

Date of Hearing: April 17, 2013

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Norma Torres, Chair

AB 716 (Quirk-Silva) – As Amended: April 2, 2013

SUBJECT: Infrastructure plan: state planning and funding.

SUMMARY: Adds housing to the list of things considered to be "infrastructure" for purposes of the state's 5-year infrastructure plan and requires the Strategic Growth Council to review and comment on the plan. Specifically, this bill:

- 1) Expands the definition of infrastructure for the purposes of the states's 5-year infrastructure plan to include housing.
- 2) Requires the 5-year infrastructure plan to set out priorities for coordination of investment.
- 3) Requires the Strategic Growth Council (SGC) to hold a public hearing on the 5-year infrastructure plan and submit comments to the Legislature prior to the Governor submitting the plan to the Legislature.
- 4) Requires the SGC's comments to identify how the plan components improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of the California Global Warming Solutions Act of 2006 (AB 32), encourage sustainable land use planning, and revitalize urban and community centers in a sustainable manner.

EXISTING LAW

- 1) Requires the Governor to submit a proposed five-year infrastructure plan to the Legislature on an annual basis in conjunction with the Governor's Budget (Government Code Section 13102).
- 2) Requires the plan to identify state infrastructure needs and set out priorities for funding. Does not require the plan to identify specific infrastructure projects to be funded, but requires it to be sufficiently detailed to provide a clear understanding of the type and amount of infrastructure to be funded and the programmatic objectives to be achieved by that funding. (Government Code Section 13100).
- 3) Requires the infrastructure plan to include the following:
 - a) New, rehabilitated, modernized, improved, or renovated infrastructure requested by state agencies;
 - b) Aggregate funding for transportation as identified in the four-year State Transportation Improvement Program;
 - c) Infrastructure needs for K-12 public schools necessary to accommodate increased enrollment, class size reduction, and school modernization; and

- d) The instructional and instructional support facilities needs for the University of California, the California State University, and the California Community Colleges.

(Government Code Section 13102)

- 4) Requires the plan to include the estimated cost of providing the infrastructure and a proposal for funding the infrastructure that includes all of the following:
 - a) Criteria and priorities used to identify and select the infrastructure it does propose to fund, which for new, rehabilitated, modernized, improved, or renovated infrastructure requested by state agencies must be consistent with the state planning priorities;
 - b) Sources of funding, including, but not limited to, General Fund, state special funds, federal funds, general obligation bonds, lease revenue bonds, and installment purchases;
 - c) An evaluation of the impact of the new state debt on the state's existing overall debt position if the plan proposes the issuance of new state debt; and
 - d) Recommended specific projects for funding or the recommended type and amount of infrastructure to be funded in order to meet programmatic objectives, which must be identified in the proposal.

(Government Code Section 13102)

- 5) Requires any capital outlay or local assistance appropriations intended to fund infrastructure included in the Governor's Budget to derive from, and be encompassed by, the funding proposal contained in the plan (Government Code Section 13102).
- 6) Defines "infrastructure" to mean real property, including land and improvements to the land, structures and equipment integral to the operation of structures, easements, rights-of-way and other forms of interest in property, roadways, and water conveyances (Government Code Section 13101).
- 7) Requires a state agency that requests new, rehabilitated, modernized, improved, or renovated infrastructure to specify how that infrastructure is consistent with the state planning priorities (Government Code Section 13103).
- 8) Establishes the state planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, as follows:
 - a) To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserve cultural and historic resources;

- b) To protect environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection; and
- c) To encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following: uses land efficiently, is built adjacent to existing developed areas to the extent consistent with the need to protect environmental and agricultural resources, is located in an area appropriately planned for growth, is served by adequate transportation and other essential utilities and services, and minimizes ongoing costs to taxpayers.

(Government Code Section 65041.1)

- 9) Establishes the SGC, consisting of the director of the Governor's Office of Planning and Research (OPR) and the secretaries of the Resources Agency, the Environmental Protection Agency, the Health and Human Services Agency, and the Business, Transportation, and Housing Agency, and one member of the public to be appointed by the Governor. The council is tasked with identifying and reviewing activities and funding programs of member state agencies that may be coordinated to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of the California Global Warming Solutions Act of 2006 (AB 32), encourage sustainable land use planning, and revitalize urban and community centers in a sustainable manner. (Public Resources Code Section 75120, et seq.)
- 10) Requires the SGC, at a minimum, to review and comment on the five-year infrastructure plan and the State Environmental Goals and Policies Report that OPR is required to prepare every four years (Public Resources Code Section 75125).

FISCAL EFFECT: Unknown

COMMENTS:

Current law requires the Governor to submit to the Legislature an annual plan detailing the state's infrastructure needs over the next five years, which is supposed to be considered by the Legislature in conjunction with the Budget. The plan is intended to provide a broad overview of the state's needs related to publicly funded infrastructure. The SGC is required to review and comment on the plan.

The current 5-year infrastructure planning requirement, added to the law in 1999 [AB 1473 (Hertzberg), Chapter 606, Statutes of 1999] replaced a requirement for the Department of Finance to prepare an annual report projecting the state's potential need for financing major capital outlay and infrastructure projects over the next 10 years. The Department of Finance prepared plans under the current law in 2002, 2003, 2004, 2007, and 2008, and has indicated that it will submit a plan in 2013.

AB 716 would make several changes related to the 5-year-infrastructure plan. It would require the plan to set our priorities for coordinating investments in infrastructure. It would add housing to the list of items considered to be infrastructure for purposes of the plan. Finally, it would require the SGC to hold a public hearing on the plan and submit comments to the Legislature prior to the Governor submitting the plan to the Legislature. The SGC is already required to review and comment on the plan, but it is not currently required to hold a public hearing, nor does the law currently specify that the SGC's review should happen prior to the plan being submitted to the Legislature.

According to the author, "The California Infrastructure Planning Act needs to be updated to better address the complexities associated with state planning. AB 716 provides changes to the act to better achieve coordination of the investments and provides an opportunity to take into consideration the land-use impacts of housing on state priorities."

Double-referral: This bill was also referred to the Committee on Budget, where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

American Planning Association, California Chapter
Non-Profit Housing Association of Northern California

Opposition

None on file

Analysis Prepared by: Anya Lawler / H. & C.D. / (916) 319-2085