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Karen E. Duff
EXECUTIVE SECRETARY
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 6, 1992

To: Board of Directors (Special Committee on Legislation--Action)
(Executive Committee--Action)

From: General Manager

Subject: Senate Bill 929 (Presley-Riverside) and ACA 44 (Farr-Carmel)

Report

Senate Bill 929, the Economic and Environmental Recovery Act, proposes state conservation and development policies to guide public plans and investments and establishes a state infrastructure bank to provide loans and matching grants to local agencies for infrastructure, housing and natural resources protection.

The bill creates an Office of Planning and Research and a Planning and Advisory and Assistance Council which must prepare an environmental goals and policy report every four years relating to statewide environmental goals. The state must submit a multi-year capital outlay plan to the legislature each year as part of the budget.

The bill requires each local agency that acquires, constructs and/or maintains public facilities to prepare a capital improvement program which must annually be revised and submitted to the state. It calls for the designation and/or creation of a local infrastructure agency to set priorities for infrastructure investment and develop growth management policies.

The bill would create a new, yet to be defined, regional agency that could review and potentially approve all capital projects in the local region. Metropolitan's projects, as well as those of other water agencies, could be overruled or delayed. In the interest of minimizing delays to Metropolitan's projects and increased costs to be borne by Metropolitan, efforts should be made to provide an exemption for Metropolitan. If an exemption is unachievable, and the bill cannot be delayed until next year, the bill should be amended to reflect Metropolitan's role in the regional planning and infrastructure process. The Special Legislative Committee directed staff to develop amendments to achieve that objective. Amendments should include: 1) reliable urban water

source as goal, appropriate policies and measures; 2) Metropolitan should be included among the regional agencies responsible for coordinating regional and local infrastructure planning; 3) concept of market mechanisms to achieve more efficient water use in the state and, 4) include representatives from urban water agencies in OPR Advisory Committee.

SB 929 is similar to SB 434, which the Special Committee on Legislation and the Executive Committee opposed on June 30, in requiring fiscal authorities, adoption of a master plan and an annual capital program. It proposes in a time of limited fiscal resources to focus governmental investment. On July 1, the Assembly Local Government Committee sent SB 434 to interim study. SB 929 was approved by the Assembly Local Government Committee and sent forward to the floor for action.

ACA 44 is a constitutional amendment to allow local agencies to approve local bonds for infrastructure, housing and natural resources conservation by a majority vote that will be on the ballot in November 1992. This would provide the funding base for SB 929.

A copy of SB 929 and ACA 44 is attached to this letter. Also attached is a history of growth management/regional restructuring legislation and activities by Southern California governmental activities to restructure the planning process.

Staff will be bringing forward a set of principles for the Board to consider for participation in the ongoing dialogue in Sacramento on growth management/regional restructuring legislation.

Board Committee Assignments

This letter is referred to:

The Executive Committee for action because of its jurisdiction to study, advise and make recommendations with regard to legislation affecting the District pursuant to Administrative Code Section 2417, Subdivision (a); and

The Special Committee on Legislation for action because of its jurisdiction to review and make recommendations based upon presentations of the General Manager regarding proposals for state legislation and amendments thereto, pursuant to Administrative Code Section 2581, Subdivision (a)

July 6, 1992

Recommendation

SPECIAL COMMITTEE ON LEGISLATION AND EXECUTIVE COMMITTEE FOR ACTION.

It is recommended that the General Manager be authorized: (1) to seek amendments to SB 929 consistent with the objectives expressed in this letter including: a) adding the goal with appropriate policies and measures of infrastructure to support a reliable urban water supply; b) designating Metropolitan as a regional agency; c) incorporating concept of market mechanisms to achieve more efficient water use; d) including representatives from urban water agencies on OPR advisory committees; (2) to take no position on ACA 44.


Carl Boronkay

AB/lf

Attachment

Attachment A

Growth Management/Regional Planning

BACKGROUND

For the last four years, a number of governmental entities and private sector groups in California have addressed the issues of growth management, regional planning, governance and streamlining of government processes and decision making. Entities who have studied these issues include LA 2000, the California League of Cities, the California Association of Supervisors, the Consensus Project at CSU-Sacramento, the California Planning Association, the Office of Assembly Research and most recently, the Uebberoth Commission on California Competitiveness.

Each of these studies has focused on restructuring government to marshal the resources to build the states infrastructure necessary to meet growing population and environmental standards. For example, in January 1987 the Assembly Office of Research, as part of the California 2000 series, addressed resource issues. A major focus of that study was water supply and quality. It called for a new master state water plan to supersede the last plan which was done in 1957.

In Southern California, LA 2000 completed its study which called for an integrated regional planning process built on a regional council and sub-regional councils made up of local government representatives. Single purpose agencies such as Metropolitan would carry out their sector's implementation of the regional plan. Their report asserts that such coordination would maximize and better utilize scarce public sector resources.

Two spheres of activity have taken place, one in Southern California with local governments and the private sector, and the other in the state capitol.

IN SACRAMENTO

In 1990 there were 54 separate pieces of legislation introduced dealing with growth management, regional planning and governance. The sheer number of measures precluded the legislature from taking any action that could provide a comprehensive response. The impetus for many of these bills was the increasing problems associated with California's unprecedented growth that was straining the infrastructure of the state from transportation to education. The premier bill was one introduced by Speaker Willie Brown which divided the

state into seven regions, each with a comprehensive regional government.

None of these bills were passed by the legislature. There was a concerted and successful effort to delay passage until more comprehensive approaches could be developed and supported by local governments, transportation and air quality agencies, environmental advocates and the private sector. It was felt that singularly narrow focused measures would only hinder any local, regional or state efforts to address growth management effectively.

The political climate and the anticipated election of Governor Wilson also deterred action on the legislation. Wilson had stated that growth management would be a priority in his administration. It is important to note that all this discussion of how to manage growth responsibly came during a strong economic period when growth was placing a daunting burden on transportation and water systems, education and other California infrastructure.

In 1991 Pete Wilson appointed a Council on Growth Management and conducted hearings throughout the state. A draft report was released in July 1991. However, a formal Growth Management Policy Strategy, promised for release in December 1991, has been repeatedly postponed.

Also in 1991 the Legislature and the interest groups came together in the Consensus Project at CSU-Sacramento. Their report issued in January 1992 called for:

- 1) State policies to guide California's growth-related decisions in eight inter-related areas, agricultural and natural resources protection, conservation and development, air quality, transportation, affordable housing, economic development, physical and social infrastructure and social equity.
- 2) Governance and planning reforms necessary to carry out these guiding state goals and policies and fiscal restructuring to provide resources necessary for meaningful implementation of the above policies and planning reforms. They call specifically for the consolidation or integration of existing single purpose and regional agencies planning functions.

3) Also, they propose to restructure California's public investment strategies for increased efficiencies.

A number of legislative initiatives were also introduced purporting to represent the consensus view of some of the interest groups. These included AB-3 (Brown), SB 434 (Bergeson), SB 929 (Presley) and AB 908 (Farr). Until recently, all of these bills were held in abeyance pending formal release on the Governor's Growth Management Policies.

The release of the Ueberroth Commission on California Competitiveness Report in April and the state budget difficulties have caused several of these proposals to be amended and new hearings to be held. At minimum, the proposals seem to focus on coordinated, integrated state, regional and local planning with clear and consistent goals and policies. The process should cover basic functional planning areas:

- a) water quality and quantity
- b) air quality,
- c) transportation,
- d) housing,
- e) waste management - solid, hazardous and water.

Many also propose inclusion of the following functional areas:

- a) schools and education
- b) social infrastructure
- c) open space
- d) economic development
- e) flood control
- f) earthquake preparedness

Attached is the CSAC outline of growth management recommendations adopted in February of this year.

On June 23 a group of leading legislators and representatives of California's business, labor, environmental and civil rights communities endorsed a package of legislation called the Economic and Environmental Recovery Act. Groups endorsing the proposal included the California Council for Environmental and Economic Balance, Sierra Club, California Building and Construction Trades, the Planning and Conservation League, the South Coast Air Quality Management District, the Ethnic Coalition, the California Coalition for Rural Housing and the California Chapter of the American Planning Association. The bills they endorsed include:

* SB 929 (Presley) which enacts state conservation and development policies to guide public plans and investments, and establishes a state infrastructure bank to provide loans and matching grants to local agencies for infrastructure, housing and natural resources protection.

* ACA 44 (Farr) a constitutional amendment to allow local agencies to approve local bonds for infrastructure, housing and natural resources conservation by a majority vote that would be on the ballot in November 1992.

The coalition proposes enactment of comprehensive conservation and development policies to guide state, regional and local plans and investments toward sustainable, compact development. The policies provide for public health and environmental protection, economic vitality, public participation and accountability, coordination between agencies, and consistency among plans. The believe clear policies will help streamline the bureaucratic maze, so that growth can proceed in a way that is understandable to the developer and the public. Also it requires the preparation by the Governor of a coordinated state conservation and development strategy to guide state departments toward a sustainable future. The coalition sponsoring this package has agreed to continue working through the summer and fall to improve governmental decision making and plans to propose additional legislation in early 1993.

On July 1 the Assembly Committee on Local Government held a hearing on the two primary growth management bills, SB 434 and SB 929. As currently written:

SB 434 was amended to implement the recommendations of the Ueberroth Commission and is purported by the sponsor to enact a comprehensive growth management program based on the state policies, voluntary collaboration and local actions. At the July 1 hearing this bill was sent to interim hearing.

SB 929 creates an Office of Planning and Research (OPR) and a Planning and Advisory and Assistance Council which must prepare an environmental goals and policy report every four years relating to statewide environmental goals. OPR must divide the state into regional planning districts and prescribes a method to do so. The state must submit a multi-year capital outlay plan to the legislature each year as part of the budget. The bill requires

each local agency that acquires, constructs or maintains public facilities to prepare a capital improvement program which must be annually revised and submitted to the state. These local infrastructure agencies will set priorities for infrastructure investment and development management policies.

SB 929 is similar to SB 434 in requiring fiscal authorities, adoption of a master plan and annual capital program. It proposes in a time of limited fiscal resources to focus investment. SB 929 was passed out of the Assembly Committee and sent to the Assembly floor for action. It is anticipated that SB 929 may be enacted into law this year. However, it is quite possible the Governor, who has not issued his growth management policies, might veto SB 929. It is clear the legislature will focus on other growth management legislation restructuring in 1993. Water agencies have not been part of this dialogue.

IN SOUTHERN CALIFORNIA

In various regions around the state, regional planning agencies representing local governments have been working with special districts to improve the process for growth management and planning through a series of voluntary processes. The decreasing economy and reductions in public sector revenues have sharpened the focus on better planning, integrated decision-making and priority setting, as well as cost effective and efficient investment in infrastructure. Each region seems to be approaching the process differently.

In November 1988, voters of the County of San Diego approved Proposition C, directing establishment of Regional Planning and Growth Management Board and proposed the development of a regional growth management program which is substantially similar to the proposed comprehensive and growth management strategies proposed in the various legislative vehicles. Metropolitan has traditionally received growth projections from the San Diego Council of Governments and based our programs on those estimates.

In the Southern California Association of Governments region (Los Angeles, Orange, Imperial, Riverside, San Bernardino and Ventura Counties), there has been a different effort. However, over the last two years, SCAG has gone through an extensive discussion with its member local governments to find a new and more accurate way to conduct regional planning and implementation of those plans. This has

lead to two areas of action. In February, SCAG at its General Assembly, voted to restructure itself with a new 66-member board with each board member representing the local governments serving a population of 250,000. This is designed to lead to representation more reflective of and related to local government.

In addition, SCAG has set about preparing the regional comprehensive plan made up of a number of sector plans, such as transportation, air quality and water quality and quantity. These plans will have regional goals and standards. Sub-regional councils, such as the Western Riverside Council of Governments will develop and/or review these plans and approve them. SCAG will incorporate the submissions of the sub-regional agencies into the final regional plan. Local governments and single purpose agencies will implement the plan and local projects will be reviewed to conform with these plans. In effect, SCAG is attempting to develop a voluntary implementation of the process proposed by the Consensus Project and others. Metropolitan has traditionally received SCAG's growth forecasts and based our programs on their estimates. Metropolitan has committed to participate in the development of the water supply element for the accuracy and integration of the planning process for both water agencies and local governments.

