and re-referred to Appropriations Committee
Hearing Date: None Set

AB 1470 (Reyes)

Existing law establishes multiple economic development related offices and services within the Technology, Trade, and Commerce Agency and generally sets forth the duties of the office in, among other things, providing assistance regarding local economic development projects, cooperating with state and federal agencies in making grants and loans for local economic development projects, and assisting in preparing state and local economic plans for the purpose of coordinating statewide economic development.

This bill would delete these provisions and instead establish the office, to perform these general duties, within the Business, Transportation and Housing Agency. It would authorize the Governor to direct the transfer of personnel, equipment, and funds from the Technology, Trade, and Commerce Agency to the Business, Transportation and Housing Agency for the purpose of administering the office.

Reasons given, among others, for re-establishing economic development related services to the Business, Transportation and Housing Agency are that concentrated job creation in the immediate vicinity of existing and planned residential communities may provide local employment opportunities that would alleviate transportation bottlenecks and commuter distances. Encouraging direct cooperation and planning among agencies involved in local and small business economic development and housing and community economic development may help alleviate commuter distances, improve quality of life, and improve the efficient use of state resources dedicated to housing, community development, and economic development.

Status: Referred to Committee on Jobs Economic Development & the Economy (Chair: Reyes)
Hearing Date: None Set

AB 1725 (Committee on Jobs, Economic Development and the Economy [Reyes (Chair), Cogdill (Vice Chair), Chan, Cohn, Correa, Diaz, Leach, Liu, and Wyman])

Existing law provides for the establishment of Regional Technology Alliances by the Technology, Trade, and Commerce Agency, according to specified criteria. (*See bill for criteria and specified activities of the Alliance*) This bill would require the agency to establish

a Regional Technology Alliance in the Central Valley according to these criteria, subject to the appropriation of funds for that purpose.

*Status: Amended by author and re-referred to Committee on Jobs Economic Development & the Economy (Chair: Reyes)
Hearing Date: 04/24/2001*

Jobs-Housing Balance

AB 381 (Papan)

Existing law establishes the Jobs-Housing Balance Improvement Account in the State Treasury and requires that all money in the account be available, upon appropriation by the Legislature, to the Department of Housing and Community Development to make grants to local agencies, cities, counties, and cities and counties relating to improvement of the balance between jobs and housing within the jurisdiction, of those entities, and for other, related purposes.

This bill would require that an unspecified percentage of the money in the account be available, upon appropriation by the Legislature, to the department for the purpose of providing incentives to local governments, ~~local transit providers, private developers, and financial lenders~~ for the siting and construction of transit oriented and pedestrian oriented development within ~~one-quarter~~ *one-third* mile of an existing or planned transit station, as specified. *The bill would require that funds in the account be expended through a direct statewide competitive grant program to local governments and a direct statewide competitive grant program to county transportation agencies, regional transportation planning agencies, or metropolitan planning organizations, as specified.*

*Status: Passed with author's and committee's amendments in Committee on Transportation (Chair: Dutra) and re-referred to Housing & Community Development Committee (Chair: Lowenthal)
Hearing Date: 04/25/2001*

AB 499 (Cogdill)

Existing law, until January 1, 2005, creates the Inter-Regional Partnership State Pilot Project to Improve the Balance of Jobs and Housing, which is monitored by the Department of Housing and Community Development, to test and evaluate policies and incentives to mitigate current and future imbalances of jobs and housing in specified counties. For purposes of the project, a jobs-housing opportunity zone is a zone selected by the project that has specified characteristics, including the characteristic that it is serviced by adequate infrastructure and transit service, or has commitments to provide adequate infrastructure and transit service, to support significant proposed development. This bill would revise this characteristic to provide, as an alternative, that the zone be identified by the ~~appropriate local land use planning authority~~ *city or county* as an area where infrastructure incentives are necessary for the area to create viable jobs.

*Status: Amended by author and re-referred to Committee on Housing & Community Development (Chair: Lowenthal)
Hearing Date: 04/25/2001*

SB 213 (Perata)

Existing law requires each city, county, and city and county to adopt for its jurisdiction a general plan that includes certain mandatory elements, including a housing element. The housing element is required to include, among other things, an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.

This bill would require, if specified conditions are met, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) to work collaboratively to determine on or before January 1, 2003, policy criteria based upon a balance of jobs and housing in the San Francisco Bay Area in order to evaluate whether local governments are implementing their fair share of housing starts, as well as participating in regional congestion reduction plans. It would require MTC and ABAG to identify barriers to achieving a balance of jobs and housing, to develop a monitoring and evaluation program as specified, and to prepare and submit a report to the Legislature on or before January 1, 2003, that describes the basic policies to support linkage between land use decisions and transportation planning or funding, or both, in the San Francisco Bay Area and make recommendations regarding the use of incentives and disincentives to enforce the policies. This bill would appropriate \$250,000 to the Controller for allocation to MTC and ABAG for these purposes, which would be contingent upon an agreement by MTC and ABAG, as specified.

