

AMENDED IN ASSEMBLY APRIL 19, 2022

AMENDED IN ASSEMBLY MARCH 17, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 2819

Introduced by Assembly Member Cooley
(Coauthor: Assembly Member Seyarto)
(Coauthor: Senator Nielsen)

February 18, 2022

An act to add Article 11 (commencing with Section 63049.73) to Chapter 2 of Division 1 of Title 6.7 of the Government Code, relating to infrastructure development, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2819, as amended, Cooley. The Rural California Infrastructure Act.

Existing law, the Bergeson-Peace Infrastructure and Economic Development Bank Act, establishes the Infrastructure and Economic Development Bank (I-Bank) and authorizes it to, among other things, issue bonds, make loans, and provide other financial assistance to various types of projects that constitute economic development facilities or public development facilities. The act establishes in the State Treasury the California Infrastructure and Economic Development Bank Fund (I-Bank Fund) for the purpose of implementing the objectives and provisions of the act and continuously appropriates moneys in the fund, except as prescribed.

This bill, the Rural California Infrastructure Act, would authorize the I-Bank to establish the Rural California Infrastructure Program for the purpose of making competitive grant awards to eligible local agencies

for rural infrastructure projects, as prescribed. The act would require the Controller to transfer a sum of \$1,000,000,000 to the Rural California Infrastructure Account in the I-Bank Fund, which the bill would create and continuously appropriate for purposes of the act. By requiring the Controller to transfer moneys from the General Fund to the Rural California Infrastructure Account for purposes of the program, the bill would make an appropriation. The act would require the I-Bank to submit a specified report to the Governor and the Legislature regarding program activity in any fiscal year that the account receives funding or in which the I-Bank administers the program.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Article 11 (commencing with Section 63049.73)
2 is added to Chapter 2 of Division 1 of Title 6.7 of the Government
3 Code, to read:

4
5 Article 11. Rural California Infrastructure Act

6
7 63049.73. This article shall be known as the Rural California
8 Infrastructure Act.

9 63049.74. As used in this article:

10 (a) "Account" means the Rural California Infrastructure Account
11 established pursuant to Section 63049.77.

12 (b) "Fund" means the California Infrastructure and Economic
13 Development Bank Fund established pursuant to Section 63050.

14 (c) "Local agency" means a special district, independent fire
15 district, or county, with a population of less than 300,000
16 individuals according to the 2020 census data.

17 (d) "Rural infrastructure project" means a project in a local
18 agency's jurisdiction that is either an economic development
19 facility or a public development facility and meets any of the
20 following criteria:

21 (1) The project is a disaster preparedness and mitigation project,
22 including, but not limited to, all of the following:

23 (A) Creating, upgrading, or rehabilitating evacuation or shelter
24 areas.

25 (B) Maintaining fairgrounds.

1 (C) Upgrading or rehabilitating highways, streets, and roads
2 used for emergency evacuations or identified in the local, regional,
3 or state disaster response plan as priority ingress and egress routes
4 for first responders.

5 (D) A project identified as a disaster preparedness and mitigation
6 project in the directives and requirements adopted to implement
7 this article.

8 (2) The project is a disaster recovery project, including, but not
9 limited to, drainage, water supply, and flood control.

10 (3) The project is a historic or cultural preservation,
11 rehabilitation, or reconstruction project.

12 63049.75. Article 3 (commencing with Section 63040), Article
13 4 (commencing with Section 63042), and Article 5 (commencing
14 with Section 63043) shall not apply to grants provided by the bank
15 pursuant to this article.

16 63049.76. (a) (1) The bank may establish the Rural California
17 Infrastructure Program for the purpose of making competitive
18 grant awards to eligible local agencies for rural infrastructure
19 projects pursuant to this article.

20 (2) The bank shall not implement the program before adopting
21 a resolution finding that there is sufficient money in the account
22 to cover the costs of implementing the Rural California
23 Infrastructure Program, including, but not limited to, appropriate
24 oversight costs.

25 (b) (1) Within six months of the bank adopting the resolution
26 described in paragraph (2) of subdivision (a), the bank shall begin
27 to accept grant applications from local agencies.

28 (2) The bank shall administer at least one funding round within
29 both the first and second year of program implementation.

30 (c) The bank shall prioritize applications for projects that meet
31 either of the following criteria:

32 (1) The grant will fund no more than 50 percent of the total
33 project cost.

34 (2) ~~The project is considered shovel ready.~~ *The project addresses*
35 *imminent threats related to fire or flooding.*

36 (d) Local agencies that are awarded a grant pursuant to this
37 article may additionally leverage ~~federal or private funding or~~
38 *other public or private funding or participate in* private-public
39 partnerships to complete the rural infrastructure project for which
40 the grant was awarded.