AMENDED IN ASSEMBLY JUNE 25, 1992

AMENDED IN ASSEMBLY SEPTEMBER 16, 1991

SENATE BILL

No. 929

Introduced by Senator Presley
(Coauthor: Assembly Member Farr)

March 8, 1991

An act to amend Sections 65009, 65030, 65040, 65040.4, 65041, 65042, 65043, 65044, 65045, 65046, 65047, 65048, and 65049 of, to amend the heading of Article 5 (commencing with Section 65041) of Chapter 1.5 of Division 1 of Title 7 of, to amend and renumber Section 65010 of, to add Sections 56325.5, 56375.3, 56426.1, 56426.2, 65041.1, 65041.2, 65041.3, 65077, 65078, and 65079 to, to add Chapter 1.4 (commencing with Section 65010) and Chapter 2.1 (commencing with Section 65070) to Division 1 of Title 7 of, to repeal Section 65040.6 of, to repeal and add Section 65041 of, and to repeal and add Chapter 2 (commencing with Section 65060) of Division 1 of Title 7 of, the Government Code, and to amend Sections 421 and 422 of the Revenue and Taxation Code, relating to regional planning. to amend and renumber Section 65010 of, to add Sections 56375.3 and 56426.1 to, to add Title 6.7 (commencing with Section 63000) to, to add Chapter 2.1 (commencing with Section 65070) to Division 1 of Title 7 of, and to repeal and add Article 2 (commencing with Section 13100) to Chapter 3 of Part 3 of Division 3 of Title 2 of, the Government Code, relating to planning.

LEGISLATIVE COUNSEL'S DIGEST

SB 929, as amended, Presley. ~~Regional planning~~ *Planning*.

(1) *Existing law requires each state agency for which an appropriation has been made to submit annually to the Department of Finance a complete and detailed budget*

setting forth all proposed expenditures and estimated revenues for the ensuing fiscal year. The Governor is required to submit annually to the Legislature a proposed budget containing a complete plan and itemized statement of all proposed expenditures of the state provided by existing law or recommended by the Governor, and estimated revenues.

This bill would require each state agency to prepare and submit annually to the Department of Finance a list of the capital outlay needs of the state agency for the next 5 years. It would require the department to prepare and submit annually to the Legislature a multiyear capital outlay master plan which is a compilation of the plans submitted by state agencies to the department. It would specify the content of the master plan and require it to be submitted to the Legislature as a supplement to the Governor's Budget.

(2) Existing law authorizes local agency formation commissions to review and approve or disapprove proposals for changes of organization or reorganization.

This bill would prohibit approvals of proposals and adoptions or amendments of spheres of influence not consistent with specified land use goals and policies, comprehensive regional strategies, and land use tiers established in local capital facilities plans.

(3) The bill would enact the California Public Improvements Act, create the California Public Improvements Authority, and authorize the authority to issue bonds to finance public improvements.

(4) Existing law contains declarations of state policy and legislative intent regarding the protection of land resources.

The bill would include economic revitalization, public health and environmental quality, and other specified objectives within those policies.

(5) Existing law requires the Office of Planning and Research to perform specified duties.

This bill would include conservation and development goals, make related changes in regional planning districts, and rename the State Environmental Goals and Policy Report to the State Conservation and Development Strategy with revised criteria.

(6) Existing law establishes regional planning districts in

each of the regional areas designated by the Council on Intergovernmental Relations.

The bill would, on or before January 1, 1994, require regional agencies to propose an interim regional strategy and the countywide agencies in each county to propose coordinated economic development and growth management programs. The San Francisco Bay Area and San Diego County would be excepted from these requirements under specified circumstances.

(7) Existing law requires county and city legislative bodies to perform specified duties with respect to their general plans.

The bill would require local agencies on or before January 1, 1995, to prepare and to annually revise capital improvement programs addressing facility needs.

(8) The requirements of the bill would impose state-reimbursable, state-mandated costs on local agencies.

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates which do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to those statutory procedures and, if the statewide cost does not exceed \$1,000,000, shall be made from the State Mandates Claims Fund.

(10) This bill would provide that it shall become operative only if the voters approve ACA 44 of the 1991-92 Regular Session of the Legislature.

Existing law establishes the Planning Advisory and Assistance Council in the Governor's Office of Planning and Research to assist the office in its long-range planning and research.

This bill would repeal the law establishing the council and instead create the California Conservation and Development

Commission in state government with a specified membership. The commission would become primarily responsible for long-range planning functions and would be assisted, in turn, by the office.

Existing law requires the Governor to prepare the State Environmental Goals and Policy Report.

This bill would repeal and revise that requirement and instead require the commission, with assistance from the office, to prepare a specified California Conservation and Development Plan that would constitute a comprehensive statement of state policies on growth management.

Under the Regional Planning Law, there is a regional planning district in each of the regional areas designated by the Council on Intergovernmental Relations. Each district is authorized to prepare, maintain, and regularly review and revise a regional plan, as specified, for that district.

This bill would repeal that law and instead require each regional planning agency, as defined, to prepare a single comprehensive regional strategy incorporating adopted state/mandated regional plans and policies for transportation, housing needs, air quality, and other regional plans and policies mandated by statute.

The bill would also authorize the creation of subregional planning authorities to coordinate with the regional planning agencies on the comprehensive regional plan.

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

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

1 SECTION 1. Section 56325.5 is added to the
2 SECTION 1. This chapter shall be known and may be
3 cited as the Economic and Environmental Recovery Act
4 of 1992.

5 SEC. 2. The Legislature finds and declares that it is of
6 utmost importance that the decisionmaking process used
7 by the Legislature be an effective one, given this state's
8 infrastructure needs, both current and projected, its
9 burgeoning population, and fiscal restraints. It is the
10 intent of the Legislature to establish fundamental

1 principles of conservation and development to guide
2 public policy and to set in motion statewide, regionwide,
3 and countywide efforts to devise appropriate means of
4 coordinating, planning, and resolving conflicts consistent
5 with these fundamental principles, in order to meet the
6 conservation and development goals and objectives of
7 the state.

8 In order for the Legislature to make optimal decisions
9 concerning long-term state capital outlay needs and
10 subsequent financing, a framework is necessary to tie
11 together the various agency projects, their short- and
12 long-term costs, timelines, priorities, and proposed
13 funding, in a manner consistent with state conservation
14 and development goals and objectives. With the range of
15 capital outlay options and necessities available in one
16 report, the Legislature would be able to evaluate future
17 building needs with the scope of financing alternatives
18 available.

19 It is the intent of the Legislature that the multiyear
20 capital outlay master plan, as provided pursuant to this
21 act, serve as a budgetary cornerstone to provide as
22 complete an inventory as possible, on an annual basis, of
23 current and future capital outlay needs, their projected
24 costs, and financing options.

25 It is the further intent of the Legislature that the
26 University of California prepare and submit annually to
27 the Department of Finance a master plan of the capital
28 outlay needs of the university for the next five years
29 pursuant to this act.

30 SEC. 3. Article 2 (commencing with Section 13100) of
31 Chapter 3 of Part 3 of Division 3 of Title 2 of the
32 Government Code is repealed.

33 SEC. 4. Article 2 (commencing with Section 13100) of
34 Chapter 3 of Part 3 of Division 3 of Title 2 is added to the
35 Government Code, to read:

36
37 Article 2. Capital Outlay Planning
38

39 13100. (a) Each state agency shall prepare and
40 submit annually to the department a list of the capital

1 outlay needs of the state agency for the next 5 to 10 years.
 2 In preparing the list, each state agency shall identify and
 3 incorporate, to the extent feasible, all possible measures
 4 and alternatives to achieve joint use or other more
 5 efficient use of public facilities and improvements, to
 6 reduce the costs of the capital outlay program to the least
 7 practicable amount. The list shall specify each project
 8 and its location, but may include only those projects with
 9 a cost exceeding two hundred fifty thousand dollars
 10 (\$250,000). Agencies which do not have capital outlay
 11 needs for the next five years are exempt from this
 12 requirement.

13 (b) The following agencies may use project categories
 14 rather than specifying individual projects in the list
 15 required by subdivision (a):

- 16 (1) The State Coastal Conservancy.
- 17 (2) The California Tahoe Conservancy.
- 18 (3) The Santa Monica Mountains Conservancy.
- 19 (4) The Wildlife Conservation Board.

20 (c) The Department of Transportation may submit its
 21 biannual State Transportation Improvement Program
 22 adopted by the California Transportation Commission in
 23 order to meet the requirements of this section.

24 (d) The Department of Corrections may submit its
 25 annual master plan, as required by Section 7000 of the
 26 Penal Code, to meet the requirements of this section if
 27 the Department of Corrections master plan includes the
 28 project data included in Section 13102.

29 13101. The department shall prepare and submit
 30 annually to the Legislature a multiyear capital outlay
 31 master plan which is a compilation of the multiyear
 32 capital outlay plans submitted by state agencies to the
 33 department pursuant to Section 13100. The plan shall be
 34 submitted to the Legislature as a supplement to the
 35 Governor's Budget. The plan shall cover a time span of
 36 at least five years, with completion dates noted and
 37 extended past the five-year mark when applicable.

38 13102. (a) The master plan shall delineate in detail
 39 for each state agency a description of each capital outlay
 40 project, including the following with respect to each

1 project:

- 2 (1) General location.
- 3 (2) Estimated cost.
- 4 (3) Anticipated funding source or sources.
- 5 (4) Estimated maintenance and operational costs.
- 6 (5) Priority with respect to other projects for each
 7 year in the first, second, and third year.

8 (6) Projected time frame for completion.

9 (b) Prior to including a project in the master plan, the
 10 department shall certify that the project is consistent
 11 with state conservation and development goals and
 12 objectives set forth in Section 65030.

13 (c) For each state agency, the master plan shall
 14 disclose the total amounts for each type of financing
 15 source proposed for the capital outlay projects included
 16 in the agency's list. The Legislature recognizes that these
 17 estimates will depend upon the availability of fund
 18 sources and that the overall mix of fund sources for any
 19 agency may change in any given budget year.

20 (d) The master plan, as described in subdivision (a),
 21 shall be updated annually as necessary given evolving
 22 circumstances in the planning process of state agencies.

23 (e) The detailed delineation of the master plan
 24 required by subdivision (a) and the financing plan
 25 required by subdivision (b) may use project categories
 26 rather than specifying individual projects for the
 27 following agencies:

- 28 (1) The State Coastal Conservancy.
- 29 (2) The California Tahoe Conservancy.
- 30 (3) The Santa Monica Mountains Conservancy.
- 31 (4) The Wildlife Conservation Board.

32 (f) To the extent that individual projects may not be
 33 defineable in the fourth and fifth years, project categories
 34 may be substituted.

35 (g) The master plan shall explain the methods and
 36 identify key assumptions used to derive the cost
 37 estimates, schedules, and other required information.
 38 The Legislature recognizes that the annual master plan
 39 is a flexible, working document subject to the
 40 evolutionary change inherent in the planning process.

1 The master plan is designed to reflect project data
 2 changes on a year-to-year basis, and the inclusion of a
 3 project in the master plan does not guarantee its viability.

4 13103. The Legislature shall review the capital outlay
 5 master plan for purposes of determining capital outlay
 6 policies for the state.

7 SEC. 5. Section 56375.3 is added to the Government
 8 Code, to read:

9 56375.3. The commission shall not approve or
 10 conditionally approve any proposal unless the
 11 commission finds, based on the entire record, that the
 12 proposal is consistent with the goals and policies
 13 established pursuant to Section 65030, the comprehensive
 14 regional strategy, and development and conservation
 15 tiers established in the local capital improvement
 16 program pursuant to Section 65403.1.

17 SEC. 6. Section 56426.1 is added to the Government
 18 Code, to read:

19 56426.1. The commission shall not adopt or amend a
 20 sphere of influence unless the commission finds, based on
 21 the entire record, that the sphere of influence or the
 22 amendment is consistent with the goals and policies
 23 established pursuant to Section 65030, the comprehensive
 24 regional strategy, and development and conservation
 25 tiers established in the local capital improvement
 26 program pursuant to Section 65403.1.

27 SEC. 7. Title 6.7 (commencing with Section 63000) is
 28 added to the Government Code, to read:

29
 30 TITLE 6.7. PUBLIC IMPROVEMENTS

31
 32 DIVISION 1. CALIFORNIA PUBLIC
 33 IMPROVEMENTS ACT

34
 35 CHAPTER 1. GENERAL

36
 37 Article 1. Findings and Declarations

38
 39 63000. The Legislature hereby makes the following
 40 declarations and findings:

1 (a) It is necessary for the preservation of the health,
 2 safety, and welfare of the people of California that basic
 3 public facilities, improvements, structures, conveyances,
 4 equipment, and mechanisms be provided, maintained,
 5 expanded, upgraded, and operated to support and
 6 promote the economic, social, governmental, and
 7 commercial endeavors undertaken within the state.

8 (b) The economic prosperity, development, and
 9 growth of the state depend upon an interconnected
 10 system of intrinsic public improvements which include
 11 city streets, county highways, public transit facilities,
 12 sewage collection and treatment facilities, local water
 13 treatment and distribution facilities, solid waste
 14 collection and disposal facilities, and drainage and flood
 15 control facilities.

