



AGENDA

LEGISLATION AND GOVERNMENTAL ORGANIZATION COMMITTEE

Thursday, June 16, 2016

3:30 p.m. – 5:00 p.m.

Bay Area Metro Center, 375 Beale Street, Bay Area Room, 6th Floor, San Francisco

Committee Members

Chair: Supervisor Scott Haggerty, Alameda County

Vice Chair: Councilmember Desley Brooks, City of Oakland

Supervisor Dave Cortese, County of Santa Clara

Mayor Bill Harrison, City of Fremont

Supervisor Mark Luce, County of Napa, ABAG Immediate Past President

Supervisor Karen Mitchoff, County of Contra Costa

Councilmember Julie Pierce, ABAG President, City of Clayton

Mayor Harry Price, City of Fairfield

Supervisor David Rabbitt, ABAG Vice President, County of Sonoma

Supervisor Linda Seifert, County of Solano

Staff: *Brad Paul, Deputy Executive Director*

Halimah Anderson, Communications Officer

Supervisor Cortese will call in from the County Government Center, 70 W. Hedding Street, 10th Floor, San Jose, CA 95110.

1. CALL TO ORDER
2. OPEN AGENDA-PUBLIC COMMENT
3. APPROVAL OF MINUTES FROM MARCH 17, 2016 MEETING Action
4. EZRA RAPPORT, ABAG EXECUTIVE DIRECTOR
Update on ABAG Water Efficiency Legislation SB 1233 Information
5. MIRIAM CHION, ABAG DIRECTOR OF PLANNING AND RESEARCH
DUANE BAY, ABAG ASSISTANT DIRECTOR OF PLANNING AND RESEARCH
707 Streamlining Affordable Housing Approvals – Information Action
Governor's Housing Proposal

6. HALIMAH ANDERSON – NEW LEGISLATION PROPOSED FOR 2016 LEGISLATIVE SESSION

For review and analysis, the following legislation will be discussed and positions recommended:

- [707](#) (Governor Jerry Brown) Streamlining Affordable Housing Approval.
- [AB 2200](#) (Tony Thurmond D) School Employee Housing Assistance Grant.
- [AB 2406](#) (Tony Thurmond D) Housing: Junior Accessory Dwelling Units.
- [AB 2441](#) (Tony Thurmond D) Housing: Workforce Housing in High-Cost Areas Pilot.
- [AB 2734](#) (Toni Atkins D) Local Control Affordable Housing Act.
- [AB 2817](#) (David Chiu D) Income Taxes: Credits: Low-Income Housing: Allocation Increase.
- [AB 2842](#) (Tony Thurmond D) Workforce Housing Tax Credit Pilot: Property Taxes: Income Taxes: Insurance Taxes: Credits: Low-income: Sale of Credit.
- [SB 438](#) (Jerry Hill D) Earthquake Safety: Statewide Earthquake Early Warning System: Funding
- [SB 873](#) (Jim Beall D) Income Taxes: Insurance Taxes: Credits: Low-income Housing: Sale of Credit.
- [SB 879](#) (Jim Beall) Affordable Housing Bond Act.
- [SB 1030](#) (McGuire D) Sonoma County Regional Climate Protection Authority.
- [SB X1 1](#) (Jim Beall D) Transportation Financing for Road Maintenance.

7. ADJOURNMENT

The next L&GO Committee Meeting will be held on **July 21, 2016**.

*The ABAG L&GO Committee may act on any item on this agenda.
Agenda and attachments available at 375 Beale Street, San Francisco
or at www.abag.ca.gov/meetings.*

For information, contact Halimah Anderson, at (415) 820-7986.

**ASSOCIATION OF BAY AREA GOVERNMENTS
LEGISLATION AND GOVERNMENTAL ORGANIZATION
COMMITTEE**

**Thursday, March 17, 2016
Summary Minutes**

Committee Members Present:

Chair, Supervisor Scott Haggerty, Alameda County
Vice Chair, Councilmember Desley Brooks, City of Oakland
Supervisor Mark Luce, ABAG Immediate Past President, Napa County
Councilmember Julie Pierce, ABAG President, City of Clayton
Supervisor David Rabbitt, ABAG Vice President, Sonoma County
Supervisor Linda Seifert, Solano County
Supervisor Karen Mitchoff, Contra Costa County

ABAG Staff:

Ezra Rapport, Executive Director
Brad Paul, Deputy Executive Director
Halimah Anderson – Communications Officer
Jerry Lahr, Energy Programs Manager

Public:

Ken Bukowski/Filming

1. Call To Order

2. Approval of Minutes

The January 21, 2016 minutes were approved as written. (6-0)

3. Jerry Lahr, ABAG Energy Programs Manager

Jerry Lahr presented an update on **SB 1233** (McGuire) **Water Bill Savings Act**. The bill is co-authored by Wolk, Levine and Woods. SB 1233 would provide local governments with necessary tools to fund water savings projects for customers who voluntarily participate. It would help the state achieve the goal of reducing water use. Jerry noted that the bill is supported by ABAG, the Bay Area Energy Network, the Town of Windsor, the Sonoma County Regional Climate Protection Authority, and others. Support is being sought from the City of Hayward (a pilot project), the East Bay Municipal Utility District, and others. There is no opposition to the bill.

4. 2016 Legislation

Halimah Anderson, ABAG Communications Officer, presented an overview on new legislation. Staff will closely monitor 2016 legislation and update the Committee in May. Brad Paul noted that **AB 2406** (Thurmond) **Housing: Junior Accessory Dwelling Units** should be reviewed further by the Committee and a support position may be considered.

Other bills warranting further review include [AB 2734](#) (Toni Atkins) **Local Control Affordable Housing Act** and [AB 2817](#) (David Chiu) **Income Taxes Credits: Low-income Housing Allocation**.

5. 2016 Legislative Reception Recap

Eighteen local elected officials and 10 state legislators attended the Legislative Workshop on February 10, 2016. Ezra noted that top leadership attended the workshop and good questions were asked.

Councilmember Pierce noted that it would be a good idea to have the workshop only and eliminate the reception. The refreshments could be moved to the workshop. This would save money and allow attendees to get home sooner.

It was also noted that the Bay Area delegation would like to meet in the Bay Area. Ezra said that it would be good to present the new Housing Report to the Bay Area delegation.

6. ADJOURNMENT

The next L&GO Committee Meeting will be held on **May 19, 2016**.



ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

LEGISLATION SUMMARY 2016 State Legislative Session Legislation & Governmental Organization Committee June 16, 2016

New Bills: Bills to be reviewed are listed in numeric order with Assembly bills listed first, followed by Senate bills

707 (Governor Jerry Brown) Streamlining Affordable Housing Approval – Housing Proposal.

(Presented 5/1/2016) **Summary:** The Governor’s proposal would allow new market-rate projects with onsite affordable housing to be approved “as of right.” Under the proposal, new projects with 20 percent affordable housing for tenants making no more than 80 percent of the area median income or projects with 10 percent affordable housing near transit would be exempt from most local reviews. Within 30 days of receiving an application, the city must either approve a housing development or explain why it is inconsistent with objective general plan and zoning standards.

Staff Recommendation: Support if Amended **League:** Oppose **CSAC:** No Position **L&GO Position:**

AB 2200 (Tony Thurmond D) School Employee Housing Assistance Grant Program.

