

Smart Growth Policy Options for Consensus

An informal and representative group from the Smart Growth Policy Conversation discussed legislative and policy options that the entire group might consider supporting as an outcome of the conversation. Participants included: Greenbelt Alliance, Bay Area Council, Non-Profit Housing Association of Northern California, Home-builders Association of Northern California, Association of Bay Area Governments, and California Futures Network and the Sierra Club. The group defined four areas where developing consensus on specific language and proposals is possible:

1. Lower Voter Threshold for infrastructure, transportation and housing funds:

Various proposals have been put forth that would change the local financing tools available to support smart growth. In particular, two constitutional amendments have been put forth that would allow the voters to lower the threshold from a 2/3 vote to a majority vote to establish a local bond or a special tax for community infrastructure improvements. Two options include lowering voter threshold for bonds (SCA 11-Alarcon) or sales tax (Steinberg) to finance multi-use infrastructure (transportation, affordable housing, open space and other infrastructure), Note: Each stakeholder would need to clarify with their Board of Directors or policy committees to give final go ahead for support on a specific proposal.

2. Fiscal changes that reward housing production in the appropriate places:

Various legislative proposals would identify revenue that could be used to incent housing production and in some case incentivize infill housing. These could include: a) revenue swap from sales tax to property tax based on housing production performance (AB 1221); b) Vehicle License Fee restored and provided with increasing proportion to jurisdictions that meet housing production targets (Torlakson), c) infrastructure bank funds to replace aging infrastructure (AB 531 - Kehoe); and d) priority provided for state infrastructure funds based on jurisdictions that meet a percentage of their regional housing needs objectives (SB 744 - Dunn and Ducheny). Another option is to attempt to influence apportionment of Proposition 46 (Housing Bond) fund from \$50 million portion that provides local government with incentives for affordable housing production.

3. Policies to encourage housing in proportion to housing needs:

There was interest in exploring adapting a proposal for the Bay Area perhaps learning from the Steinberg proposal.

AB 1426 Steinberg (Housing Production Quotas)

This bill would require every city and every county within the greater Sacramento region, as defined, that issues building permits for residential units to require or otherwise cause at least 5% of the aggregate amount of these new residential units to be affordable to, and

occupied by, very low income households, and at least 5% of the aggregate amount of these new residential units to be affordable to, and occupied by, low-income households, as specified. This bill would, among other things, authorize the establishment of a joint powers agency to be known as the Greater Sacramento Regional Consortium and require the Department of Housing and Community Development to allocate specified funds to the consortium pursuant to factors determined by the department.

Other promising bills that we should investigate for the group

4. Smart School Initiative:

MALDEF and others are working on proposals to reduce the physical footprint of new schools as well as enable them to serve multi-use and mixed-use purposes. Specifically, proposals are being developed to provide access to school facility bond funding and enable joint use schools to be developed, especially where overcrowding is a problem.

5. Brownfields Redevelopment

Various proposals would enable more brownfields redevelopment. These include measures that would define and limit liability for prospective purchasers of brownfields (SB 493 - Cedillo), expand the scope of Geologic Hazard Abatement Districts so that environmental remediation could be undertaken with the bond funding raised from such a local assessment district (SB 805 - Escutia), and streamline permitting for brownfield redevelopments (SB 559 - Ortiz)

6. Transit Oriented Development (TOD) Tax increment bill

AB 1112 (Lowenthal) would enable the State to authorize 12 housing transit district that could collect tax increment funds for station area development. This bill would also authorize a housing transit district to issue bonds and enter into other forms of indebtedness for the purpose of constructing affordable housing and transit oriented public improvements within a district or the adjacent area.

Investigate bill from Dutra that also aims at transit oriented development.