16 (c) A well-maintained and growing system of these
 17 intrinsic public improvements is necessary
 18 environmental protection of the state as a whole.

19 (d) These intrinsic public improvements are
 20 interrelated among communities and regions within the
 21 state and will become more so as demographic patterns
 22 change, as various components of the economy become
 23 more interdependent, and as available resources of land,
 24 air, and water become more scarce.

25 (e) Despite annual expenditures of billions of dollars
 26 from federal, state, local, and private sources, the present
 27 statewide system of intrinsic public improvements is
 28 difficult to assess because of a lack of uniform data with
 29 respect to condition, adequacy, intensity of use, cost, and
 30 replacement and because of inconsistent procedures for
 31 planning, budgeting, coordinating, financing, managing,
 32 maintaining, and overseeing these intrinsic public
 33 improvements.

34 (f) Existing sources of, and mechanisms for, federal,
 35 state, local, and private funding of these intrinsic public
 36 improvements are inadequate to meet the state's needs.
 37 Local governments, in particular, are constrained in their
 38 ability to finance the adequate and timely maintenance
 39 of intrinsic public improvements leaving many in need of
 40 maintenance, repair, and renovation. In the next decade,

1 the effects of ordinary wear, tear, and deterioration of
 2 these intrinsic public improvements, if unchecked, and
 3 the demands for new and expanded public facilities, may
 4 surpass the state's ability to pay for restoration and
 5 necessary new development.

6 (g) The mechanisms for financing intrinsic public
 7 improvements provided for in this act are in the public
 8 interest and serve a public purpose and will promote the
 9 health, welfare, and safety of the citizens of the state.

10 63001. This division shall be known and may be cited
 11 as the California Public Improvements Act.

12 Article 2. Definitions

13 63010. For purposes of this division, the following
 14 words and terms shall have the following meanings unless
 15 the context clearly indicates or requires another or
 16 different meaning or intent:

17 (a) "Act" means the California Public Improvements
 18 Act.

19 (b) "Authority" means the California Public
 20 Improvements Authority, created by Section 63020 and
 21 any board, commission, department or officer succeeding
 22 to the functions thereof or to whom the powers conferred
 23 upon the authority by this act shall be given by law. For
 24 purposes of the State General Obligation Bond Law
 25 (Chapter 4 (commencing with Section 16720) of Part 3 of
 26 Division 4 of Title 2), the authority shall be deemed to be
 27 the committee.

28 (c) "Facilities" means real and personal property,
 29 structures, conveyances, equipment, thoroughfares,
 30 buildings, and supporting components thereof which are
 31 directly related to providing the following:

32 (1) "City streets" includes any street, avenue,
 33 boulevard, road, parkway, drive, or other way which is
 34 any of the following:

35 (A) An existing municipal roadway.

36 (B) Is shown upon a plot approved pursuant to law
 37 and includes the land between the street lines, whether
 38 improved or unimproved, and may comprise pavement,
 39 bridges, shoulders, gutters, curbs, guardrails, sidewalks,
 40 parking areas, benches, fountains, plantings, lighting

1 bridges, shoulders, gutters, curbs, guardrails, sidewalks,
 2 parking areas, benches, fountains, plantings, lighting
 3 systems, and other areas within the street lines as well as
 4 equipment and facilities used in the cleaning, grading,
 5 clearance, maintenance, and upkeep thereof.

6 (2) "County highways" includes any county highway
 7 as defined in Section 25 of the Streets and Highways
 8 Code, which includes the land between the highway
 9 lines, whether improved or unimproved, and may
 10 comprise pavement, bridges, shoulders, gutters, curbs,
 11 guardrails, sidewalks, parking areas, benches, fountains,
 12 plantings, lighting systems, and other areas within the
 13 street lines, as well as equipment and facilities used in the
 14 cleaning, grading, clearance, maintenance, and upkeep
 15 thereof.

16 (3) "Public transit" includes guideways, vehicles,
 17 right-of-way passenger stations, maintenance and storage
 18 yards, and related structures or equipment used to
 19 provide transportation by bus, rail, ferry, or other
 20 conveyance, either publicly or privately owned, which
 21 provides to the public general or special service on a
 22 regular and continuing basis.

23 (4) "Sewage collection and treatment" includes pipes,
 24 pumps, and conduits which collect wastewater from
 25 residential, manufacturing, and commercial
 26 establishments, the equipment, structures, and facilities
 27 used in treating wastewater to reduce or eliminate
 28 impurities or contaminants, and the facilities used in
 29 disposing of, or transporting, remaining sludge, as well as
 30 all equipment used in the maintenance and operation of
 31 the foregoing.

32 (5) "Water treatment and distribution" includes
 33 facilities in which water in a nonpotable condition is
 34 purified and otherwise treated to meet residential,
 35 manufacturing, or commercial purposes and the
 36 conduits, pipes, and pumps which transport it to places of
 37 use.

38 (6) "Solid waste collection and disposal" includes
 39 vehicles, vehicle-compatible waste receptacles, transfer
 40 stations, recycling centers, sanitary landfills, and waste

1 conversion facilities necessary to process or dispose of
2 solid waste, except that which is hazardous as defined by
3 law from its point of origin and to dispose of it in any
4 manner not prohibited by law.

5 (7) "Drainage and flood control" includes ditches,
6 canals, levees, pumps, dams, conduits, pipes, storm
7 sewers, and dikes necessary to keep or direct water away
8 from people, equipment, buildings, and other protected
9 areas as may be established by lawful authority, as well as
10 the acquisition, improvement, maintenance, and
11 management of floodplain areas and all equipment used
12 in the maintenance and operation of the foregoing.

13 (d) "Cost," as applied to a project or portion thereof
14 financed under this act, means all or any part of the cost
15 of construction, renovation, and acquisition of all lands,
16 structures, real or personal property, rights,
17 rights-of-way, franchises, easements, and interests
18 acquired or used for a project, the cost of demolishing or
19 removing any buildings or structures on land so acquired,
20 including the cost of acquiring any lands to which the
21 buildings or structures may be moved, the cost of all
22 machinery and equipment, financing charges; interest
23 prior to, during, and for a period after, completion of this
24 construction, as determined by the authority, provisions
25 for working capital, reserves for principal and interest
26 and for extensions, enlargements, additions,
27 replacements, renovations, and improvements, the cost
28 of architectural, engineering, financial and legal services,
29 plans, specifications, estimates, administrative expenses,
30 and other expenses necessary or incident to determining
31 the feasibility of constructing any project or incident to
32 the construction or acquisition or financing of any
33 project.

34 (e) "Sponsor" means any subdivision of the state or
35 local government including departments, agencies,
36 commissions, cities, counties, special assessment districts,
37 and joint powers authorities within the state or any
38 combination of these subdivisions which has, or proposes
39 to acquire, an interest in a project and which makes
40 application to the authority for financial assistance in

1 connection with a project in a manner prescribed by the
2 authority.

3 (f) "Project" means the design, acquisition, planning,
4 construction, improvement, extension, restoration,
5 financing, and general development of facilities within
6 the state.

7 (g) "Bonds" means bonds, notes (including bond,
8 revenue, tax or grant anticipation notes), commercial
9 paper, floating rate, and variable maturity securities, and
10 any other evidences of indebtedness.

11 (h) "State" means the State of California.

12 (i) "Financial assistance" in connection with a project,
13 means any combination of grants, loans, or issuances of
14 bonds as may be approved by resolution of the authority.

15 16 CHAPTER 2. CALIFORNIA PUBLIC IMPROVEMENTS 17 AUTHORITY

18 19 Article 1. Creation of the Authority

20
21 63020. (a) There is hereby established within state
22 government the California Public Improvements
23 Authority. The authority constitutes a public
24 instrumentality and a political subdivision of the state and
25 the exercise by the authority of powers conferred by this
26 chapter is the performance of an essential public
27 function.

28 (b) The members of the California Debt Advisory
29 Commission established pursuant to Section 8855 shall
30 serve as the authority.

31 (c) No member of the authority shall participate in
32 any authority action or attempt to influence any decision
33 or recommendation by any employee of, or consultant to,
34 the authority which involves his or her local agency or in
35 which the member has a direct personal financial interest
36 within the meaning of Section 87100.

37 (d) Except as provided in this subdivision, the
38 members of the authority shall serve without
39 compensation but shall be reimbursed for actual and
40 necessary expenses incurred in the performance of their

1 duties to the extent that reimbursement for these
2 expenses is not otherwise provided or payable by another
3 public agency, and shall receive one hundred dollars
4 (\$100) for each full day of attending meetings of the
5 authority.

6 (e) This act shall be administered by the authority
7 which shall have, and is hereby vested with, all powers
8 reasonably necessary to carry out its duties and
9 responsibilities.

10 (f) The chairperson of the authority may employ any
11 other persons necessary to perform the duties imposed by
12 this chapter.

13 (g) The authority shall maintain an office in the City
14 of Sacramento.

15 63021. (a) The chairperson of the authority shall
16 appoint an executive secretary who shall not be a
17 member of the authority and who shall serve at the
18 pleasure of the authority.

19 (b) The chairperson of the authority may contract
20 with the Department of Finance, the State Department
21 of Health Services, the Department of Transportation,
22 the Department of Water Resources, the California
23 Integrated Waste Management Board, the State Water
24 Resources Control Board, the Governor's Office of
25 Planning and Research, and any other necessary persons
26 to enable the authority to properly perform the duties
27 imposed by this division.

28 (c) The executive secretary shall receive
29 compensation as fixed by the authority.

30 63022. (a) The authority shall, in accordance with
31 Chapter 3.5 (commencing with Section 11340) of Part 1
32 of Division 3 of Title 2, adopt the necessary rules and
33 regulations to carry out this division.

34 (b) These regulations shall include, but not be limited
35 to, criteria and procedures for selecting projects and
36 sponsors, pursuant to Article 3 (commencing with
37 Section 63030).

38 63023. The Attorney General shall be the legal
39 counsel for the authority, but the authority may employ
40 bond counsel as may be necessary in connection with the

1 issuance and sale of bonds.

2 63025. The authority shall have the power to do all of
3 the following:

4 (a) Adopt bylaws for the regulation of its affairs and
5 the conduct of its business.

6 (b) Adopt an official seal.

7 (c) Sue and be sued in its own name.

8 (d) Issue bonds, including, at the option of the
9 authority, bonds bearing interest that is taxable for the
10 purpose of federal income taxation, to pay the cost of any
11 project.

12 (e) Engage the services of private consultants to
13 render professional and technical assistance and advice in
14 carrying out the purposes of this division.

15 (f) Employ and fix compensation of a bond counsel,
16 financial consultants, and other advisers as may, in its
17 judgment, be necessary in connection with the issuance
18 and sale of any bonds.

19 (g) Contract for engineering, architectural,
20 accounting, or other services of appropriate state
21 agencies as may, in its judgment, be necessary for the
22 successful development of a project.

23 (h) Pay the reasonable costs of consulting engineers,
24 architects, accountants, and construction, land use,
25 recreation, and environmental experts employed by any
26 sponsor if, in its judgment, those services are necessary
27 for the successful development of a project.

28 (i) On behalf of the state, take title to, and sell by
29 installment sale, or otherwise, lands, structures, real or
30 personal property, rights, rights-of-way, franchises,
31 easements, and other interests in lands which are located
32 within the state as it may deem necessary or convenient
33 for the financing of a project, upon terms and conditions
34 that it considers to be reasonable.

35 (j) Receive and accept from any source, loans,
36 contributions, or grants, in money, property, labor, or
37 other things of value, for, or in aid of, the construction,
38 financing, or refinancing of a project, or any portion
39 thereof.

40 (k) Make secured or unsecured loans to any sponsor in

1 connection with the financing of a project in accordance
 2 with an agreement between the authority and the
 3 sponsor. However, no loan shall exceed the total cost of
 4 the project as determined by the sponsor and approved
 5 by the authority.

6 (l) Make secured or unsecured loans to any sponsor in
 7 accordance with an agreement between the authority
 8 and the sponsor to refinance indebtedness incurred by
 9 the sponsor in connection with projects undertaken and
 10 completed.

11 (m) Mortgage all or any portion of its interest in a
 12 project and the property on which any project is located,
 13 whether owned or thereafter acquired, including the
 14 granting of a security interest in any property, tangible or
 15 intangible.

16 (n) Assign or pledge all or any portion of its interests
 17 in mortgages, deeds of trust, indentures of mortgage or
 18 trust, or similar instruments, notes, and security interests
 19 in property, tangible or intangible, of a sponsor to which
 20 the authority has made loans, and the revenues
 21 therefrom, including payment or income from any
 22 interest owned or held by the authority, for the benefit
 23 of the holders of bonds issued to finance a project.