(Amended 4/14/2016.) **Status:** 5/18/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Location: 5/18/2016-A. APPR. SUSPENSE FILE

Summary: Existing law requires the California Housing Finance Agency to administer various housing programs. This bill would require the California Housing Finance Agency to administer a program to provide financing assistance, as specified, to a qualified school district, as defined, and to a qualified developer, as defined, for the creation of affordable rental housing for school employees, including teachers. The bill would require the State Department of Education to certify that a school district seeking a grant meets the definition of qualified school district. The bill would transfer \$100,000,000 from the General Fund to the School Employee Housing Assistance Fund, which would be created by this bill, and would continuously appropriate those moneys to the agency for the purposes described above and to reimburse the agency and the State Department of Education for costs incurred in the administration of the program. The bill would require qualified school districts and qualified developers to apply for the financing assistance, as provided.

Staff Recommendation: Support **League:** Watch **CSAC:** No Position **L&GO Position:**

AB 2441(Tony Thurmond) Housing: Workforce Housing in High-Cost Areas Pilot Program. (Amended: 4/26/2016)

Status: 5/18/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Location: 5/18/2016-A. APPR. SUSPENSE FILE

Summary: Existing law, among several affordable housing programs, establishes the Local Housing Trust Fund Matching Grant Program, administered by the Department of Housing and Community Development, for the purpose of supporting local housing trust funds dedicated to the creation or preservation of affordable housing. Existing law authorizes the department to make matching grants available to cities and counties, or a city and county, and existing charitable nonprofit organizations that have created, funded, and operated housing trust funds. This bill would create the Workforce Housing Pilot Program, pursuant to which the department would award grant funding to eligible cities or cities and counties located in high-cost counties, as specified, for the predevelopment costs, acquisition, construction, or rehabilitation of rental housing projects or units within rental housing projects that serve, and for providing downpayment assistance to, persons and families of low or moderate income. The bill would require all grant funds to be matched on a dollar-for-dollar basis, unless the eligible city or city and county is suffering a hardship and is unable to generate the matching funds. The bill would require the department, on or before December 31 of each year in which grant funds are awarded, to provide a report to the Legislature regarding the number of grants awarded, a description of the projects funded, the number of units funded, and the amount of

matching funds received. The bill would require the pilot program to operate until all appropriated funds have been awarded. The bill, upon the depletion of appropriated funds, would require the department to submit a report to the Assembly and Senate committees on appropriations evaluating the need for housing of persons and families of low or moderate income in cities or cities and counties that received grant funds and a recommendation on whether the pilot program should continue.

Staff Recommendation: Support League: Support CSAC: Pending L&GO Position:

AB 2842 (Tony Thurmond) Workforce Housing Tax Credit Pilot: Property Taxes: Income Taxes: Insurance Taxes: Credits: Low-income Housing: Sale of Credit. (Amended: 4/12/2016)

Status: 4/27/2016-In committee H. & C.D. Hearing canceled at the request of author.

Summary: Authorizes \$100 million in state workforce housing tax credits for qualified buildings that serve households between 60% and 80% of the area median income (AMI) in twelve counties with the highest fair market rents in the state as determined by the U.S. Department of Housing and Urban Development (HUD). Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, income, and corporation tax credit amounts among low-income housing projects in modified conformity to federal law that have been allocated, or qualify for, a federal low-income housing tax credit and for farmworker housing. This bill, beginning on or after January 1, 2017, would additionally allow a credit to a taxpayer with a qualified low-income building that is eligible for a federal low-income housing tax credit, in an amount equal to 20% of the projects unadjusted unallocated basis, not to exceed \$ 50,000 per unit, for housing projects that meet specified criteria. The bill would limit the aggregate amount of credits allocated by the California Tax Credit Allocation Committee, on a first-come-first-served basis, to \$100,000,000, and would provide for the one-time resale of that credit, as provided. This bill contains other related provisions and other existing laws.

Staff Recommendation: Support League: Watch CSAC: Watch L&GO Position:

SB 873 (Jim Beall) Income taxes: Insurance Taxes: Credits: Low-income Housing: Sale of Credit. (Amended: 4/5/2016)

Status: 4/18/2016-April 18 hearing: Placed on APPR. Suspense File.

Summary: Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, income, and corporation tax credit amounts among low-income housing projects based on federal law. This bill, beginning on or after January 1, 2016, would allow a taxpayer that is allowed a low-income housing tax credit to elect to sell all or a portion of that credit to one or more unrelated parties, as described, for each taxable year in which the credit is allowed for not less than 80% of the amount of the credit to be sold, and would provide for the one-time resale of that credit, as provided. The bill would require the California Tax Credit Allocation Committee to enter into an agreement with the Franchise Tax Board to pay any costs incurred by the Franchise Tax Board in administering these provisions. This bill contains other related provisions and other existing laws.

Staff Recommendation: Support League: Support CSAC: Watch L&GO Position:

SB 1030 (Mike McGuire D) Sonoma County Regional Climate Protection Authority. (Introduced: 2/12/2016)

Status: 5/16/2016-Referred to Com. on L. GOV.

Summary: Existing law, until December 1, 2019, creates the Sonoma County Regional Climate Protection Authority. Existing law provides for the authority to be governed by the same board as that governing the Sonoma County Transportation Authority and imposes certain duties on the authority. Existing law authorizes the authority to perform coordination and implementation activities within the boundaries of the County of Sonoma, in cooperation with local agencies, as defined, that elect to participate, to assist those agencies in meeting their greenhouse gas emissions reduction goals. Existing law authorizes the authority to develop, coordinate, and implement programs and policies to comply with the California Global Warming Solutions Act of 2006 and other federal or state mandates and programs designed to respond to greenhouse gas emissions and climate change. This bill would extend these provisions indefinitely. By extending the duties of the Sonoma County Regional Climate Protection Authority, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Staff Recommendation: Support League: Watch CSAC: Watch L&GO Position:

Bills Previously Reviewed

AB 18 (Bill Dodd D, Napa & Solano County) **Disaster Relief: South Napa Earthquake**

Introduced: 12/1/2014

Status: 8/27/2015-In committee: Held under submission.

Summary: The California Disaster Assistance Act generally provides that the state share for disaster project allocations to local agencies is no more than 75% of total state eligible costs, except for specified events for which the state share is up to 100% of state eligible costs. This bill would add the August 24, 2014, South Napa Earthquake, to the list of events for which the state share of state eligible cost is up to 100% and exempt the county from a specified planning requirement as a condition of receiving this level of assistance.

Staff Recommendation: Support **League:** Watch **CSAC:** Support **L&GO Position:** Support

AB 45 (Kevin Mullin D, San Mateo County) **Household Hazardous Waste** Amended: 1/21/2016

Status: 2/4/2016-Referred to Com. on E.Q.

Summary: The California Integrated Waste Management Act of 1989, which is administered by the Department of Resources Recycling and Recovery, requires, among other things, each city and each county to prepare a household hazardous waste element containing specified components, and to submit that element to the department for approval. Existing law requires the department to approve the element if the local agency demonstrates that it will comply with specified requirements. A city or county is required to submit an annual report to the department summarizing its progress in reducing solid waste, including an update of the jurisdiction's household hazardous waste element. This bill would require the department to adopt one or more model ordinances for a comprehensive program for the collection of household hazardous waste and would authorize a local jurisdiction that provides for the residential collection and disposal of solid waste that proposes to enact an ordinance governing the collection and diversion of household hazardous waste to adopt one of the model ordinances adopted by the department. The bill would require the department to determine whether a nonprofit organization has been created and funded to make grants to local jurisdictions for specified purposes relating to household hazardous waste disposal and would specify that if the department does not determine that such a nonprofit organization exists by December 31, 2018, then the bill's provisions would be repealed on January 1, 2019.

