

Assembly Bill No. 1221

Passed the Assembly August 30, 2008

Chief Clerk of the Assembly

Passed the Senate August 20, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 53395.1, 65460.1, 65460.2, and 65460.4 of, and to add Section 65460.2.5 to, the Government Code, relating to transit facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1221, Ma. Transit village developments: infrastructure financing.

Existing law authorizes a city or county to create a transit village plan for a transit village development district. Existing law requires a transit village plan to include all land within not less than $\frac{1}{4}$ mile of the exterior boundary of the parcel on which is located a transit station, as defined. Existing law authorizes a legislative body 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 voter approval.

This bill would recast the area included in a transit village plan to include all land within not more than $\frac{1}{2}$ mile of the main entrance of a transit station. This bill would require a transit village plan financed by bonds issued through an infrastructure financing district to include specified demonstrable public benefits regarding housing, provide replacement dwelling units at an affordable housing cost when specified dwelling units are destroyed or removed, and provide that at least 20% of all revenues derived from the property tax increment be dedicated to increase, improve, and preserve the transit village district's supply of affordable housing, as defined. This bill would also make technical, nonsubstantive changes.

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

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

53395.1. Unless the context otherwise requires, the following definitions shall govern the construction of this chapter:

(a) "Affected taxing entity" means any governmental taxing agency which levied or had levied on its behalf a property tax on

all or a portion of the property located in the proposed district in the fiscal year prior to the designation of the district, but not including any county office of education, school district, or community college district.

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

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

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

(e) (1) “District” means an infrastructure financing district.

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

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

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

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

(i) “Transit facility” includes, but is not limited to, any publicly owned facility and amenity necessary to implement a transit village plan adopted pursuant to Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7.

SEC. 2. Section 65460.1 of the Government Code is amended to read:

65460.1. (a) The Legislature hereby finds and declares all of the following:

(1) Federal, state, and local governments in California are investing in new and expanded transit systems in areas throughout

the state, including Los Angeles County, the San Francisco Bay area, San Diego County, Santa Clara County, and Sacramento County.

(2) This public investment in transit is unrivaled in the state's history and represents well over ten billion dollars (\$10,000,000,000) in planned investment alone.

(3) Recent studies of transit ridership in California indicate that persons who live within one-half mile radius of transit stations utilize the transit system in far greater numbers than does the general public living elsewhere.

(4) The use of transit by persons living near transit stations is particularly important given the decline of transit ridership in California between 1980 and 1990. Transit's share of commute trips dropped in all California metropolitan areas—greater Los Angeles: 5.4 percent to 4.8 percent; San Francisco Bay area: 11.9 percent to 10.0 percent; San Diego: 3.7 percent to 3.6 percent; Sacramento: 3.7 percent to 2.5 percent.

(5) Only a few transit stations in California have any concentration of housing proximate to the station.

(6) Interest in clustering housing and commercial development around transit stations, called transit villages, has gained momentum in recent years.

(b) For purposes of this article, the following definitions shall apply:

(1) "County" includes a city and county.

(2) "Bus hub" means an intersection of three or more bus routes, with a minimum route headway of 10 minutes during peak hours.

(3) "District" means a transit village development district as defined in Section 65460.4.

(4) "Peak hours" means the time between 7 a.m. to 10 a.m., inclusive, and 3 p.m. to 7 p.m., inclusive, Monday through Friday.

(5) "Transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station.

SEC. 3. Section 65460.2 of the Government Code is amended to read:

65460.2. A city or county may prepare a transit village plan for a transit village development district that addresses the following characteristics:

(a) A neighborhood centered around a transit station that is planned and designed so that residents, workers, shoppers, and others find it convenient and attractive to patronize transit.

(b) A mix of housing types, including apartments, within not more than one-half mile of the main entrance of the transit station.

(c) Other land uses, including a retail district oriented to the transit station and civic uses, including day care centers and libraries.

(d) Pedestrian and bicycle access to the transit station, with attractively designed and landscaped pathways.

(e) A transit system that should encourage and facilitate intermodal service, and access by modes other than single occupant vehicles.

(f) Demonstrable public benefits beyond the increase in transit usage, including any five of the following:

(1) Relief of traffic congestion.

(2) Improved air quality.

(3) Increased transit revenue yields.

(4) Increased stock of affordable housing.

(5) Redevelopment of depressed and marginal inner-city neighborhoods.

(6) Live-travel options for transit-needy groups.

(7) Promotion of infill development and preservation of natural resources.

(8) Promotion of a safe, attractive, pedestrian-friendly environment around transit stations.

(9) Reduction of the need for additional travel by providing for the sale of goods and services at transit stations.

(10) Promotion of job opportunities.

(11) Improved cost-effectiveness through the use of the existing infrastructure.

(12) Increased sales and property tax revenue.

(13) Reduction in energy consumption.

(g) Sites where a density bonus of at least 25 percent may be granted pursuant to specified performance standards.

(h) Other provisions that may be necessary, based on the report prepared pursuant to subdivision (b) of former Section 14045, as enacted by Section 3 of Chapter 1304 of the Statutes of 1990.

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

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

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

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

(c) Rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units that have an equal or greater number of bedrooms as the destroyed or removed units, at affordable housing costs within the district, and within four years after the destruction or removal, whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as part of the

development of a transit district that is subject to a written agreement with the city, county, or city and county, or when financial assistance has been provided by the city, county, or city and county. The replacement dwelling units shall be available at affordable housing cost to, and occupied by, persons and families in the same or a lower income category as the persons and families displaced from those destroyed or removed units.

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

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

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

SEC. 5. Section 65460.4 of the Government Code is amended to read:

65460.4. A transit village development district shall include all land within not more than one-half mile of the main entrance of a transit station designated by the legislative body of a city, county, or city and county that has jurisdiction over the station area.

Approved _____, 2008

Governor