24 (o) Lease the project being financed to a sponsor,
 25 upon terms and conditions that the authority deems
 26 proper; charge and collect rents therefor; terminate any
 27 lease upon the failure of the lessee to comply with any of
 28 the obligations thereof; include in any lease, if desired,
 29 provisions that the lessee shall have options to renew the
 30 lease for a period or periods, and at rents as determined
 31 by the authority; purchase any or all of the project; or,
 32 upon payment of all the indebtedness incurred by the
 33 authority for the financing of the project, the authority
 34 may convey any or all of the project to the lessee or
 35 lessees.

36 (p) Charge and equitably apportion among sponsors
 37 its administrative costs and expenses incurred in the
 38 exercise of the powers and duties conferred by this
 39 division.

40 (q) Issue, obtain, or aid in obtaining, from any

1 department or agency of the United States or of the state,
 2 or any private company, any insurance or guarantee to,
 3 or for, the payment or repayment of interest or principal,
 4 or both, or any part thereof, on any loan, lease, or
 5 obligation or any instrument evidencing or securing the
 6 same, made or entered into pursuant to this division.

7 (r) Notwithstanding any other provision of this
 8 division, enter into any agreement, contract, or any other
 9 instrument with respect to any insurance or guarantee;
 10 accept payment in the manner and form as provided
 11 therein in the event of default by a sponsor; and issue or
 12 assign any insurance or guarantee as security for the
 13 authority's bonds.

14 (s) Enter into any agreement or contract, execute any
 15 instrument, and perform any act or thing necessary,
 16 convenient, or desirable to carry out any power expressly
 17 given to the authority by this division.

18 (t) Invest any moneys held in reserve or sinking funds,
 19 or any moneys not required for immediate use or
 20 disbursement, in obligations that are authorized by law
 21 for the investment of trust funds in the custody of the
 22 Treasurer.

23 (u) Delegate to the executive secretary any
 24 appropriate duties, as specified by resolution.

25 (v) At the request of affected sponsors, combine and
 26 pledge project revenues to repayment of one or more
 27 series of revenue bonds issued pursuant to this division.

28 63026. The powers granted to the authority by this
 29 division may be exercised without regard or reference to
 30 any other department or agency of the state. However,
 31 nothing in this division shall be interpreted to exempt the
 32 construction or acquisition of any project from
 33 compliance with all applicable local, state, or federal laws
 34 and regulations.

35 63027. The authority may be terminated by statute at
 36 any time by the Legislature. Upon dissolution of the
 37 authority, the title to all properties which the authority
 38 has purchased on behalf of the state shall, subject to the
 39 interests of any sponsor therein, be administered by the
 40 Department of General Services and shall not inure to

1 the benefit of any private party.

2 63028. The authority, not later than March 1 of each
3 year, shall submit to the Legislature a report of its
4 activities for the preceding calendar year. The report
5 shall include a listing of applications received for financial
6 assistance, a listing of applications accepted, a
7 specification of bonds sold, interest rates thereon,
8 whether bond sales were pursuant to public bid or were
9 negotiated, a specification of the amount of bonds
10 authorized but currently unsold, a projection of the
11 authority's needs and requirements for the coming year,
12 and a report of revenues and expenditures for the
13 preceding fiscal year.

14 Article 2. General Provisions

15
16
17 63029. Bonds issued by the authority are legal
18 investments for all trust funds, the funds of all insurance
19 companies, banks, both commercial and savings, trust
20 companies, executors, administrators, trustees, and other
21 fiduciaries, for state school funds, and for any funds which
22 may be invested in county, municipal, or school district
23 bonds. These bonds are securities which may legally be
24 deposited with, and received by, any state or municipal
25 officer or agency or political subdivision of the state for
26 any purpose for which the deposit of bonds or obligations
27 of the state is now, or may hereafter be, authorized by
28 law, including deposits to secure public funds. This
29 authorization shall apply only to the extent that there
30 exists evidence of indebtedness or debt securities of the
31 participating party receiving financing through the
32 issuance of these bonds which qualify for, or are eligible
33 for, these purposes and uses.

34 63029.1. No liability shall be incurred by the authority
35 beyond the extent to which funds have been provided
36 under this division, except that, for the purposes of
37 meeting the necessary expenses of initial organization
38 and operation until the date that the authority derives
39 revenues or proceeds from bonds as provided under this
40 division, the authority may borrow money as needed for

1 these expenses from the General Fund in the State
2 Treasury. The borrowed money shall be repaid with
3 interest within a reasonable time after the authority
4 receives revenues or proceeds from bonds as provided
5 under this division.

6 63029.2. (a) The authority is not required to pay any
7 property taxes or assessments upon, or with respect to,
8 any project or any property acquired by, or for, the
9 authority under this division, or upon the income
10 therefrom, so long as the authority, on behalf of the state,
11 holds title to the project or to the property contained in
12 the project.

13 (b) The exemption of the authority from taxation of
14 any property ceases when title to the property is
15 transferred from the authority to any normally taxable
16 person or entity. This section does not exempt any
17 normally taxable person or entity from taxation,
18 including, but not limited to, taxation upon a possessory
19 interest, with respect to any project, or the property or
20 facilities contained in any project which may otherwise
21 be applicable to the person or entity.

22 63029.3. The state does hereby pledge to, and agrees
23 with, the holders of any bonds issued under this division,
24 and with those parties who may enter into contracts with
25 the authority pursuant to this division, that the state will
26 not limit or alter the rights hereby vested in the authority
27 to finance any project and to fulfill the terms of any loan
28 agreement, lease, or other contract with the authority
29 pursuant to this division, or in any way impair the rights
30 or remedies of the bonds or of the parties until those
31 bonds, together with the interest thereon, are fully met
32 and discharged and those contracts are fully performed
33 on the part of the authority. However, nothing in this
34 section precludes this limitation or alteration if and when
35 adequate provision has been made by law for the
36 protection of the holders of those bonds of the authority
37 or those entering into those contracts with the authority.
38 The authority, as agent for the state, may include this
39 pledge and undertaking for the state in its obligations or
40 contracts.

1 63029.4. All public works financed pursuant to this
2 division shall comply with Chapter 1 (commencing with
3 Section 1720) of Part 7 of Division 2 of the Labor Code.

4 63029.5. (a) For the purpose of administering this
5 division, the total expenditures of the authority shall not
6 exceed 3 percent of the bond proceeds deposited in the
7 General Obligation Bond Account.

8 (b) The authority shall establish a reasonable schedule
9 of administrative fees, which shall be paid by the sponsor,
10 to reimburse the state for the costs of administering this
11 division.

12 63029.6. (a) The executive secretary shall provide a
13 report on all pending applications for financial assistance
14 at each meeting of the authority.

15 (b) The report shall include the following information
16 on each application:

17 (1) The names of the sponsors.

18 (2) The date the application was received by the
19 authority.

20 (3) The requested amount of financial assistance.

21 (4) The type of financial assistance requested.

22 (5) The status of the executive secretary's review of
23 the application.

24 (c) The executive secretary shall review any
25 completed application for financial assistance submitted
26 to the authority by a sponsor at the next meeting of the
27 authority which occurs more than 10 days following the
28 receipt of the application.

29 (d) The executive secretary shall review sponsors'
30 applications for financial assistance in support of projects
31 and shall make recommendations to the authority with
32 respect to the appropriate dispositions thereof. In
33 consultation with sponsors and the participants, the
34 executive secretary may, prior to making a
35 recommendation to the authority, recommend
36 modifications in the proposed scopes of projects and
37 proposed plans of finance to best meet the objectives of
38 this division.

39 (e) The authority shall adopt, accept, reject, or
40 remand for further consideration any recommendation

1 or resolution proposed by the executive secretary.

2 3 Article 3. Criteria 4

5 63030. Upon the advice of the executive secretary
6 and, after consultation with the director of the
7 Governor's Office of Planning and Research, the
8 authority shall establish and publish regulations including
9 criteria for the selection of projects to receive financial
10 assistance from the authority.

11 63031. At a minimum, the criteria shall require the
12 following:

13 (a) The project shall be consistent with the goals and
14 objectives set forth in Section 65030.

15 (b) If the sponsor of the project is a state agency or
16 department, the project shall be consistent with state
17 multiyear capital outlay master plan prepared by the
18 Director of Finance pursuant to Article 4 (commencing
19 with Section 13100) of Chapter 2 of Part 3 of Title 2.

20 (c) If the sponsor of the project is a city, county, city
21 and county, special district, joint powers agency, or any
22 other political subdivision of the state, the project shall be
23 consistent with the general plan of the city or county in
24 which the project is located and the capital improvement
25 program adopted pursuant to Section 65403. The general
26 plan of that city or county shall substantially comply with
27 the requirements of Chapter 3 (commencing with
28 Section 65100) of Division 1 of Title 7.

29 63032. Project selection and establishment of
30 priorities among projects shall be based upon the
31 following general criteria:

32 (a) Project cost and timing.

33 (b) Project revenue-generating capacity.

34 (c) Need for the project and extent of project benefits.

35 (d) Availability of nonstate funds in aid of the project.

36 (e) Capacity and willingness of the sponsor to carry
37 out the project and provide for operation and
38 maintenance upon completion.

39 (f) Extent of public support for the project exhibited
40 by, for example, voter approval, allocation of tax

1 revenues, petition, and survey.

2 (g) Projected economic or tax revenue impacts of the
3 project.

4 (h) External costs associated with the project.

5 (i) Potential of the project to compete with, or
6 complement, other existing or proposed projects.

7 (j) Conformance with federal, state, and local capital
8 budget priorities.

9 (k) Practicality and likelihood of completion of the
10 project.

11 (l) Consideration of the importance of preserving
12 agricultural land.

13 (m) Compliance with the requirements of the
14 California Environmental Quality Act (Division 13
15 commencing with Section 21000) of the Public
16 Resources Code).

17 63033. The criteria may provide for the denial of
18 funds when the purposes of this division may be more
19 economically and efficiently attained by means other
20 than the construction of the proposed facility.

21 SEC. 8. Section 65009 of the Government Code is
22 amended to read:

23 65009. (a) (1) The Legislature finds and declares
24 that there currently is a housing crisis in California and
25 it is essential to reduce delays and restraints upon
26 expeditiously completing housing projects.

27 (2) The Legislature further finds and declares that a
28 legal action challenging a decision of a city, county, or city
29 and county has a chilling effect on the confidence with
30 which property owners and local governments can
31 proceed with projects. Legal actions filed to attack,
32 review, set aside, void, or annul a decision of a city,
33 county, or city and county pursuant to this division can
34 prevent the completion of needed developments even
35 though the projects have received required
36 governmental approvals.

37 (3) The purpose of this section is to provide certainty
38 for property owners and local governments regarding
39 decisions made pursuant to this division.

40 (b) (1) In an action or proceeding to attack, review,

1 set aside, void, or annul a finding, determination, or
2 decision of a public agency made pursuant to this title at
3 a properly noticed public hearing, the issues raised shall
4 be limited to those raised in the public hearing or in
5 written correspondence delivered to the public agency
6 prior to, or at, the public hearing, except where the court
7 finds either of the following:

8 (A) The issue could not have been raised at the public
9 hearing by persons exercising reasonable diligence.

10 (B) The body conducting the public hearing
11 prevented the issue from being raised at the public
12 hearing.

13 (2) If a public agency desires the provisions of this
14 subdivision to apply to a matter, it shall include in any
15 public notice issued pursuant to this title a notice
16 substantially stating all of the following: "If you challenge
17 the (nature of the proposed action) in court, you may be
18 limited to raising only those issues you or someone else
19 raised at the public hearing described in this notice, or in
20 written correspondence delivered to the (public entity
21 conducting the hearing) at, or prior to, the public
22 hearing."

23 (3) The application of this subdivision to causes of
24 action brought pursuant to subdivision (d) applies only to
25 the final action taken in response to the notice to the city
26 or county clerk. If no final action is taken, then the issue
27 raised in the cause of action brought pursuant to
28 subdivision (d) shall be limited to those matters
29 presented at a properly noticed public hearing or to those
30 matters specified in the notice given to the city or county
31 clerk pursuant to subdivision (d), or both.

32 (c) Except as provided in subdivision (d), no action or
33 proceeding shall be maintained in any of the following
34 cases by any person unless the action or proceeding is
35 commenced and service is made on the legislative body
36 within 120 days after the legislative body's decision:

37 (1) To attack, review, set aside, void, or annul the
38 decision of a legislative body to adopt or amend a general
39 or specific plan. This paragraph does not apply where an
40 action is brought based upon the complete absence of a

1 general plan or a mandatory element thereof, but does
2 apply to an action attacking a general plan or mandatory
3 element thereof on the basis that it is inadequate.

4 (2) To attack, review, set aside, void, or annul the
5 decision of a legislative body to adopt or amend a zoning
6 ordinance.