Staff Recommendation: Watch **League:** Oppose **CSAC:** Oppose **L&GO Position:** Watch

AB 1500 (Brian Maienschein R) **Planning and zoning: Housing Element: Supportive Housing and Transitional Housing**

Status: 2/4/2016-Referred to Committee on Transportation and Housing

Location: 2/4/2016 to Committee on Transportation and Housing

Summary: The Planning and Zoning Law requires a city or county to adopt a general plan for land use development that includes, among other things, a housing element. That law requires the housing element to include an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. That law requires this assessment and inventory to include the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, as provided. This bill would authorize a city or county to additionally include in its assessment and inventory the identification of supportive housing and transitional housing, as those terms are defined in specified statutes. If a local government elects to include this identification in its assessment and inventory, the bill would impose certain requirements, including that the identified zone or zones include sufficient capacity to accommodate the need for supportive housing or transitional housing, that the local government demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of supportive housing or transitional housing, and that supportive housing or transitional housing generally be subject only to the development and management standards that apply to residential or commercial development within the same zone. The bill would also provide that the permit processing, development, and management standards applied under these provisions would not be discretionary acts within the meaning of the California Environmental Quality Act.

Staff Recommendation: Watch **League:** No Position **CSAC:** Pending **L&GO Position:**

AB 1591 (Jim Frazier D) Transportation Funding

Status: 2/1/2016-Referred to Coms. on Trans. and Rev. & Tax.

Summary: Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account. This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street system. The bill would require the California Transportation Commission to adopt performance criteria to ensure efficient use of the funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund, including revenues attributable to a \$0.225 per gallon increase in the motor vehicle fuel tax imposed by the bill, including an inflation adjustment as provided, an increase of \$38 in the annual vehicle registration fee, and a new \$165 annual vehicle registration fee applicable to zero-emission motor vehicles, as defined.

Staff Recommendation: Watch **League:** Support in Concept **CSAC:** Support **L&GO Position:**

AB 1915 (Miguel Santiago D) Homelessness: Affordable Housing. (Introduced: 2/11/2016)

Status: Gut and Amended 3/18 now **Alcohol and drug programs: facility expansion.**

AB 1934 (Miguel Santiago D) Planning and Zoning: Density Bonuses. (Amended 4/14/2016)

Status: 5/12/2016-Read second time. Ordered to third reading.

Location: 5/12/2016-A. THIRD READING

Summary: The Planning and Zoning Law requires, when an applicant proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents. This bill would, when an applicant for approval for commercial development agrees to partner with an affordable housing developer to construct a mixed-used project for which the housing will be located onsite at the proposed commercial development, require a city, county, or city and county to grant to the commercial developer a density bonus, as specified. By increasing the duties of local officials relating to the administration of density bonuses, this bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

Staff Recommendation: Watch **League:** Oppose **CSAC:** Concerns **L&GO Position:**

AB 2031 (Susan Bonta D) Local Government: Affordable Housing: Financing. (Introduced: 3/17/2016)

Status: 5/19/2016-Referred to Coms. on T. & H. and GOV. & F.

Summary: Existing law requires, from February 1, 2012, to July 1, 2012, inclusive, and for each fiscal year thereafter, the county auditor-controller in each county to allocate property tax revenues in the county's Redevelopment Property Tax Trust Fund, established to receive revenues equivalent to those that would have been allocated to former redevelopment agencies had those agencies not been dissolved, towards the payment of enforceable obligations and among entities that include, among others, a city and the county or the city and county. This bill would authorize a city or county that formed a redevelopment agency and became the successor agency that received a finding of completion from the Department of Finance to reject its allocations of property tax revenues from the trust fund. The bill would direct those rejected property tax revenues to an affordable housing special beneficiary district, established as a temporary and distinct local governmental entity for the purposes of receiving a rejected distribution of property tax proceeds and promoting affordable housing by providing financing assistance within its boundaries. The bill would require a beneficiary district to be governed by a 5-member board and comply with specified open meeting and public record laws. The bill would require a beneficiary district to cease to exist on the 90th calendar day after the date the county auditor-controller makes the final transfer of the distribution of property tax revenues to the beneficiary district, and prohibit a beneficiary district from undertaking any obligation that requires its action past that date. The bill would transfer any funds and public records of a beneficiary district remaining after the date the beneficiary district ceases to exist to the city or county that rejected the of property tax revenues thereafter directed to that district, as specified.

Staff Recommendation: Watch **League:** Watch **CSAC:** Watch **L&GO Position:**

AB 2050 (Marc Steinorth R) Redevelopment.

Status: Gut and Amended 3/18 now Healthcare Coverage Prescription Drugs

AB 2208 (Miguel Santiago D) Local Planning: Housing Element: Inventory of Land for Residential Development.

(Amended: 4/4/2016)

Status: 5/12/2016-Action from SECOND READING: Read second time. To THIRD READING.

Summary: Existing law, the Planning and Zoning Law, requires a city or county to adopt a comprehensive, long-term general plan for the physical development of the city or the county and of any land outside its boundaries that bears relation to its planning. That law requires the general plan to contain specified mandatory elements, including a housing element. Existing law requires the housing element to contain an inventory of land suitable for residential development, and requires that inventory to be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels. This bill would expand that inventory of land suitable for residential development to include buildings owned or under the control of a city or a county, zoned for residential or nonresidential use and capable of having residential developments constructed above the existing building, and to include underutilized sites, as defined. By imposing new duties upon local agencies with respect to the housing element of the general plan, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Staff Recommendation: Watch **League:** Watch **CSAC:** Watch **L&GO Position:**

AB 2299 (Richard Bloom D) Land Use: Housing: 2nd Units. (Amended: 4/5/2016)

5/12/2016-Read second time. Ordered to third reading.

Location: 5/12/2016-A. THIRD READING

Summary: The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified. This bill would, instead, require a local agency to provide by ordinance for the creation of 2nd units in these zones. The bill would also specify that a local agency may reduce or eliminate parking requirements for any 2nd unit located within its jurisdiction. This bill contains other related provisions and other existing laws.

Staff Recommendation: Watch **League:** Oppose **CSAC:** Oppose **L&GO Position:**

AB 2406 (Tony Thurmond D) Housing: Junior Accessory Dwelling Units. (Amended: 4/28/2016)

Status: 5/19/2016-Referred to Com. on T. & H.

Summary: The Planning and Zoning Law authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential areas, as prescribed. This bill would, in addition, authorize a local agency to provide by ordinance for the creation of junior accessory dwelling units, as defined, in single-family residential zones. The bill would require the ordinance to include, among other things, standards for the creation of a junior accessory dwelling unit, required deed restrictions, and occupancy requirements. The bill would prohibit an ordinance from requiring, as a condition of granting a permit, water and sewer connection fees or additional parking requirements.

Staff Recommendation: Support **League:** Watch **CSAC:** Support **L&GO Position:** Support

AB 2413 (Tony Thurmond D) Sea Level Rise Preparation. (Introduced: 2/19/2016)

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5).

