



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 6d

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Memorandum

TO: Legislation Committee

DATE: June 5, 2009

FR: Executive Director

RE: AB 338 (Ma): Transit Village Developments/Tax-Increment Financing

Description

AB 338 (Ma) allows cities and counties to use tax increment financing to pay for public facilities and amenities within a transit village development plan by allowing the creation of an Infrastructure Financing District by a majority vote of the elected body. The bill would also expand the boundaries of a transit village development district from ¼ mile to ½ mile from the main entrance of a transit station. The bill would require local governments using tax increment bonds for transit district improvements use at least 20 percent of the property tax increment for affordable housing within the district.

Recommendation: Support and Seek Amendment

Discussion

MTC has long-supported finding new funding tools in support of Transit Oriented Development (TOD) improvements. AB 338 adds tax-increment financing (TIF) to that set of tools under the rationale that a TOD project will typically add value to the surrounding areas that often spurs new investment. This increased site value and investment creates additional taxable property that can increase incoming tax revenues to local communities. The increase in TIF would be used to finance the debt issued to pay for the project.

AB 338 is identical to other bills we have supported in the past, including AB 1221 (Ma) introduced in 2007, which was vetoed as part of Governor Schwarzenegger's blanket-veto message regarding the late passage of the state budget last year. MTC's Elderly & Disabled Advisory Committee has long sought to improve accessibility to transit for persons with disabilities who live in TODs, including townhomes. To aid in this effort, MTC staff has discussed with Assembly Member Ma's staff an amendment to add intent language to the bill that would declare legislative intent that at least 10 percent of the units in townhomes within a ½ mile of a transit station be habitable by persons with disabilities and provide an accessible route from within the housing units to the entrance and to the station for persons with disabilities.

Because the bill would provide a new source of funds to complement the region's ongoing efforts to promote TOD, we urge a "support and seek amendment" position on the bill, as outlined above.

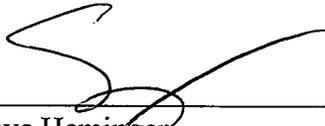
Known Positions

Support

San Francisco Bay Area Rapid Transit District (sponsor)
American Federation of State, County, and Municipal Employees
CA Rural Legal Assistance Foundation
Western Center on Law & Poverty

Oppose

Howard Jarvis Taxpayers Association



Steve Heminger