7 (3) To determine the reasonableness, legality, or
8 validity of any decision to adopt or amend any regulation
9 attached to a specific plan.

10 (4) Concerning any of the proceedings, acts, or
11 determinations taken, done, or made prior to any of the
12 decisions listed in paragraphs (1), (2), and (3).

13 (5) *To attack, review, set aside, void, or annul any*
14 *comprehensive regional strategy adopted or amended*
15 *pursuant to Section 65071, or any countywide program*
16 *adopted or amended pursuant to Section 65072.2.*

17 (d) An action or proceeding shall be commenced and
18 the legislative body served within two years after the
19 accrual of the cause of action as provided in this
20 subdivision, if the action or proceeding meets both of the
21 following requirements:

22 (1) It is brought in support of the development of
23 housing projects which meet the requirements for
24 housing for persons and families with low or moderate
25 incomes set forth in Section 65915.

26 (2) It is brought with respect to actions taken pursuant
27 to Article 10.6 (commencing with Section 65580) of
28 Chapter 3 of this division, pursuant to Section 65589.5,
29 65863.6, 65915, or 66474.2 or pursuant to Chapter 4.2
30 (commencing with Section 65913).

31 A cause of action brought pursuant to this subdivision
32 shall not be maintained until 60 days have expired
33 following notice to the city or county clerk by the party
34 bringing the cause of action, or his or her representative,
35 specifying the deficiencies of the general plan, specific
36 plan, or zoning ordinance. A cause of action brought
37 pursuant to this subdivision shall accrue 60 days after
38 notice is filed or the legislative body takes a final action
39 in response to the notice, whichever occurs first. A notice
40 or cause of action brought by one party pursuant to this

1 subdivision shall not bar filing of a notice and initiation of
2 a cause of action by any other party.

3 (e) Upon the expiration of the time limits provided for
4 in this section, all persons are barred from any further
5 action or proceeding.

6 (f) Notwithstanding Section 65700, this section shall
7 apply to charter cities.

8 (g) Except as provided in subdivision (d), this section
9 shall not affect any law prescribing or authorizing a
10 shorter period of limitation than that specified herein.

11 (h) This section shall be applicable to those decisions
12 of the legislative body of a city, county, or city and county
13 made pursuant to this division on or after January 1, 1984.

14 *SEC. 9. Section 65010 of the Government Code is*
15 *amended and renumbered to read:*

16 ~~65010.~~

17 65009.5. (a) Formal rules of evidence or procedure
18 applicable in judicial actions and proceedings shall not
19 apply in any proceeding subject to this title except to the
20 extent that a public agency otherwise provides by
21 charter, ordinance, resolution, or rule of procedure.

22 (b) No action, inaction, or recommendation by any
23 public agency or its legislative body or any of its
24 administrative agencies or officials on any matter subject
25 to this title shall be held invalid or set aside by any court
26 on the ground of the improper admission or rejection of
27 evidence or by reason of any error, irregularity,
28 informality, neglect, or omission (hereafter, error) as to
29 any matter pertaining to petitions, applications, notices,
30 findings, records, hearings, reports, recommendations,
31 appeals, or any matters of procedure subject to this title,
32 unless the court finds that the error was prejudicial and
33 that the party complaining or appealing suffered
34 substantial injury from that error and that a different
35 result would have been probable if the error had not
36 occurred. There shall be no presumption that error is
37 prejudicial or that injury was done if the error is shown.

38 *SEC. 10. Section 65030 of the Government Code is*
39 *amended to read:*

40 65030. The Legislature finds and declares that

rehab urban water

1 California's land is an exhaustible resource, not just a
2 commodity, and is essential to the economy,
3 environment and general well-being of the people of
4 California. It is the policy of the state and the intent of the
5 Legislature to protect California's land resource, to
6 insure its preservation and use in ways which are
7 economically and socially desirable in an attempt to
8 improve the quality of life in California.

9 (a) The following goals and objectives shall guide
10 public officials when making planning, project, public
11 investment, and other decisions that affect the
12 conservation of land, air and water resources and the
13 nature, timing, and location of development,
14 infrastructure, and public services and facilities. Such
15 decisions shall also be consistent with and further the
16 attainment of all other statutory policies for resource
17 conservation and social and economic development.

18 (1) Economic revitalization goal: ensure economic
19 development that promotes the creation of a stable and
20 diverse economy, provides jobs for current and future
21 residents, assures equitable economic opportunity for all
22 residents of the state, and provides the resources
23 necessary to meet vital environmental, education,
24 housing, transportation, and other needs.

25 (A) Investment objective: ensure adequate
26 investment in the state's people, land, natural resources,
27 and infrastructure so that the state's workforce,
28 businesses, and public agencies are sufficiently
29 productive to support and enhance California's
30 historically high quality of life and position in the global
31 market place, and so that the state's land and natural
32 resources will be protected, preserved, and restored.

33 Policies and actions to achieve this objective shall
34 include, but are not limited to: (i) reforms to allow both
35 state and local governments to raise sufficient revenues
36 to finance the protection and restoration of the state's
37 land and natural resources and plans for growth; (ii)
38 enhanced public investment in infrastructure, education
39 and training, affordable housing, parks, natural resources,
40 and other facilities and services for the management of

1 growth in a manner consistent with adopted state
2 conservation and development goals and objectives; and
3 (iii) the equitable distribution of financing burdens.

4 (B) Efficiency objective: ensure greater efficiency in
5 the use of land, natural resources, and infrastructure, the
6 investment of public revenues and private capital, and
7 the process of public decisionmaking.

8 Policies and actions to achieve this objective shall
9 include, but are not limited to: (i) regulatory and
10 procedural reforms, to streamline and simplify the
11 decisionmaking process, while assuring adequate public
12 access and opportunity for meaningful review and
13 comment; (ii) coordinated infrastructure planning and
14 funding; (iii) the timely, orderly, and efficient provision
15 of public facilities and services concurrent with urban
16 and rural development; (iv) measures to provide savings
17 from the administration, consolidation, and deletion of
18 duplicative activities of existing agencies; (v)
19 transportation pricing reforms to reduce public
20 subsidization of vehicle use while providing
21 transportation alternatives; (vi) fiscal and other
22 incentives to reduce the time, cost, and complexity of the
23 economic development process; and (vii) clear and
24 definitive protections for the state's lands and natural
25 resources.

26 (C) Economic opportunity, public accountability, and
27 social equity objective: ensure that the decisionmaking
28 process regarding growth and economic development
29 reflects the ethnic, racial, gender, and occupational
30 diversity of California, is responsive to the public,
31 addresses the full range of economic, social, and
32 environmental impacts of those decisions upon all
33 Californians; and that substantive decisions provide for a
34 fair and equitable sharing of benefits and burdens among
35 all ethnic, racial, gender, and occupational groups.

36 Policies and actions to achieve this objective shall
37 include, but are not limited to: (i) measures to assure the
38 priority development and redevelopment of
39 communities that have unmet social, economic, or
40 environmental needs that would benefit from the

1 guidance or redirection of growth and investment,
 2 including programs to bring needed infrastructure up to
 3 community standards; (ii) measures to ensure enhanced
 4 representation of and accountability to the state's diverse
 5 population in the decisionmaking process; (iii) measures
 6 to identify and mitigate the community impacts of
 7 growth and development decisions; and (iv) measures to
 8 ensure broad community outreach and full participation
 9 in conservation and development decisions.

10 (2) Public health and environmental quality goal:
 11 ensure that new development and economic expansion
 12 result in a compact community pattern which enhances
 13 the vitality of existing major urban centers, encourages
 14 housing affordability, reduces auto emissions and vehicle
 15 miles travelled and minimizes traffic congestion,
 16 minimizes public infrastructure and environmental costs,
 17 and provides long-term protection for agricultural lands,
 18 open space, wildlife habitat, and the other natural
 19 resources of the state.

20 (A) Public health and natural resource protection
 21 objective: ensure the protection of public health and the
 22 protection, restoration, and enhancement of natural
 23 resources necessary to achieve the health and well-being
 24 of present and future generations and the sustainable
 25 ecological health of the state.

26 Policies and actions to achieve this goal shall include,
 27 but are not limited to: (i) measures to attain federal and
 28 state standards for air and water quality; (ii) measures to
 29 ensure that economically and environmentally
 30 sustainable agricultural land is preserved and maintained
 31 in farm use; (iii) measures to provide permanent
 32 protection for open space; (iv) measures to restore and
 33 maintain the ecological health of the state's estuaries,
 34 rivers, watersheds, aquifers, and wetlands; (v) measures
 35 to ensure a net increase in both the acreage and values
 36 of the state's riparian and wetland resources; (vi)
 37 measures to ensure sustained yield management of
 38 public and private forests, and preservation of ancient
 39 forests; (vii) measures to ensure that urban development
 40 is designed to enhance the natural values of existing

1 rivers, streams, and sensitive ecological areas within
 2 urban settings while providing for planned development
 3 of jobs and housing; (viii) measures to ensure that the
 4 biological diversity of the state is maintained through
 5 protection and restoration of native wildlife and plant
 6 species and habitats; and (ix) other measures appropriate
 7 and necessary to conserve, protect, and restore public
 8 health and the natural resources of the state, consistent
 9 with state goals.

10 (B) Housing supply and affordability objective: ensure
 11 the provision of adequate housing and a suitable living
 12 environment to accommodate current and future
 13 residents of the state.

14 Policies and actions to achieve this objective shall
 15 include but are not limited to: (i) measures to attain state
 16 goals for the construction, rehabilitation, and
 17 preservation of sufficient housing with a range of prices
 18 and types, particularly multifamily housing, to assure
 19 housing opportunities for all income groups and
 20 specifically to provide for the housing needs of persons of
 21 average and below average income; (ii) measures to
 22 avoid displacement and provide for replacement housing
 23 and assistance in instances where redevelopment or
 24 gentrification results in a loss of affordable housing stock;
 25 (iii) measures to reduce the proportion of employees
 26 commuting long distances between home and work; (iv)
 27 measures to ensure that communities including rural
 28 population centers, plan for, approve, and provide
 29 housing opportunities and facilities to serve needed
 30 housing; and (v) efforts to reward communities with
 31 general plans and other programs that move toward
 32 attainment of regional housing goals, provide
 33 mixed-income housing opportunities, and otherwise
 34 support housing that is affordable to those of all income
 35 levels.

36 (C) Transportation and mobility objective: ensure
 37 land use, transportation, and development patterns that
 38 encourage safe, convenient, and reasonably priced
 39 mobility and increased use of public transit and other
 40 alternatives to single-occupant vehicle use.

1 Policies and actions to achieve this objective shall
 2 include, but are not limited to: (i) measures to coordinate
 3 the location, type, affordability, and density of housing
 4 and employment to encourage transit use and other
 5 alternatives to the single-occupant auto; (ii) efforts to
 6 support the development of diverse public and private
 7 transportation services; and (iii) measures to promote
 8 market-based transportation pricing mechanisms that
 9 reduce public subsidy of auto travel support capital and
 10 operating expenses of transit and other alternatives to the
 11 single-occupant vehicle, and that address the need to
 12 assure continued mobility for all economic segments of
 13 the population.

14 (D) Conservation and development certainty
 15 objective: ensure greater certainty and predictability for
 16 the orderly and timely development of areas identified
 17 and designated for compact development, and for the
 18 effective conservation and protection of areas identified
 19 and designated for long-term or permanent protection.

20 Policies and actions to achieve this objective shall
 21 include, but are not limited to, establishment in each
 22 region of a land designation system clearly identifying
 23 areas proposed for planned compact development over a
 24 20-year period, and areas proposed for long-term or
 25 permanent protection from development. Methods to
 26 facilitate compact development within designated
 27 development areas may include, but are not limited to:
 28 (i) modified land use regulations to encourage compact
 29 mixed-use development projects; (ii) adjustments in
 30 development fees; (iii) expedited project review
 31 procedures; (iv) limitations on the criteria used in
 32 considering approval or denial of projects; (v) provisions
 33 to ensure an adequate supply of developable lands
 34 planned at minimum average development densities
 35 sufficient to achieve compact development goals and
 36 maintain economic choices in the land market, (vi)
 37 measures to encourage the resolution of conflicts without
 38 litigation; and (vii) planning and implementation of
 39 facilities and services to serve planned growth. Methods
 40 to secure long-term or permanent protection within

1 designated conservation areas may include, but are not
 2 limited to: (I) enhanced land use restrictions, including
 3 increased and strengthened regulatory protections for
 4 prime and commercially viable agricultural lands, and for
 5 lands providing wildlife habitat and significant open
 6 space; (II) detachment and deannexation of lands
 7 currently within cities and special districts providing
 8 municipal services; and (III) the purchase or transfer of
 9 development rights, property tax relief, conservation
 10 easements, and mitigation agreements.