Location: 4/22/2016-A. DEAD

Summary: Existing law declares the intent of the Legislature to prioritize the state's response to the impacts resulting from climate change by ensuring all state departments and agencies prepare for and are ready to respond to the impacts of climate change, such as sea level rise. Existing law, by July 1, 2017, and every 3 years thereafter, requires the Natural Resources Agency to update the state's climate adaptation strategy, which includes vulnerabilities to climate change and priority actions needed to reduce the risk to climate change. Existing law, until January 1, 2018, also requires the agency to create, biannually update, and post on an Internet Web site a Planning for Sea Level Rise Database, as specified, and requires specified entities to provide to the agency certain sea level rise planning information for inclusion in the database. This bill would require the agency, on or before January 1, 2019, to complete a study outlining the potential impact of sea

level rise on low-income and at-risk communities and public projects and infrastructure. The bill would require the agency, based on the study, to make recommendations on preparing for sea level rise, as specified.

Staff Recommendation: *Watch* **League:** *Watch* **CSAC:** *Watch* **L&GO Position:**

AB 2356 (Jimmy Gomez D) Planning and Zoning: Housing Element: Extremely Low Income Housing.

(Amended: 5/2/2016)

Status: 5/6/2016-Failed Deadline pursuant to Joint Rule 61(b)(6). (Last location was RLS. on 5/3/2016)

Location: 5/6/2016-A. DEAD

Summary: The Planning and Zoning Law requires a city or county to adopt a general plan for land use development that includes, among other things, a housing element. That law requires the housing element to include an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. That law requires this assessment and inventory to include the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, as provided. This bill would authorize a city or county to additionally include in its assessment and inventory the identification of housing for extremely low income households, as defined. If a local government elects to include this identification in its assessment and inventory, the bill would impose certain requirements, including that the identified zone or zones include sufficient capacity to accommodate the need for housing for extremely low income households, that the local government demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of housing for extremely low income households, and that housing for extremely low income households generally be subject only to the development and management standards that apply to residential or commercial development within the same zone. The bill would also provide that the development of zones and objective management standards under these provisions would not be discretionary acts within the meaning of the California Environmental Quality Act.

Staff Recommendation: *Watch* **League:** *Watch* **CSAC:** *Watch* **L&GO Position:**

AB 2442 (Chris Holden D) Density Bonuses. (Amended: 4/14/2016)

Status: 5/12/2016-Read second time. Ordered to third reading.

Summary: The Planning and Zoning Law requires, when an applicant proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents. This bill would additionally require a density bonus to be provided to a developer that agrees to construct a housing development that includes at least 10% of the total units for transitional foster youth, disabled veterans, or homeless persons, as defined. The bill would require that these units be subject to a recorded affordability restriction of 55 years and be provided at the same affordability level as very low income units. The bill would set the density bonus at 20% of the number of these units. By increasing the duties of local agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Staff Recommendation: *Watch* **League:** *Concerns* **CSAC:** *Watch* **L&GO Position:**

AB 2500 (Tom Daly D) Land use. (Introduced: 2/19/2016)

4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. L. GOV. on 3/17/2016)

Location: 4/22/2016-A. DEAD

Summary: Existing law, the Planning and Zoning Law, requires a city or county to prepare and adopt a comprehensive, long-term general plan, and requires the general plan to include certain mandatory elements, including a housing element. That law requires the housing element, in turn, to include, among other things, an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of those needs. That law further requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, as specified, at least two years prior to the scheduled revision of a housing element required by law. This bill would require the department to determine the regional housing need at least two years and three months prior to the scheduled revision of a housing element required by law. This bill contains other related provisions and other existing laws.

Staff Recommendation: *Watch* **League:** *Watch* **CSAC:** *Support* **L&GO Position:**

AB 2584 (Tom Daly D) Land Use: Housing Development. (Amended: 4/25/2016)

Status: 5/9/2016-In Senate. Read first time. To Com. on RLS. for assignment.

Summary: The Housing Accountability Act, among other things, prohibits a local agency from disapproving a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes specified written findings. The act authorizes an applicant or person who would be eligible to apply for residency in the development or emergency shelter to bring an action to enforce the act. This bill would, in addition, authorize a housing organization, as defined, to bring an action to enforce the act.

Staff Recommendation: Watch **League:** Oppose **CSAC:** Watch **L&GO Position:**

AB 2734 (Toni Atkins D) Local Control Affordable Housing Act. (Amended: 4/5/2016)

Status: 5/4/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Summary: Existing law, effective February 1, 2012, dissolved all redevelopment agencies and community development agencies and provides for the designation of successor agencies, as specified. Existing law requires successor agencies to service the enforceable obligations of the dissolved agencies and otherwise wind down the affairs of the dissolved agencies. This bill would establish the Local Control Affordable Housing Act to require the Department of Finance, on or before ____ and on or before the same date each year thereafter, to determine the state General Fund savings for the fiscal year as a result of the dissolution of redevelopment agencies. The bill would provide that, upon appropriation, 50% of that amount or \$1,000,000,000, whichever is less, be allocated to the Department of Housing and Community Development. The bill would require the department to retain 1/2 of these funds for state level programs and to provide the other 1/2 to local agencies for housing purposes, except as specified. The bill would require the Department of Housing and Community Development to create an equitable funding formula for funding distributed to local agencies, which the bill would require to be geographically balanced and take into account factors of need including, but not limited to, poverty rates and lack of supply of affordable housing for persons of low and moderate incomes in local jurisdictions. The bill would also specify the housing purposes for which those funds may be used.

Staff Recommendation: Support **League:** Support **CSAC:** Watch **L&GO Position:**

AB 2783 (Eduardo Garcia D) Affordable Housing and Sustainable Communities Program.

(Amended: 4/25/2016) **Status:** 4/26/2016-Re-referred to Com. on APPR.

Summary: Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law continuously appropriates 20% of the annual proceeds of the fund to the Affordable Housing and Sustainable Communities Program, administered by the Strategic Growth Council, to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development and that support other related and coordinated public policy objectives. Existing law requires the council to develop guidelines and selection criteria for the program. This bill would require the Strategic Growth Council to consider revisions to the guidelines and selection criteria with respect to affordable housing projects that qualify under the program's rural innovation project area.

Staff Recommendation: Watch **League:** Watch **CSAC:** Watch **L&GO Position:**

AB 2817 (David Chiu D) Income Taxes: Credits: Low-Income Housing: Allocation Increase.

(Amended: 5/27/2016) **Status:** 5/27/2016-From committee: Amend, and do pass as amended. (Ayes 19. Noes 0.) (May 27). Read second time and amended. Ordered returned to second reading.

Summary: Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, personal income, and corporation income tax credit amounts among low-income housing projects based on federal law. Existing law, in modified conformity to federal income tax law, allows the credit based upon the applicable percentage, as defined, of the qualified basis of each qualified low-income building. Existing law limits the total annual amount of the credit that the committee may allocate to \$70 million per year and allows \$500,000 per year of that amount to be allocated for projects to provide farmworker housing, as specified. This bill, for calendar years beginning 2017, would increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000, as specified. The bill would also increase the amount the committee may allocate to farmworker housing projects from \$500,000 to \$25,000,000 per year. The bill, under the insurance taxation law, the Personal Income Tax Law, and the Corporation Tax

Law, would modify the definition of applicable percentage relating to qualified low-income buildings that meet specified criteria. This bill contains other related provisions.

