



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5b-3

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Memorandum

TO: Legislation Committee

DATE: April 1, 2011

FR: Executive Director

W. I. 1131

RE: AB 485 (Ma) — Infrastructure Financing Districts for Transit Oriented Development

Background

AB 485 (Ma) would establish what is known in urban planning lingo as “TIF for TOD,” as in tax-increment financing (TIF) for transit-oriented development (TOD). The bill would enable cities and counties with an adopted transit village development district to create an infrastructure financing district (IFD) and obtain access to tax-increment financing and bonding authority without holding an election, as otherwise required for creation of an IFD.

Recommendation: Support

Discussion

While TOD typically boosts property values and increases access to new amenities for existing residents, proposals to increase density above the status quo are often met with the “Not-In-My-Back-Yard” (NIMBY) response. To counter this, AB 485 will help give local officials access to financing for neighborhood improvements within the adopted transit village area. MTC has long-supported finding new funding tools in support of TOD improvements. In fact, this bill is almost identical to other bills authored by Assembly Member Ma in 2009 (AB 338) and 2007 (AB 1221), both of which MTC supported but were vetoed by Governor Schwarzenegger. Because AB 485 would provide an additional tool to help finance the types of public improvements needed to accommodate the construction of new housing near existing public transit in the region’s priority development areas, we urge a support position on the bill.

Known Positions

Support

Bay Area Rapid Transit District (Sponsor)

Oppose

None on file



Steve Heminger