1 (e) The bank shall adopt directives and requirements to carry
 2 out the purposes of this article.

3 ~~(f) (1) Grants~~

4 *(f) All grants shall comply with the following conditions:*

5 *(1) Grants shall be awarded in a manner that ensures geographic*
 6 *equity.*

7 *(2) At least 50 percent of the grant funds shall be used for*
 8 *rural infrastructure projects that address disaster preparedness,*
 9 *mitigation, and recovery.*

10 *(3) Funds shall not be released until the local agency can*
 11 *demonstrate that it has the capacity and the full funding to complete*
 12 *the project.*

13 *(4) All public works financed pursuant to this section shall*
 14 *comply with Chapter 1 (commencing with Section 1720) of Part*
 15 *7 of Division 2 of the Labor Code.*

16 *(5) As a condition of receiving a grant pursuant to this section,*
 17 *a local agency shall commit that none of the proceeds of the grant*
 18 *shall be used to pay an entity on a contract for a public works*
 19 *project, unless either of the following conditions is met:*

20 *(A) The entity being awarded the contract for the project by the*
 21 *local agency has provided an enforceable commitment to the local*
 22 *agency that the entity, and its contractors and subcontractors at*
 23 *every tier, will use a skilled and trained workforce to perform all*
 24 *work on the project that falls within an apprenticeable occupation*
 25 *in the building and construction trades, in accordance with Chapter*
 26 *2.9 (commencing with Section 2600) of Part 1 of Division 2 of the*
 27 *Public Contract Code.*

28 *(B) The project for which the funding is to be paid is being*
 29 *performed under a project labor agreement that will bind the*
 30 *entity, and all its contractors and subcontractors at every tier, to*
 31 *use a skilled and trained workforce to complete the project.*

32 *(6) For purposes of this subdivision, “project labor agreement”*
 33 *has the same meaning as in paragraph (1) of subdivision (b) of*
 34 *Section 2500 of the Public Contract Code.*

35 (g) Notwithstanding any other law, the bank may implement,
 36 in whole or in part, the Rural California Infrastructure Program
 37 with the administrative support of any bank staff, with the
 38 administrative costs of those staff being reimbursed from the
 39 ~~account.~~ *account established pursuant to Section 63049.77.*

1 (h) The bank may administer the program authorized pursuant
2 to this article through one or more of the bank’s other programs,
3 *including, but not limited to, the Infrastructure State Revolving*
4 *Fund Program of the I-Bank*, to the extent the requirements of this
5 article are met.

6 63049.77. (a) There is hereby established in the fund the Rural
7 California Infrastructure Account. Notwithstanding Section 13340,
8 moneys in the account are hereby continuously appropriated
9 without regard to fiscal years for purposes of this article.

10 (b) On January 1, 2023, the Controller shall transfer one billion
11 dollars (\$1,000,000,000) to the account.

12 (c) The bank may create subaccounts in the account for purposes
13 of implementing this article.

14 (d) (1) To cover the costs of administering the program, each
15 applicant shall pay a nonrefundable application fee that includes
16 an amount equal to a proportional share of the costs of developing
17 ~~the program, reviewing applications, and program and reviewing~~
18 *applications. Applicants awarded a grant will pay a nonrefundable*
19 *fee that includes an amount equal to a proportional share of the*
20 *costs of monitoring and overseeing the program.*

21 (2) Fees paid pursuant to this subdivision shall be deposited
22 into the account for the purpose of administering the grant program
23 created by this article.

24 (e) Moneys allocated pursuant to subdivision (b) for purposes
25 of administering this article may also be used to cover the costs
26 of developing the program, reviewing applications, and monitoring
27 and overseeing the program. If those moneys are used to cover
28 these costs, the ~~application fee fees~~ described in subdivision (d)
29 shall be reduced accordingly.

30 63049.78. (a) On or before January 1, 2024, and annually
31 thereafter, the bank shall submit a report to the Governor and the
32 Legislature, pursuant to Section 9795, regarding program activity
33 in any fiscal year that the account receives funding or in which the
34 bank administers grants pursuant to this article.

35 (b) The report submitted pursuant to subdivision (a) shall
36 include, but not be limited to, all of the following items:

37 (1) The total amount of moneys in the account and its
38 subaccounts at the beginning and end of the most recently
39 completed fiscal year.

1 (2) The number of projects ~~funded~~ *funded by the category of*
2 *eligible infrastructure projects identified in subdivision (d) of*
3 *Section 63049.74.*

4 (3) The number of jobs created and the number of jobs retained
5 through program assistance in each fiscal year.

6 (4) *The amount of other public and private moneys that were*
7 *contributed to projects that have been funded.*

8 (c) The bank may include the information required by this
9 section in any annual report of the bank to the Governor and the
10 Legislature in lieu of submitting a separate report for purposes of
11 complying with this section.