Staff Recommendation: Support **League:** Support **CSAC:** Support **L&GO Position:**

ABX1 6 (Roger Hernández D) Affordable Housing and Sustainable Communities Program. (Introduced: 7/16/2015)
Status: 7/17/2015-From printer.

Summary: Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law continuously appropriates 20% of the annual proceeds of the fund to the Affordable Housing and Sustainable Communities Program, administered by the Strategic Growth Council, to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development and that support other related and coordinated public policy objectives. This bill would require 20% of moneys available for allocation under the program to be allocated to eligible projects in rural areas, as defined. The bill would further require at least 50% of those moneys to be allocated to eligible affordable housing projects. The bill would require the council to amend its guidelines and selection criteria consistent with these requirements and to consult with interested stakeholders in this regard.

Staff Recommendation: Watch **League:** Watch **CSAC:** Watch **L&GO Position:**

ABX1 24 (Marc Levine and Philip Ting) Bay Area Transportation Commissioners

Status: 9/12/2015-From printer.

Summary: Existing law designates the Metropolitan Transportation Commission as the regional transportation planning agency for the San Francisco Bay area, with various powers and duties with respect to transportation planning and programming, as specified, in the 9-county San Francisco Bay area region. Existing law creates the Bay Area Toll Authority, governed by the same board as the commission, but created as a separate entity, with specified powers and duties relative to the administration of certain toll revenues from state-owned toll bridges within the geographic jurisdiction of the commission. Under existing law, the commission is comprised of 21 appointed members, as specified. This bill, effective January 1, 2017, would redesignate the Metropolitan Transportation Commission as the Bay Area Transportation Commission. The bill would require commissioners to be elected by districts comprised of approximately 750,000 residents. The bill would require each district to elect one commissioner, except that a district with a toll bridge, as defined, within the boundaries of the district would elect 2 commissioners. The bill would require commissioner elections to occur in 2016, with new commissioners to take office on January 1, 2017. The bill would state the intent of the Legislature for district boundaries to be drawn by a citizens' redistricting commission and campaigns for commissioners to be publicly financed. This bill contains other related provisions and other existing laws.

Staff Recommendation: Watch **League:** No Position **CSAC:** No Position **L&GO Position:** Oppose

SB 7 (Lois Wolk D, Contra Costa County) Housing: Water Meters: Multiunit Structures

Status: 1/1/2016-Set for Hearing.

Location: 1/1/2016-A. Unfinished Business

Summary: Existing law generally regulates the hiring of dwelling units and, among other things, imposes certain requirements on landlords and tenants. Among these requirements, existing law requires landlords to provide tenants with certain notices or disclosures pertaining to, among other things, pest control and gas meters. This bill would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords. This bill contains other related provisions and other existing laws.

Staff Recommendation: Watch **League:** Watch **CSAC:** Watch **L&GO Position:** Watch

SB 438 (Jerry Hill D) Earthquake Safety: Statewide Earthquake Early Warning System: Funding.

(Amended: 3/2/2016) **Status:** 3/2/2016- Re-referred to Com. on G.O.

Summary: Existing law requires the Office of Emergency Services, in collaboration with specified entities, to develop a comprehensive statewide earthquake early warning system in California through a public-private partnership, as specified. Under existing law, the requirement that the office develop the system is not operative until funding is identified, and is repealed if funding is not identified by July 1, 2016. This bill would discontinue the requirement that the funding sources

for the system exclude the General Fund and be limited to federal funds, funds from revenue bonds, local funds, and funds from private sources. The bill would delete the provisions providing for the repeal and the contingent operation of the requirement that the office develop the system. The bill would appropriate \$23,100,000 from the General Fund to the office for the purpose of implementing the system.

Staff Recommendation: Support League: Watch CSAC: Watch L&GO Position:

SB 441 (Mark Leno D) San Francisco Redevelopment: Housing. (Amended: 4/6/2015)

Status: 9/12/2015-In Assembly. Held at Desk. Action rescinded whereby the bill was read a third time, passed, and ordered to the Senate. Ordered to inactive file on request of Assembly Member Holden.

Summary: The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies that are required to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations. Existing law prohibits dissolved redevelopment agencies from issuing bonds or incurring other indebtedness on or after June 29, 2011. Existing law authorizes successor agencies to, among other things, issue bonds or incur indebtedness after that date to refund the bonds or indebtedness of a former redevelopment agency or to finance debt service spikes, as specified. The issuance of bonds or incurrence of other indebtedness by a successor agency is subject to the approval of the oversight board of the successor agency. This bill would authorize the successor agency to the Redevelopment Agency of the City and County of San Francisco to issue bonds or incur other indebtedness to finance the construction of affordable housing and infrastructure required by specified enforceable obligations, subject to the approval of the oversight board. The bill would provide that bonds or other indebtedness authorized by its provisions would be considered indebtedness incurred by the dissolved redevelopment agency, would be listed on the Recognized Obligation Payment Schedule, and would be secured by a pledge of moneys deposited into the Redevelopment Property Tax Trust Fund.

Staff Recommendation: Watch League: Watch CSAC: Watch L&GO Position:

SB 879 (Jim Beall D) Affordable Housing: Bond Act

(Amended: 5/5/2016) **Status:** 5/13/2016-Set for hearing May 23.

Summary: Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home ownership for very low and low-income households, and down payment assistance for first-time home buyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law and requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. This bill would enact the Affordable Housing Bond Act of 2016, which, if adopted, would authorize the issuance of bonds in the amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided. This bill contains other related provisions.

Staff Recommendation: Support League: Support if Amended CSAC: Pending L&GO Position:

SB 1000 (Connie Leyva D) Land Use: General Plans: Environmental Justice. (Amended: 4/12/2016)

Status: 5/9/2016-May 9 hearing: Placed on APPR. suspense file.

Summary: The Planning and Zoning Law requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city and of any land outside its boundaries that bears relation to its planning. That law requires this general plan to include several elements, including, among others, land use, open-space, safety, and conservation elements, which are required to meet specified requirements. This bill would add to the required elements of the general plan an environmental justice element that identifies disadvantaged communities, as defined, within the area covered by the general plan of the city, county, or city and county. The bill would also require the environmental justice element to identify objectives and policies to reduce the health risks in disadvantaged communities, as specified, and to identify objectives and policies to promote civil engagement in the public decision-making process. The bill would require the environmental justice element to be adopted or reviewed upon the adoption or next revision of the housing element on or after January 1, 2018. By adding to the duties of county and city officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Staff Recommendation: Watch League: Oppose CSAC: Support if Amended L&GO Position:

SB 1069 (Bob Wieckowski D) Land Use: Zoning.

(Amended: 4/26/2016) **Status:** 5/16/2016-In Assembly. Read first time. Held at Desk.

Summary: The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified. That law makes findings and declarations with respect to the value of 2nd units to California's housing supply. This bill would replace the term "second unit" with "accessory dwelling unit" throughout the law. The bill would add to those findings and declarations that, among other things, allowing accessory dwelling units in single-family or multifamily residential zones provides additional rental housing stock and these units are an essential component of housing supply in California. This bill contains other related provisions and other existing laws.

Staff Recommendation: Watch **League:** Oppose **CSAC:** Oppose **L&GO Position:**

SB 1233 (Mike McGuire D) Joint Powers Authorities: Water Bill Savings Act.

(Amended: 5/4/2016) **Status:** 5/4/2016-Read second time and amended. Ordered to third reading.