11 (3) Coordination and consistency goal: ensure that
 12 state, regional, and local conservation and development
 13 policies and decisions are coordinated, consistent with
 14 one another, measurable, and enforceable.

15 (A) Coordinated policy objective: ensure that public
 16 policies related to land use, housing, physical and social
 17 infrastructure, natural resource protection, air quality,
 18 transportation, energy, economic development, social
 19 equity, and other conservation and development issues
 20 are integrated, coordinated, consistent, measurable, and
 21 enforceable.

22 Policies and actions to achieve this objective shall
 23 include, but are not limited to: (i) the adoption of clearly
 24 defined and internally consistent conservation and
 25 development policies and performance standards that
 26 are measurable and enforceable; (ii) the development of
 27 regional strategies to refine, integrate, and implement
 28 state goals and standards; and (iii) the implementation of
 29 a more comprehensive local planning process to identify
 30 the pattern of future growth within a community and the
 31 services and infrastructure necessary to support it at a
 32 level of specificity sufficient to minimize the need for
 33 detailed review of projects consistent with the local plan,
 34 regional strategy, and state goals, policies, and standards.

35 (B) Coordinated public facilities and services
 36 objective: ensure that facilities and services that are
 37 consistent with state conservation and development goals
 38 and policies are available in a timely, orderly, and
 39 cost-effective manner.

40 Policies and actions to achieve this objective shall

1 include, but are not limited to: (i) measures to identify
 2 needed public facilities of statewide, regional, and
 3 community significance and the means to finance them;
 4 (ii) measures to coordinate public and private
 5 investments and to ensure that development is
 6 accompanied by provision of needed infrastructure, that
 7 infrastructure is provided where plans indicate that
 8 development is appropriate, and that infrastructure is not
 9 provided where plans indicate that development is not
 10 appropriate; and (iii) efforts to promote
 11 interjurisdictional cooperation to eliminate duplication of
 12 public facilities and otherwise support the cost-effective
 13 and timely provision of facilities, services, and
 14 infrastructure.

15 (b) The Legislature recognizes that conflicts may
 16 occur between one or more goals or objectives
 17 referenced in this section. Therefore, it is the intent of
 18 the Legislature that these conflicts be resolved by
 19 locating the development and infrastructure necessary to
 20 accommodate planned levels of growth within more
 21 compact development patterns within designated urban
 22 development areas established through a local and
 23 regional planning process, in order that economic
 24 prosperity can be achieved in a manner most beneficial
 25 to all California residents and most protective of
 26 California's land, air, and water resources.

27 (c) The Legislature finds that the diversity of the
 28 state's communities and their residents, and the specific
 29 mandates of individual local, regional, and state agencies,
 30 require agencies and legislative bodies to implement this
 31 section in ways that accommodate local, regional, and
 32 statewide conditions and circumstances, while meeting
 33 its minimum requirements. In construing the provisions
 34 of this section, the Legislature intends that plans of
 35 agencies, including charter cities, comprise an
 36 integrated, internally consistent and compatible
 37 statement of policies that are consistent with the goals
 38 and objectives of this section. Plans shall address each of
 39 the policies and actions specified in subdivision (a) to the
 40 extent that the subject of the policy or action is applicable

1 to the responsibilities and functions of the agency. The
 2 degree of specificity and level of detail of the discussion
 3 of policies and actions shall reflect the conditions and
 4 circumstances particular to the agency, within the
 5 context of an integrated strategy for conservation and
 6 development of the communities and resources of the
 7 state.

8 SEC. 11. Section 65040 of the Government Code is
 9 amended to read:

10 65040. The Office of Planning and Research shall
 11 serve the Governor and his or her Cabinet as staff for
 12 long-range planning and research, and constitute the
 13 comprehensive state planning agency. In this capacity
 14 the office shall:

15 (a) Assisted by the Planning Advisory and Assistance
 16 Council established pursuant to subdivision (a) of Section
 17 65040.6, engage in the formulation, evaluation and
 18 updating of long-range goals and policies for land use,
 19 population growth and distribution, urban expansion,
 20 development, open space, resource preservation and
 21 utilization, air and water quality, and other factors which
 22 shape statewide development patterns and significantly
 23 influence the quality of the state's environment.

24 (b) Assist in the orderly preparation by appropriate
 25 state departments and agencies of intermediate- and
 26 short-range functional plans to guide programs of
 27 transportation, water management, open space,
 28 recreation and other functions which relate to the
 29 protection and enhancement of the state's environment.

30 (c) In conjunction with the council, evaluate plans and
 31 programs of departments and agencies of state
 32 government, identify conflicts or omissions, and
 33 recommend to the Governor and the Legislature new
 34 state policies, programs and actions, or amendments of
 35 existing programs, as required, to resolve conflicts,
 36 advance statewide ~~environmental~~ conservation and
 37 development goals set forth in Section 65030 to respond
 38 to emerging environmental, economic, and social
 39 problems and opportunities, and to assure that all state
 40 policies and programs conform to the adopted land use

1 planning goals and programs.

2 (d) Assist the Department of Finance in preparing, as
3 part of the annual state budget, an integrated program of
4 priority actions to implement state functional plans and
5 to achieve statewide *environmental conservation and*
6 *development* goals and objectives and take other actions
7 to assure that the program budget, submitted annually to
8 the Legislature, contains information reporting the
9 achievement of state goals and objectives by departments
10 and agencies of state government.

11 (e) Coordinate the development of policies and
12 criteria to ensure the federal grants-in-aid administered
13 or directly expended by state government advance
14 statewide *environmental conservation and development*
15 goals and objectives.

16 (f) Coordinate the development and operation of a
17 statewide environmental monitoring system to assess the
18 implications of present growth and development trends
19 on the environment and to identify at an early time,
20 potential threats to public health, natural resources and
21 environmental quality.

22 (g) Coordinate, in conjunction with appropriate state,
23 regional, and local agencies, the development of
24 objectives, criteria and procedures for the orderly
25 evaluation and report of the impact of public and private
26 actions on the environmental quality of the state and as
27 a guide to the preparation of environmental impact
28 reports required of state and local agencies in Sections
29 21102 and 21150 of the Public Resources Code.

30 (h) Coordinate research activities of state
31 government directed to the growth and development of
32 the state and the preservation of environmental quality,
33 render advice to the Governor, to his Cabinet, to the
34 Legislature, and any agency or department of state
35 government, and provide information to, and cooperate
36 with, the Legislature or any of its committees or officers.

37 (i) Coordinate the technical assistance provided by
38 state departments and agencies in regional and local
39 planning to assure that such plans are consistent with
40 statewide *environmental conservation and development*

1 goals and objectives.

2 (j) Accept and allocate or expend grants and gifts from
3 any source, public or private, for the purpose of state
4 planning and undertake other planning and coordinating
5 activities as will implement the policy and intent of the
6 Legislature as set forth herein.

7 (k) Develop long-range policies to assist the state and
8 local agencies in meeting the problems presented by the
9 growth and development of urban areas and defining the
10 complementary roles of the state, cities, counties, school
11 districts, and special districts with respect to such growth.

12 (l) Encourage the formation and proper functioning
13 of, and provide planning assistance to, city, county,
14 district, and regional planning agencies.

15 (m) Develop, in conjunction with an advisory
16 committee selected by the director from nominees
17 submitted by the directors of state agencies providing
18 social services, the League of California Cities, the
19 County Supervisors Association of California, the
20 California Committee of Regional Council Directors, the
21 United Way of California, and the California Welfare
22 Rights Organization, criteria for describing the social and
23 economic characteristics of the population of each county
24 in the state, subdivided on a census tract basis. These
25 criteria shall be developed by January 1, 1978.

26 (n) Assist local government in land use planning.

27 *SEC. 12. Section 65040.4 of the Government Code is*
28 *amended to read:*

29 65040.4. (a) The office shall divide the state into
30 regional planning districts. Insofar as possible, the
31 districts shall be established to include:

32 (1) Natural physiographical regions containing *major*
33 *air basins*, complete watersheds of major streams, and the
34 land upon which the waters of such watersheds are put
35 to beneficial use.

36 (2) Areas having mutual, social, environmental, and
37 commercial interests as exemplified by connecting routes
38 of transportation, by trade and by common use of open
39 space and recreation areas within the region.

40 (3) Existing boundaries or regional planning

1 organizations established as joint powers authorities
2 pursuant to Chapter 5 (commencing with Section 6500)
3 of Division 7 of Title 1.

4 (b) The regional planning districts established by the
5 Council on Intergovernmental Relations pursuant to
6 former Section 34216 shall remain in effect as the regional
7 planning districts of the office until changed by the office.

8 (c) The office shall adopt boundaries for the districts
9 on or before January 1, 1994.

10 SEC. 13. Section 65041 of the Government Code is
11 amended to read:

12 65041. The Governor shall prepare and thereafter
13 shall cause to be maintained, regularly reviewed and
14 revised a comprehensive State ~~Environmental Goals and~~
15 ~~Policy Report Conservation and Development Strategy~~.
16 In the preparation of the ~~report~~ strategy, priority shall be
17 given to the development of statewide land use policy,
18 including the recommendations resulting from the land
19 use planning and implementation program set forth in
20 Section 65040.6, and including the recommendations of
21 the Planning Advisory and Assistance Council established
22 pursuant to subdivision (a) of Section 65040.6. The ~~report~~
23 strategy shall contain, but not be limited to, the following:

24 (a) An overview, looking 20 to 30 years ahead, of state
25 growth and development and conservation needs and a
26 statement of approved state ~~environmental goals and~~
27 ~~objectives, including those directed to land use,~~
28 ~~population growth and distribution, development, the~~
29 ~~conservation of natural resources, and air and water~~
30 ~~quality conservation and development policies consistent~~
31 ~~with and intended to further the goals and objectives set~~
32 ~~forth in Section 65030.~~

33 (b) Description of new and revised state policies,
34 programs and other actions of the executive and
35 legislative branches required to implement statewide
36 ~~environmental conservation and development goals, and~~
37 ~~objectives, including intermediate-range plans and~~
38 actions directed to natural resources, human resources
39 and transportation.

40 (c) Progress by state agencies, regions, and cities and

1 counties toward achieving the goals and objectives set
2 forth in Section 65030, and an assessment of the degree of
3 consistency among local, countywide, regional, and state
4 strategies and plans.

5 (d) Specific guidelines, including guidelines for
6 compact development and density standards, for use by
7 state, regional, and local agencies in determining
8 priorities for public investments in infrastructure and
9 facilities in the following development and conservation
10 tiers:

11 (1) Tier 1: priority economic revitalization areas,
12 which are areas within existing urban and rural
13 communities suitable for the maximum feasible
14 redevelopment, revitalization, and community
15 reinvestment.

16 (2) Tier 2: planned development areas, which are
17 urban, suburban, and rural communities suitable for infill
18 development and phased growth over 20 years meeting
19 average minimum density standards for compact
20 development.

21 (3) Tier 3: urban reserve areas, which are areas not
22 presently urbanized or developed at very low intensities
23 potentially suitable for long-term development after 20
24 years or more, not suitable for urban development at the
25 present time.

26 (4) Tier 4: resource conservation and environmental
27 protection areas, which are agricultural and other
28 productive resource lands and environmentally sensitive
29 areas suitable for the maximum feasible long-term
30 conservation or permanent protection.

31 SEC. 14. Section 65042 of the Government Code is
32 amended to read:

33 65042. Every officer, agency, department or
34 instrumentality of state government shall cooperate in
35 the preparation and maintenance of the State
36 ~~Environmental Goals and Policy Report Conservation~~
37 ~~and Development Strategy~~ and shall comply with any
38 request for advice, assistance, information or other
39 material.

40 SEC. 15. Section 65043 of the Government Code is

1 amended to read:

2 65043. The maximum public understanding and
3 response to alternative statewide ~~environmental~~ goals
4 ~~conservation and development~~ policies and ~~actions~~
5 ~~strategies~~ shall be sought in the preparation and
6 maintenance of the State ~~Environmental Goals and~~
7 ~~Policy Report Conservation and Development Strategy~~.

8 The Governor shall consider the desirability of periodic
9 public hearings, the formation of citizen advisory groups
10 and other appropriate actions to accomplish this purpose.

11 *SEC. 16. Section 65044 of the Government Code is*
12 *amended to read:*

13 65044. Upon completion of the State ~~Environmental~~
14 ~~Goals and Policy Report Conservation and Development~~
15 ~~Strategy~~, the Governor, prior to approval, shall seek the
16 advice of the Legislature and for this purpose shall
17 transmit the ~~report strategy~~ to the Speaker of the
18 Assembly and to the Senate Rules Committee.