Status: Passed Housing & Community Development Committee (Chair: Dunn) and re-referred to Committee on Appropriations
Hearing Date: None set.

SB 423 (Torlakson)

This bill would, in specified annual increments over a certain number of fiscal years, exclude a city or county from the reduction and transfer requirements related to ERAF that has complied with certain criteria with respect to housing and land use planning. This bill would provide a complying city/county with complete exclusion in either five (5) or three (3) fiscal years, as specifically classified within the bill.

Status: Passed Senate Committee on Local Government (Chair: Torlakson) and re-referred to Committee on Appropriations
Hearing Date: None set

SB 784 (Torlakson)

This bill would provide that specified funds transferred and appropriated to the Jobs/Housing Balance Improvement Program fund pursuant to the Budget Act of 2000 and the Budget Act of 2001, as well as funds appropriated thereafter for these purposes are to be used to award incentive grants to cities, counties, and city and counties to be used for any project, service, or other local need determined by the city, county, or city and county to be in the community's best interest. The bill would require the department to operate the program through no less than 2 annual allocations. The bill would require the final report to be issued within 12 months following the final allocation of funds.

Status: Passed Senate Committee on Housing and Community Development (Chair: Dunn) and re-referred to Appropriations Committee
Hearing Date: 04/30/2001

Smart Growth

AB 924 (Wayne)

The Planning and Zoning Law requires the Office of Planning and Research within the Governor's office to serve as the state's comprehensive planning agency in the formulation, evaluation, and updating of, among other things, long range goals and policies for land use, population growth and distribution, urban expansion, development, open space, resource preservation and utilization, air and water quality, and other factors that shape statewide development patterns and significantly influence the quality of the state environment. This law also authorizes regional planning districts to prepare, maintain, and regularly review and revise a regional plan for the physical development of the area within the district, and requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and of any land outside its boundaries that bears relation to its planning.

This bill would authorize a county and the cities within the county to adopt a consolidated general plan in lieu of their individual general plans. This bill would also require until January 1, 2007, the Office of Planning and Research to implement a pilot project that provides grants or low-interest loans to local governments to be used to develop consolidated general plans or mandatory elements of consolidated general plans that are consistent with specified smart growth principles.

This bill would appropriate ~~an unspecified amount~~ \$1,000,000 from the General Fund to the office for this pilot project.

*Status: Passed Committee on Local Government (Chair: Wiggins) with author's amendments and re-referred to Appropriations Committee
Hearing Date: None set.*

Environment/Housing

AB 1086 (Calderon)

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

This bill would require the lead agency to adopt a negative declaration or mitigated negative declaration if it determines that a residential infill development project that is not exempt from CEQA and is located in an urbanized area of an incorporated city with a population of at least 100,000 persons meets specified requirements, except as provided. Because the bill would impose duties on local lead agencies, it would create a state-mandated local program.

*Status: Referred to Committee on Natural Resources (Chair: Wayne)
Hearing Date: 04/17/2001 - Hearing canceled at request of author*

SB 221 (Kuehl)

This bill would prohibit approval of a tentative map, or a parcel map for which a tentative map was not required, or a development agreement for a subdivision of property of more than 200

residential units, including the design of the subdivision or the type of improvement, unless the legislative body of a city, county, or local agency makes a finding that a sufficient, reliable water supply is available that will meet the reasonable needs of the project. (Note: Similar to a bill that failed last year. Also, see SB 610 [Costa] which closes loopholes in the existing process for determining adequate water supplies for new housing.)

*Status: Referred to Senate Committee on Agriculture & Water Resources (Chair: Costa)
Hearing Date: 04/24/2001 (postponed by Committee)*

SB 610 (Costa)

The bill would require a city or county that determines a project is subject to the California Environmental Quality Act to identify any public water system that may supply water for the project and to request those public water systems to assess whether its total projected water supplies will meet the projected water demand associated with the proposed project. The bill would require the assessment to include an identification of existing water supply entitlements, water rights, or water service contracts held by the public water system and prior years water deliveries so received by the public water system. The bill would revise the definition of "project," for the purposes of these provisions, and make related changes. The bill would require the city or county, if a public water system does not submit the assessment within 90 days, to request the Department of Water Resources to submit the assessment to the city or county not later than 90 days from the date on which the request was received. The bill would provide for the recovery of the costs incurred by the department in connection with the preparation of the assessment. The bill would require the city or county to include the water supply assessment and other prescribed information in any environmental document prepared for the project pursuant to the act.

*Status: Referred to Senate Committee on Agriculture & Water Resources (Chair: Costa)
Hearing Date: 04/24/2001 (Hearing postponed by Committee)*