Summary: Existing law, the Marks-Roos Local Bond Pooling Act of 1985, authorizes joint powers authorities, among other powers, to issue bonds and loan the proceeds to local agencies to finance specified types of projects and programs. This bill would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. The bill would require the customer to repay the authority through an efficiency charge on the customer's water bill to be established and collected by the local agency or its publicly owned utility on behalf of the authority pursuant to a servicing agreement. The bill would authorize the authority to issue bonds to fund the program. The bill would also make technical changes.

Staff Recommendation: Support **League:** Watch **CSAC:** Pending **L&GO Position:** Support

SBX1 1 (Jim Beall D, San Jose) Transportation Financing for Road Maintenance (Amended: 4/21/2016)

Status: 4/21/2016-From committee with author's amendments. Re-referred to Com. on APPR.

Summary: Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account. This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system and for other specified purposes. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund, including revenues attributable to a \$0.12 per gallon increase in the motor vehicle fuel (gasoline) tax imposed by the bill and \$0.10 of a \$0.22 per gallon increase in the diesel fuel excise tax imposed by the bill, an increase of \$35 in the annual vehicle registration fee, a new \$100 annual vehicle registration fee applicable to zero-emission motor vehicles, as defined, a new annual road access charge on each vehicle, as defined, of \$35, and repayment, by June 30, 2016, of outstanding loans made in previous years from certain transportation funds to the General Fund. The bill would provide that revenues from future adjustments in the applicable portion of the fuel tax rates, the annual vehicle registration fee increase, and the road access charge would also be deposited in the account. This bill contains other related provisions and other existing laws.

Staff Recommendation: Watch **League:** Support **CSAC:** Support **L&GO Position:** Watch



AB 2200 – School Employee Housing Assistance Grant

IN BRIEF

AB 2200 seeks to close the achievement gap by allowing school employees, including teachers, to remain in the cities where they work. Specifically, the bill creates a \$100 million program which will provide financial assistance to school districts that cannot independently fund housing for school employees. The program also allocates 5% of its funds towards predevelopment costs.

BACKGROUND

Housing costs in many parts of California are rising. This year alone, the average rental price in Oakland has risen 13.7 percent to \$2,806 per month. This dynamic has begun to displace individuals who despite their contribution to the community, cannot live within it. One such essential member are school teachers.

Districts throughout California still struggle recruiting and retaining teachers. After sharp declines in open teacher positions, and increases in student enrollment, recent funding increases have still left many districts scrambling to find and retain qualified teachers. According to Learning Policy Institute, non-retirement attrition accounts for two-thirds of teachers who leave.

This dynamic of teacher retention has been exacerbated by high housing costs. Teachers and school employees, like other civil servants, are paid based on available state funding and not on market pressures. In high housing cost areas, the issue of teacher retention rests largely on the insufficiency of salaries' capacity to cover housing costs. In the City of Richmond, exit interviews have pointed to housing as the number one reason for teachers leaving their post.

In effect, high housing costs have come to affect the classroom as the turnover of teachers feeds into the increasing achievement gap. According to the Center for Education Policy Analysis at Stanford University, teacher turnover has a significant and negative impact on the achievement of students in schools with large populations of low-performing and minority students. These schools, like most schools in California, have seen a rise in the number of temporary permits, waivers, and intern credentials issued by the California

Commission on Teacher Credentialing. This means that more students are being taught by individuals who have not completed, or in some instances begun, teacher credentialing.

School districts in California have begun to increase teacher retention by providing housing to teachers. School districts in Los Angeles and Santa Clara, with San Francisco considering such a plan, have teachers in district-sponsored housing. However, for financially-strapped districts in high-cost areas, such a proven solution is not an option.

SOLUTION

Provide financial assistance to school districts seeking to develop housing for school employees who (1) have acquired land for development (2) can show show high recruitment costs and low retention rates (3) have 60% of students participating in the Free and Reduced Lunch Program. Predevelopment assistance, excluding costs for land acquisition, are provided to school districts which meet the qualifications for development assistance and can show an inability to fund start-up costs.

SUPPORT

- City of Oakland (Sponsor)
- AFL-CIO Housing Investment Trust
- California Catholic Conference
- California Teachers Association
- City of Walnut Creek
- Oakland Unified School District
- State Building and Construction Trades Council of California, AFL-CIO
- West Contra Costa Unified School District

FOR MORE INFORMATION

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Assemblymember Tony Thurmond, 15th Assembly District

AB 2406 – Junior Accessory Dwelling Units (JADU)

IN BRIEF

A multitude of solutions are needed to address California's critical need for more housing. Assembly Bill (AB) 2406 will create a simple and inexpensive permitting process for a flexible type of second unit created by repurposing spare bedrooms in existing homes. Junior Accessory Dwelling Units (JADUs), or Junior Second Units, will create new, less costly rental housing, while at the same time making owning a home in the state more affordable.

BACKGROUND

We have a critical shortage of housing in California. New housing options are needed to meet the diverse economic needs of people throughout the state. Single-family homes make up the vast majority of our housing inventory. Yet over half of those homes are occupied by only one couple or less, leaving the majority of bedrooms in an average three bedroom home empty or underutilized.

Over the last fifty years home sizes have increased by over 30%, while at the same time the average household size has decreased to 2.3. Today the traditional family (mother, father and one or more children under 18 years of age) makes up only 33% of the population. The majority of the population in California is made up of smaller households including: single-parent families, couples without children, empty nesters, retirees, young professionals and individuals of all ages.

Seniors and young working individuals are the two fastest growing populations in California. These two constituency groups have the lowest incomes. Each one faces increasing challenges finding and retaining housing that can and meets their needs. The senior population is expected to more than double over the next 20 years. 89% of seniors, according to AARP, wish to remain in their homes and age in place.

With rising prices, the workforce that comprises our communities relies heavily on rental housing to live

near where they work. Yet this workforce finds it increasingly difficult to find housing. The high demand of housing, driven by a strong economy and exacerbated by a limited supply of housing, has given to rise to the need for housing supply.

The median home price in California is \$457K. In areas around economic centers, such as the Bay Area, the median home price has soared to \$791K, making homeownership out of reach for the vast majority of families. Because of this, and given the silver tsunami we are facing as masses of baby boomers move into retirement, many are turning to their home as a resource to create additional income to meet their rising costs.

Workers commuting to their jobs are a major contributing factor playing into this equation. Climate change is attributed to high levels of carbon dioxide in the atmosphere. To mitigate the effects of climate change California has instituted challenging goals to reduce our CO2 emissions. However, pushing individuals out of their homes due to rising costs premised on lack of housing supply has subverted the environmental goals of California. It is critically important to house vital workers in the communities where they serve.

SOLUTION

AB 2406 will create an abundant source of rental housing, while at the same time making owning a home in California more affordable. It better utilizes the built environment by more efficiently using underutilized space in existing homes. These units will help homeowners remain in their homes and age in place by housing loved ones, caregivers and people who work in the community. This will help reduce carbon emissions from the thousands of workers who must commute long distances to get to their jobs. They will also help more people qualify to purchase homes given the additional income these units generate.

SUPPORT

Lilypad Homes (sponsor)

FOR MORE INFORMATION

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AB 2441 – Workforce Housing in High-Cost Areas Pilot Program

IN BRIEF

AB 2441 will create a new state investment in cities for the development of housing in high-cost areas. The bill will create a pilot program that will provide funds to cities in high-cost areas, to be used for either downpayment assistance of a home or the development, substantial rehabilitation and preservation of multifamily housing.