19 *SEC. 17. Section 65045 of the Government Code is*
20 *amended to read:*

21 65045. The Legislature may assign the ~~report strategy~~
22 for study to one or more standing committees, or to a joint
23 committee and may hold hearings, solicit testimony and
24 take other appropriate action to secure review of the
25 report. Following ~~such that~~ review, the Legislature may
26 act by resolution to approve the ~~environmental goals and~~
27 ~~conservation and development policies and strategy~~
28 proposed in the report as an indication of legislative
29 intent; or state findings and conclusions and offer
30 changes, deletions or modifications in the ~~environmental~~
31 ~~goals and conservation and development policies and~~
32 ~~strategy~~ of the report, or both.

33 *SEC. 18. Section 65046 of the Government Code is*
34 *amended to read:*

35 65046. The Governor shall consider any advice
36 offered by the Legislature as provided in Section 65045
37 and, upon his or her approval, shall transmit the ~~report~~
38 ~~strategy~~ to the Legislature, to state agencies,
39 departments and boards, appropriate federal agencies
40 and to the chief executive officer of every city and county

1 in the state.

2 *SEC. 19. Section 65047 of the Government Code is*
3 *amended to read:*

4 65047. Upon approval by the Governor, the State
5 ~~Environmental Goals and Policy Report Conservation~~
6 ~~and Development Strategy~~ shall serve to:

7 (a) Record approved goals, policies and decisions of
8 state government related to statewide growth and
9 development and the preservation of ~~environmental~~
10 ~~conservation and development~~ quality.

11 (b) Advise the Legislature of statutory action required
12 to implement state ~~environmental conservation and~~
13 ~~development~~ goals and objectives.

14 (c) Inform other levels of government and the public
15 at large of approved state ~~environmental conservation~~
16 ~~and development~~ goals and objectives and the proposed
17 direction of state programs and actions in achieving
18 them.

19 (d) Provide a clear framework of ~~goals and objectives~~
20 ~~goals, objectives, and policies~~ as a guide to the
21 preparation and evaluation of state functional plans.

22 (e) Serve as a basis for judgments about the design,
23 location and priority of major public programs, capital
24 projects and other actions, including the allocation of
25 state resources for ~~environmental conservation and~~
26 ~~development~~ purposes through the budget and
27 appropriation process.

28 *SEC. 20. Section 65048 of the Government Code is*
29 *amended to read:*

30 65048. The State ~~Environmental Goals and Policy~~
31 ~~Report Conservation and Development Strategy~~ shall be
32 revised, updated and shall be transmitted by the
33 Governor to the Legislature ~~on or before January 1, 1994,~~
34 ~~and every four years thereafter.~~ The Governor, may at
35 any time, inform and seek advice of the Legislature on
36 proposed changes in state, ~~environmental conservation~~
37 ~~and development~~ goals, objectives and policies.

38 *SEC. 21. Section 65049 of the Government Code is*
39 *amended to read:*

40 65049. Following approval of the State

1 Environmental Goals and Policy Report Conservation
 2 and Development Strategy as provided in Section 65046,
 3 the report strategy shall serve as a guide for state
 4 expenditures for environmental conservation and
 5 development purposes. In transmitting the annual
 6 budget to the Legislature, information shall be included
 7 relating proposed environmental, capital, and other
 8 expenditures to the achievement of statewide goals and
 9 objectives set forth in Section 65030 and the policies
 10 included in the report strategy.

11 SEC. 22. Chapter 2.1 (commencing with Section
 12 65070) is added to Division 1 of Title 7 of the Government
 13 Code, to read:

14
 15 CHAPTER 2.1. COORDINATED REGIONAL AND LOCAL
 16 PLANNING

17
 18 Article 1. General Provisions

19
 20 65070. The Legislature declares that it is necessary to
 21 develop a coordinated regional and local planning
 22 process and fiscal incentives that will enhance the ability
 23 of local officials, regional agencies, and the state to plan,
 24 manage, and budget for the physical, social, and
 25 economic development, redevelopment, and
 26 conservation of the state's regions in a manner consistent
 27 with state conservation and development goals and
 28 objectives.

29
 30 Article 2. Comprehensive Regional Strategy

31
 32 65071. (a) As an initial step toward more
 33 consolidated regional planning, on or before January 1,
 34 1994, the regional agencies in each region containing an
 35 urbanized area, as defined in the 1990 United States
 36 census for urbanized areas of more than 50,000
 37 population shall, by mutual agreement and in
 38 cooperation with local agencies, propose an interim
 39 regional strategy. The strategy shall recommend policies
 40 and actions to incorporate and reconcile adopted

1 state-mandated regional plans, and shall include all of the
 2 following components:

3 (1) Recommendations for the more efficient
 4 organization of regional planning, regulatory, and
 5 implementation functions, consistent with the goals and
 6 objectives set forth in Section 65030, including, but not
 7 limited to, objectives for economic opportunity, public
 8 accountability, and social equity.

9 (2) Recommended procedures to resolve
 10 conservation and development conflicts more equitably,
 11 and expeditiously.

12 (3) A proposed process for public review, adoption,
 13 and implementation of the interim strategy, including
 14 measures to ensure that the process is accountable to and
 15 reflective of the ethnic, racial, gender, occupational, and
 16 geographic diversity of the region.

17 (b) The interim regional strategy shall be transmitted
 18 to the Office of Planning and Research and to the
 19 Legislature for consideration during the 1993-94 Regular
 20 Session of the Legislature. The strategy shall be reviewed
 21 by the office and certified for consistency with the goals
 22 and objectives set forth in Section 65030.
 23 Recommendations for changes in law shall be
 24 implemented only if approved by the Legislature.

25 65071.1. As used in this section, a regional agency
 26 means a single-county or multi-county council of
 27 governments created under a joint powers agreement
 28 pursuant to Chapter 5 (commencing with Section 6500)
 29 of Division 7 of Title 1, a regional transportation planning
 30 agency, an air quality management district or air quality
 31 control district, or a regional water quality control board.

32 65071.2. Nothing in this article shall be construed to
 33 add new powers or taxing authorities beyond those that
 34 already exist.

35
 36 Article 3. Cooperative Local Planning

37
 38 65072. (a) As an initial step toward more coordinated
 39 local planning, on or before January 1, 1994, the
 40 countywide agencies in each county containing an

1 urbanized area, as defined in the 1990 United States
 2 census for urbanized areas of more than 50,000
 3 population shall, by mutual agreement and in
 4 cooperation with local agencies, propose a coordinated
 5 economic development and growth management
 6 program which is consistent with and implements the
 7 goals and objectives set forth in Section 65030. The
 8 countywide program shall include recommendations for
 9 the more efficient organization of countywide and local
 10 planning, regulatory, and implementation functions,
 11 consistent with the goals and objectives set forth in
 12 Section 65030, including, but not limited to, objectives for
 13 economic opportunity, public accountability, and social
 14 equity. The program shall include recommended
 15 procedures to resolve conservation and development
 16 conflicts more equitably and expeditiously, and a
 17 proposed process for public review, adoption, and
 18 implementation of the program, including measures to
 19 ensure that the process is accountable to and reflective of
 20 the ethnic, racial, gender, occupational, and geographic
 21 diversity of the county.

22 (b) The proposed program shall be transmitted to the
 23 Office of Planning and Research and to the Legislature
 24 for consideration during the 1993-94 Regular Session of
 25 the Legislature. The strategy shall be reviewed by the
 26 office and certified for consistency with the goals and
 27 objectives set forth in Section 65030. Recommendations
 28 for changes in law shall be implemented only if approved
 29 by the Legislature.

30 65072.1. As used in this section, a countywide agency
 31 means any of the following:

32 (a) A council of governments created under a joint
 33 powers agreement pursuant to Chapter 5 (commencing
 34 with Section 6500) of Division 7 of Title 1, if the territory
 35 of the council of governments lies entirely within a single
 36 county.

37 (b) A county transportation commission.

38 (c) A congestion management planning agency.

39 (d) A local agency formation commission.

40 (e) A countywide transportation sales tax authority.

1 65072.2. The coordinated economic development and
 2 growth management program shall be internally
 3 consistent, and shall contain all of the following:

4 (a) Goals, policies, and programs for the physical and
 5 economic development and redevelopment and the
 6 conservation of natural resources of the communities
 7 within the county.

8 (b) An assessment of the fiscal capacity of each local
 9 jurisdiction and proposals to modify, reallocate, or
 10 augment existing local and countywide revenue sources
 11 in order to implement the program.

12 (c) An assessment of the program's consistency with
 13 the adopted general plan of jurisdictions within the
 14 county, the regional strategy, and the goals and objectives
 15 established pursuant to Section 65030.

16 (d) Recommendations for action by local, regional, or
 17 state agencies and any legislative changes needed to
 18 effectuate the program.

19

20 Article 4. San Diego County and San Francisco Bay
 21 Area

22

23 65073. If Senate Bill 797 of the 1991-92 Regular
 24 Session of the Legislature is chaptered and takes effect,
 25 for the counties included within the provisions of that act,
 26 the regional and countywide policies and planning
 27 procedures established pursuant to that act shall be the
 28 accepted process for compliance with this chapter.

29 65073.1. (a) The Legislature recognizes that in
 30 November 1988, the voters in the County of San Diego
 31 approved Proposition C directing the establishment of
 32 the Regional Planning and Growth Management Review
 33 Board and that Proposition C proposed the development
 34 of a regional growth management program which is
 35 substantially similar to the comprehensive regional
 36 strategy and countywide economic development and
 37 growth management program, and that the San Diego
 38 Association of Governments has been designated to serve
 39 as the Regional Planning and Growth Management
 40 Review Board by agreement of the county and each of

1 the cities in the county.

2 (b) The process and procedures established by the
3 Regional Planning and Growth Management Board for
4 development and approval of the regional growth
5 management plan, and the certification process
6 established pursuant to the program shall be the
7 accepted process for compliance with this chapter.

8
9 Article 5. Fiscal Incentives

10 65074. It is the intent of the Legislature to give first
11 preference in the allocation of funds from the state
12 government's grant and loan programs and provide other
13 fiscal and administrative incentives to support projects in
14 those jurisdictions and regions which are consistent with
15 and implement state goals and objectives set forth in
16 Section 65030.

17 65074.1. An awarding department shall not approve
18 applications for projects that are inconsistent with state
19 goals and objectives set forth in Section 65030 and shall
20 not approve projects sponsored by a local agency unless
21 the project is consistent with the local capital
22 improvement program. In addition, a regional agency
23 that is an awarding department shall not approve
24 applications for projects that are inconsistent with
25 adopted state-mandated regional plans or a
26 comprehensive regional strategy if one has been adopted
27 for the region.

28 65074.2. Within tier 1, an awarding department shall
29 give first preference to projects that promote maximum
30 reinvestment and community redevelopment
31 opportunities to support job creation, housing
32 development, and related services. Within tier 2, an
33 awarding department shall give first preference to
34 projects that support compact development meeting
35 minimum average density standards in rural and urban
36 population centers. The awarding department shall not
37 provide any preference to projects that facilitate or
38 encourage development within tier 3. Within tier 4, an
39 awarding department shall provide first preference for
40

1 projects that serve conservation purposes or direct
2 support agricultural and other resource-based industry
3 within the area. An awarding department may provide
4 preference to a project within tier 3 or tier 4 only if the
5 project is necessary to support planned and appropriate
6 development within tier 1 or tier 2, and the project will
7 not support or induce development within tier 3 or tier
8 4.

9 65074.4. This section shall not apply to projects whose
10 primary purpose is the supply, storage, transmission,
11 distribution of agricultural water.

12 65074.5. This section does not authorize the granting
13 of any preference that conflicts with any bond law,
14 which impairs the rights of bondholders under the
15 bond laws.

16 65074.6. As used in this chapter:

17 (a) "Awarding department" means any agency,
18 department, constitutional office, governmental entity,
19 or other officer or entity empowered by law to allocate
20 funds derived from bonds and other programs approved
21 by, or on behalf of, the State of California.

22 (b) "Bonds" means bonds, notes, warrants, certificates
23 of participation, and other evidence of indebtedness
24 issued by, or on behalf of, the State of California.

25 (c) "Project" means the acquisition, construction,
26 financing of:

27 (1) Land, improvements, and equipment for
28 highways, streets, roads, and public transportation and
29 transit.

30 (2) Land, improvements, and equipment for port
31 harbors, and airports.

32 (3) Facilities for the collection, transmission,
33 treatment, and disposal of sewage.

34 (4) Facilities for the supply, storage, treatment,
35 transmission, and distribution of nonagricultural water.

36 (5) Facilities for the diversion, collection, storage, and
37 disposal of flood or storm water.

38 (6) Facilities for the storage and disposal of solid waste
39 and hazardous waste.

40 (7) Open-space land and related improvement

1 including, but not limited to, beach and coastal access,
2 habitat preservation, wetlands, and other areas as defined
3 in Section 65560.