BACKGROUND

Housing costs are rising throughout the United States, but it is specially so in California where, according to a the Public Policy Institute of California, five of the ten most expensive large metropolitan housing markets in the nation are located. Housing costs in these high-cost metropolitan regions have reached pitched levels of unaffordability.

A divergence between median rents and median income has led to greater housing unaffordability in such high-cost areas. To illustrate, this year alone the average rental price in Oakland has risen 13.7 percent to \$2,806 per month. Such a high rent has come to put pressure on individuals who historically fall outside of state-subsidy. All state funds that subsidize the development of multi-family housing is capped at 60% AMI. In high-cost metropolitan areas, the free market does not naturally provide housing for many above that income designation—highlighting a need.

For many seeking homeownership, the inadequate qualifications of these programs in high-cost areas has contributed to the lack of homeownership opportunities. Many state programs for homeownership are capped at 80% AMI, while those which extend to 120% AMI have limitations that make them inadequate in high-cost areas. Limitations such on home sale prices, second-time homebuyers, qualifying homes—land trust/coops homes do not qualify.

The Greenlining Institute and the Urban Strategies Council illucidates on this dynamic in their 2016 report, “Locked Out of the Market: Poor Access to Home Loans for Californians of Color.” They find that in Oakland, individuals at 100-120% AMI submitted a lower number of home loan applications than borrowers making 30-50% and 50-80% AMI.

Similarly in Long Beach, individuals making between 80-100% AMI had a lower origination rate than residents in the 30-50% and 50%-80% AMI range.

In sum, existing programs are not flexible to provide housing that meets the needs of a diverse and complex housing crisis. The result of programs with such gaps in coverage has been the displacement of workers from their communities. The displacement of workers is not only a detriment to communities themselves, but also to California as a whole as economically diverse communities are undermined. As residents are displaced away from their jobs, commutes will increase as well as traffic in California’s highways effectively undermining California’s goals to reduce carbon emissions. Notwithstanding the strain of long commutes on family life, the importance of neighborhood and environment in preparing children from working families for success and social mobility cannot be understated. And for those who brave such steep rental housing costs, have their capacity to save income and move towards homeownership undercut.

SOLUTION

Provide direct-assistance to cities in high cost areas for the creation of affordable housing. Eligible activities include downpayment assistance and the predevelopment costs, acquisition, construction, rehabilitation of rental housing projects or units within rental housing projects. The affordability of all rental units assisted is restricted for a period of 55 years.

SUPPORT

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Assembly Speaker Emeritus Toni G. Atkins, 78th Assembly District

AB 2734 – Local Control Affordable Housing Act

IN BRIEF

This bill establishes the Local Control Affordable Housing Act which begins to restore the affordable housing funding lost after the elimination of redevelopment agencies in order to accelerate the production of affordable housing in communities throughout our state. Specifically, the bill identifies the state savings accumulated from the elimination of redevelopment and redirects a portion of those savings back to local governments to increase the supply of affordable housing.

THE ISSUE

California has a housing affordability crisis.

- According to the Public Policy Institute of California (PPIC), as of January 2016, 31.5% of mortgaged homeowners and 47.4% of renters spend more than 35 percent of their total household income on housing.
- California has the second lowest homeownership rate in the nation, losing nearly 250,000 owner households in the past decade. In California, there has also been an increase of 850,000 new renter households in the last decade.
- California has six of the nation's eleven most expensive large metropolitan rental markets: San Francisco, San Jose, Orange County, Oakland, Los Angeles, and San Diego.
- California has 12% of the United States population but 20% of its homeless population. The state also has the largest number of unaccompanied homeless children and youth (30% of the national total).
- For the first time in 2015, Standard and Poors Ratings Services cited California's "Persistently high cost of housing" as contributing to a relatively weaker business climate and a credit weakness in the rating of California General Obligation bonds.
- California's affordable housing funding has declined 66.5% since 2008, a loss of over \$1.7 billion per year. More than \$1 billion of this total comes from the loss of redevelopment funds that were directed to affordable housing purposes.

BACKGROUND

Increasing the construction and availability of affordable housing is good for our economy, the state budget, job creation, and families:

- Affordable housing saves money -- on average, a single homeless Californian incurs \$2,897 per month in county costs for emergency room visits and in-patient hospital stays as well as the costs of arrests and incarceration. Roughly 79% of these costs are cut when that person has an affordable home.
- Development creates jobs -- an estimated 29,000 jobs are created for every \$500 million spent on affordable housing.
- Affordable housing alleviates poverty -- California households with the lowest 25% of incomes spend 67% of their income on housing, leaving little left over for other essential needs.

THE SOLUTION

The Local Control Affordable Housing Act directs the Department of Finance to calculate the state savings resulting from the elimination of redevelopment agencies and requires that 50% of those savings be redirected to address affordable housing needs. This approach begins to restore affordable housing funding lost when redevelopment agencies were eliminated. Half of these funds would be provided directly to local governments, and half would fund successful state affordable housing production programs.

With the growth in our economy, the state has begun to restore other cuts in the budget but has not restored an ongoing source of funding for local housing needs. AB 2734 is an effort to help local governments accelerate the production of affordable housing.

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ASSEMBLY BILL 2817

LOW INCOME HOUSING TAX CREDIT

ASSEMBLYMEMBER DAVID CHIU

SUMMARY

Assembly Bill 2817 (Chiu) would increase California's Low Income Housing Tax Credit by \$300 million for the construction and rehabilitation of affordable housing units across the state. It will achieve this not only by increasing the amount of California credit, but also by increasing the state credit percentage so that it can more effectively maximize federal tax-exempt bond financing and 4% credits. This state investment and policy change would leverage an estimated \$200 million in federal 4% tax credits and \$400 million federal tax-exempt bond authority.

THE ISSUE

California is undergoing a major housing affordability crisis with a shortfall of over 1 million affordable homes. According to a 2014 report by the California Housing Partnership Corporation, median rents in California have increased by over 20%, while the median income has dropped by 8%.

State and Federal divestment in affordable housing has exacerbated this problem. With the elimination of California's redevelopment agencies and the exhaustion of state housing bonds, California has reduced its funding for the development and preservation of affordable homes by 79% - from approximately \$1.7 billion a year to nearly nothing. There is currently no permanent source of funding to compensate for this loss.

The housing crisis has contributed to a growing homeless population, increased pressure on local social safety nets, an unstable development and construction marketplace and the departure of tens of thousands of long-time California residents.

BACKGROUND

The Low Income Housing Tax Credit Program was enacted by Congress in 1986 to provide the private market with an incentive to invest in more affordable housing through federal tax credits. The California Tax Credit Allocation Committee was directed to award these credits to developers of qualified projects in the state. Developers sell these credits to investors to raise capital for their projects, reducing the debt that the developer would

otherwise have to borrow. As a result, property owners are able to offer lower, more affordable pricing. In response to the high cost of developing housing in California, the state legislature in 1987 authorized a state low-income housing tax credit program to leverage the federal credit program. Existing law limits the total amount of low-income housing tax credits the state may allocate to \$70 million per year, indexed for inflation. But due to increased demand for housing development, much of the tax credit program has been oversubscribed – leaving many high quality developments without a secure source of funding.

However, there is an untapped federal low-income housing tax credit that the state can still access—the 4% Federal Tax Credit. These 4% federal credits are unlimited and remain unused by the state. This is largely due to the fact that the 4% credits require additional state resources to make the development viable – resources that have been lacking under existing law.