4 (8) Libraries, museums, performing arts centers,
5 parks, zoos, and other recreational and cultural facilities.

6 (9) Educational facilities.

7 (10) Publicly assisted housing developments.

8 65074.7. Each awarding state department and
9 regional agency, in planning, acquiring, and siting
10 infrastructure and facilities shall comply with the general
11 plan, zoning, and other land use regulations of a city or
12 county if the general plan is consistent with state goals
13 and policies and the regional strategy, and provides
14 criteria and general designations for state applicable and
15 regional infrastructure. Nothing in this section shall be
16 interpreted to subject state standards for construction or
17 siting of buildings and facilities to local approval or
18 modification beyond that provided in existing law.

19
20 Article 6. Funding

21
22 65075. For the purposes of planning for and preparing
23 comprehensive regional strategy or countywide
24 economic revitalization and growth management
25 program, a regional agency, countywide agency, and
26 local agency may be funded, to the extent permitted by
27 law, from the revenues available to regional, countywide,
28 and local agencies for air quality, transportation, and
29 other planning activities.

30 SEC. 23. Section 65403 of the Government Code is
31 repealed.

32 65403. (a) Each special district, each unified,
33 elementary, and high school district, and each agency
34 created by a joint powers agreement pursuant to Article
35 1 (commencing with Section 6500) of Chapter 5 of
36 Division 7 of Title 1 that constructs or maintains public
37 facilities essential to the growth and maintenance of an
38 urban population may prepare a five-year capital
39 improvement program. This section shall not preclude,
40 limit, or govern any other method of capital

1 improvement planning and shall not apply to any distri
2 or agency unless it specifically determines to impleme
3 this section. As used in this section, "public facilitie
4 means any of the following:

5 (1) Public buildings, including schools and relat
6 facilities.

7 (2) Facilities for the storage, treatment, an
8 distribution of nonagricultural water.

9 (3) Facilities for the collection, treatmen
10 reclamation, and disposal of sewage.

11 (4) Facilities for the collection and disposal of storm
12 waters and for flood control purposes.

13 (5) Facilities for the generation of electricity and th
14 distribution of gas and electricity.

15 (6) Transportation and transit facilities, including, b
16 not limited to, streets, roads, harbors, ports, airports, an
17 related facilities.

18 (7) Parks and recreation facilities. However, th
19 section shall not apply to a special district whic
20 constructs or maintains parks and recreation facilities i
21 the annual operating budget of the district does no
22 exceed one hundred thousand dollars (\$100,000).

23 (b) The five-year capital improvement program sha
24 indicate the location, size, time of availability, means o
25 financing, including a schedule for the repayment o
26 bonded indebtedness, and estimates of operation costs fo
27 all proposed and related capital improvements. The
28 five-year capital improvement program shall also
29 indicate a schedule for maintenance and rehabilitation
30 and an estimate of useful life of all existing and propose
31 capital improvements.

32 (c) The capital improvement program shall be
33 adopted by, and shall be annually reviewed and revised
34 by, resolution of the governing body of the district or
35 local agency. Annual revisions shall include an extension
36 of the program for an additional year to update the
37 five-year program. At least 60 days prior to its adoption
38 or annual revision, as the case may be, the capital
39 improvement program shall be referred to the planning
40 agency of each affected city and county within which the

1 district or agency operates, for review as to its consistency
 2 with the applicable general plan, any applicable specific
 3 plans, and all elements and parts of the plan. Failure of
 4 the planning agency to report its findings within 40 days
 5 after receipt of a capital improvement program or
 6 revision of the program shall be conclusively deemed to
 7 constitute a finding that the capital improvement
 8 program is consistent with the general plan.

9 A district or local agency shall not carry out its capital
 10 improvement program or any part of the program if the
 11 planning agency finds that the capital improvement
 12 program or a part of the capital improvement program
 13 is not consistent with the applicable general plan, any
 14 specific plans, and all elements and parts of the plan. A
 15 district or local agency may overrule the finding and
 16 carry out its capital improvement program.

17 (d) Before adopting its capital improvement program,
 18 or annual revisions of the program, the governing body
 19 of each special district, each unified, elementary, and
 20 high school district, and each agency created by a joint
 21 powers agreement shall hold at least one public hearing.
 22 Notice of the time and place of the hearing shall be given
 23 pursuant to Section 65090. In addition, mailed notice shall
 24 be given to any city or county which may be significantly
 25 affected by the capital improvement program.

26 *SEC. 24. Section 65403 is added to the Government*
 27 *Code, to read:*

28 65403. (a) On or before January 1, 1995, each local
 29 agency that acquires, constructs or maintains public
 30 facilities essential to the growth and maintenance of an
 31 urban or rural population center shall prepare, and
 32 annually thereafter revise, a capital improvement
 33 program addressing facility needs over the next five
 34 years, or longer.

35 (b) The capital improvement program for each city,
 36 county, and city and county, shall be consistent with the
 37 local general plan and all elements and parts of the plan,
 38 and any applicable specific plans, and shall do all of the
 39 following:

40 (1) Establish five-year, 10-year, and 20-year growth

1 and natural resource protection goals and projections,
 2 consistent with the local general plan, which meet
 3 regional housing needs and applicable regional
 4 conservation and development goals.

5 (2) Indicate the location, size, time of availability,
 6 means of financing, including a schedule for repayment
 7 of bonded indebtedness, and estimates of acquisition,
 8 construction, and operation costs for all public facilities
 9 required or proposed to be provided by the local agency
 10 within the next five years in order to meet the growth
 11 and resource protection goals and projections of the
 12 applicable local general plan and capital improvement
 13 program.

14 (3) Indicate a schedule for maintenance and
 15 rehabilitation and an estimate of useful life of all existing
 16 public facilities and improvements of the local agency,
 17 including public facilities and improvements identified
 18 for acquisition or construction in the capital
 19 improvement program.

20 (c) The capital improvement program for each local
 21 agency that is not a city, county, or city and county, shall
 22 be consistent with the local general plan and all elements
 23 and parts of the plan, any applicable specific plans, and
 24 the capital improvement program of the city, county, or
 25 city and county, within which the local agency operates
 26 or the countywide program adopted pursuant to Section
 27 65072.2, and shall do all of the following:

28 (1) Indicate the location, size, time of availability,
 29 means of financing, including a schedule for repayment
 30 of bonded indebtedness, and estimates of acquisition,
 31 construction, and operation costs for all public facilities
 32 required or proposed to be provided by the local agency
 33 within the next five years in order to meet the growth
 34 and resource protection goals and projections of the
 35 applicable local general plan and capital improvement
 36 program.

37 (2) Indicate a schedule for maintenance and
 38 rehabilitation and an estimate of useful life of all existing
 39 public facilities and improvements of the local agency,
 40 including public facilities and improvements identified

1 for acquisition or construction in the capital
2 improvement program.

3 (d) In preparing and adopting the capital
4 improvement program, each local agency shall identify
5 and incorporate, to the extent feasible, all possible
6 measures and alternatives that the local agency can take,
7 including, without limitation to, redesign of the public
8 facility or improvement, the use of existing infrastructure
9 use of modular or temporary facilities, and coordination
10 with other local agencies to achieve joint use or other
11 more efficient use of public facilities and improvements
12 and the use of existing infrastructure, to reduce the costs
13 of the capital facilities program to the least practicable
14 amount.

15 (e) The capital improvement program shall be
16 adopted by, and shall be annually reviewed and revised
17 by, resolution of the governing body of the local agency.
18 In adopting the program, the local agency shall ensure
19 broad community outreach and full public participation
20 through public hearings, community workshops, and
21 other appropriate means.

22 (f) In the case of a city, county, or city and county, the
23 capital improvement program shall be adopted following
24 the procedure specified for adoption of the local general
25 plan and thereafter shall be revised on or before January
26 1 of each year following the year in which the capital
27 facilities program is first adopted.

28 (g) In the case of a local agency that is not a city,
29 county, or city and county, the capital facilities program
30 shall be referred to the planning agency of each affected
31 city and county within which the district or agency
32 operates, at least 60 days prior to the adoption or annual
33 revision, as the case may be, for review and comment as
34 to its consistency with the applicable general plan and all
35 elements and parts of the plan, any applicable specific
36 plans, and the city or county's capital improvement
37 program. The capital improvement program shall be
38 revised on or before January 1 of each year following the
39 year in which the capital facilities program is first
40 adopted. Before adopting its capital improvement

1 program or annual revisions of the program, the
2 governing body of each local agency that is not a city,
3 county, or city and county shall hold at least one public
4 hearing. Notice of the time and place of the hearing shall
5 be given pursuant to Section 65090. In addition, mailed
6 notice shall be given to any city or county which may be
7 significantly affected by the capital improvement
8 program.

9 (h) As used in the section, the following terms shall
10 have the following meanings:

11 (1) "Local agency" means each city, county, city and
12 county, special district, and school district, and each
13 agency created by a joint powers agreement pursuant to
14 Article 1 (commencing with Section 6500) of Chapter 5
15 of Division 7 of Title 1.

16 (2) "Public facilities and improvements" means any
17 project as defined in subdivision (c) of Section 65074.6.

18 65403.1. (a) The capital improvement program for
19 each city, county, and city and county shall include a
20 development and conservation tier diagram identifying
21 the location of priority economic revitalization areas,
22 planned infill and development areas, urban reserve
23 areas, and resource conservation and environmental
24 protection areas, consistent with the provisions of Section
25 65041. In establishing the tiers, the jurisdiction shall
26 ensure the following:

27 (1) Developable lands within tiers 1 and 2 shall
28 provide feasible opportunities to meet but not exceed
29 20-year projections of growth, as established through a
30 coordinated state, regional, countywide, and local
31 planning process. Development opportunities shall be
32 designated within the tiers at average minimum densities
33 sufficient to meet state objectives for compact
34 development. The capital improvement program shall
35 address the timing of annexations and needed public
36 capital improvements.

37 (2) Areas designated for conservation and protection
38 within tier 4 shall include lands necessary for
39 economically and environmentally sustainable
40 agriculture, areas essential for the long-term

1 maintenance of biological diversity, public park or open
2 space lands secured by conservation easements, and
3 lands designated in adopted public agency master plans
4 as future parklands or public open space.

5 (b) In planning capital facilities, the jurisdiction shall
6 ensure both of the following:

7 (1) Maximum reinvestment and community
8 redevelopment opportunities to support job creation,
9 housing development, and related services within tier 1,
10 including priority development, extension, and
11 augmentation of state, regional, countywide, and local
12 infrastructure to support and enhance community
13 development.

14 (2) Timely provision of needed infrastructure to serve
15 compact development meeting minimum average
16 density standards within tier 2.

17 (c) The jurisdiction shall not provide for
18 infrastructure investments to accommodate
19 development within tier 3 or tier 4, except as necessary
20 to serve conservation purposes or to directly support
21 agricultural and other resource-based industries within
22 the area. The jurisdiction may provide for infrastructure
23 investments within tier 3 or tier 4 only if the project is
24 necessary to support planned and appropriate
25 development within tier 1 or tier 2, and the project will
26 not support or induce development within tier 3 or tier
27 4.

28 (d) The capital facility program shall include
29 procedures for the revision or amendment of
30 development and conservation tiers. The procedures
31 shall provide for amending the tiers at five-year intervals
32 to ensure a continued 20-year supply of development
33 opportunities. The procedures shall also provide for
34 boundary adjustments between amendments that result
35 in no net increase or decrease of feasible development
36 opportunities within the jurisdiction. Adjusting and
37 amending the boundaries shall require findings by the
38 jurisdiction that the adjustment or amendment is
39 consistent with the regional strategy and state goals and
40 objectives pursuant to Section 65030.

1 SEC. 25. Notwithstanding Section 17610 of the
2 Government Code, if the Commission on State Mandates
3 determines that this act contains costs mandated by the
4 state, reimbursement to local agencies and school
5 districts for those costs shall be made pursuant to Part 7
6 (commencing with Section 17500) of Division 4 of Title
7 2 of the Government Code. If the statewide cost of the
8 claim for reimbursement does not exceed one million
9 dollars (\$1,000,000), reimbursement shall be made from
10 the State Mandates Claims Fund. Notwithstanding
11 Section 17580 of the Government Code, unless otherwise
12 specified in this act, the provisions of this act shall become
13 operative on the same date that the act takes effect
14 pursuant to the California Constitution. Assembly
15 Constitutional Amendment No. 44 of the 1991-92 Regular
16 Session of the Legislature.

17 SEC. 26. This act shall become operative only if the
18 voters approve Assembly Constitutional Amendment No.
19 44 of the 1991-92 Regular Session of the Legislature.

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**All matter omitted in this version of the
bill appears in the bill as amended in the
Senate, September 16, 1991 (J.R. 11).**