AB 2817 would double the existing low-income housing tax credit program, making the state better able to leverage millions of dollars more in 4% Federal Tax Credits and federal tax exempt bond authority.

AB 2817

AB 2817 will:

1. Increase the aggregate housing state credit dollar amount that may be allocated among low-income housing developments by \$300 million, indexed for inflation;
2. Will increase the state credit percentage a developer may use to fund their project from 13% to 50% to help leverage an additional \$200 million in federal dollars; and
3. Increase the acquisition credits available for housing developments with low appraised values that serve very low-income, special needs or rural residents for the rehabilitation and preservation of such projects.
4. Increase the set-aside for farmworker housing projects from \$500,000 to \$25 million

SUPPORT

California Housing Consortium (co-sponsor)

California Housing Partnership (co-sponsor)
Housing California (co-sponsor)
Non-profit Housing Association of Northern
California (NHP), (co-sponsor)
California Building Industry Association (CBIA)
California Chamber of Commerce
California Credit Union League
California State Association of Counties (CSAC)
California Rural Legal Assistance Foundation
Disability Rights California
League of California Cities
Santa Clara County Board of Supervisors
The Arc California
United Cerebral Palsy California Collaboration
Western Center on Law and Poverty

OPPOSITION

None on File



AB 2842 – Workforce Housing Tax Credit Pilot

IN BRIEF

AB 2842 will create a new state investment in high-cost areas for the workforce which does not qualify for subsidized housing. This bill would create a new tax credit to incentivize the development of rent-restricted units above 60% of the Area Median Income in the 12 counties with the highest Fair Market Rents—as published by the Housing and Urban Development Agency. This will foster mixed-income communities as well as prevent the displacement of vital workforce-members and allow them to continue contributing to the communities where they work.

BACKGROUND

A divergence between median rents and median income has led to greater housing unaffordability in high-cost areas. Housing costs are rising throughout the United States, but it is specially so in California where, according to a the Public Policy Institute of California, five of the ten most expensive large metropolitan rental markets in the nation are located. To illustrate, this year alone the average rental price in Oakland has risen 13.7 percent to \$2,806 per month. Such a high rent has come to create put pressure on individuals who historically fall outside of state-subsidy.

However, all state funds that subsidize the development of multi-family housing is effectively capped at 60% of the Area Median Income (AMI). The only existing multifamily program capped at 80% AMI, the Multifamily Housing Program, is an overly-subscribed competitive program where advantage is given for lower-income developments—the implication of which is that no development above 60% AMI is funded. The consequence of this lack of gap-financing is that there are no rent-restricted units developed above 60% AMI which for the most part is justifiably below what the market provides. However, in high-cost metropolitan areas, the free market does not naturally provide housing for many above that income designation.

The consequence of this lack of investment has been the displacement of vital workers. Many workers whom, despite their contribution to the community, cannot live within it—such as healthcare workers, education professionals, firefighters, and others.

The displacement of workers is not only a detriment to communities themselves, but also to California as a whole. Their displacement, as with low-income individuals, has the effect of undermining economically diverse communities. As residents are displaced away from their jobs, commutes will increase as well as traffic in California’s highways effectively undermining California’s goals to reduce carbon emissions. Notwithstanding the strain of long commutes on family life, the importance of neighborhood and environment in preparing children from working families for success and social mobility cannot be understated. And for those who brave such steep rental housing costs, have their capacity to save income and move towards homeownership undercut.

Extending a housing tax credit above 60% AMI is currently implemented in the State of New York. Their Low-Income Housing Tax Credit extends to 90% AMI, based on the idea that mixed-income developments are most favorable. This credit would further the goal of solving the need for gap-financing for high AMIs in areas where the market does not naturally provide such housing. Without such an incentive, these high-cost areas will see the displacement of workers and long-time members of the community.

SOLUTION

AB 2842 will create a new state investment in high-cost areas for the workforce which does not qualify for subsidized housing. This bill would create a pilot program that will provide a tax credit to incentivize the development of rent-restricted units above 60% of the Area Median Income in the 12 counties with the highest Fair Market Rents. Developments must:

- Show that, upon time of allocation of the credit, rents for the units that have been provided a credit for are at least 20% below market rate.
- Require at least 20% of the units for households at 60-80% AMI.
- Must not receive a federal tax credit for units above 60% AMI.
- Agree that units funded by this credit must remain affordable for 55 years.

In order to maximize the state investment, the credit is certified. Further, in order to incentivize

developments up to 80% AMI, the credit amends the welfare exemption to allow, for units that receive this credit, it to be applied on a per-unit basis rather than on the basis of an occupant's income, provided those units receive this credit and that the tenant was below 80% AMI when they entered the unit.

SUPPORT

California Council on Affordable Housing

FOR MORE INFORMATION

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Senator Jerry Hill, 13th Senate District

SB 438 – Funding for Earthquake Early Warning System – factsheet

IN BRIEF

SB 438 will start funding a statewide earthquake early warning system to help save lives and protect the public before temblors strike.

THE PROBLEM

In 2013, [SB 135](#) (Padilla) was enacted to require the Governor's Office of Emergency Services (CalOES) to develop a comprehensive statewide earthquake early warning system. The law prohibits the use of General Funds; the intent is to base the funding on public-private partnerships. Unfortunately, those partnerships and funding have yet to materialize.

BACKGROUND

According to the [United States Geological Survey](#), California is the second most seismologically active state, second only to Alaska. The Federal Emergency Management Agency estimates that nationally, 66 percent (\$3.5 billion) of the annual monetary losses resulting from earthquakes occur in California.

Scientists predict that California is certain to experience a large earthquake in the near future. The most recent [Uniform California Earthquake Rupture Forecast](#) published in March 2015 predicts that there is 99.7% likelihood of a magnitude 6.7 or larger earthquake in California in the next 30 years and a 93% chance of a magnitude 7.0 earthquake or larger.

An earthquake early warning system is composed of a series of sensors in the ground that detect shaking and send out warnings up to 60 seconds before the shaking occurs. A warning of a few seconds before shaking occurs can have many lifesaving benefits, including:

- Providing time for residents to drop and cover
- Passenger and commuter trains can come to a complete stop or slow down to prevent derailment
- Doctors performing surgeries would be able to stop delicate procedures
- Elevators could automatically stop at the nearest floor and doors could open so people could exit

- Other automated responses could include fire station garage doors opening when alerts occurs so the doors don't jam during earthquakes. Businesses can shut off equipment or put crucial operations into safe mode to protect workers and facilities

Currently, there is a prototype earthquake early warning system in place, called [ShakeAlert](#), which is a partnership between the USGS, UC Berkeley, CalTech, and the Governor's Office of Emergency Services. The system is funded largely by the USGS (\$9 million) and the Gordon and Betty Moore Foundation (\$10 million). The ShakeAlert system is comprised of about 400 sensors throughout the state and is limited to sending alerts to participating prototype system partners, such as Bay Area Rapid Transit (BART).

ShakeAlert does not provide earthquake warnings to the public or on a statewide basis because it does not have a dense enough network of sensors, nor enough connectivity to disseminate alerts on a broad scale. California, through the Governor's Office of Emergency Services and the California Geological Survey, provides \$5.2 million to operate a network of seismic sensors, called the [California Integrated Seismic Network](#), which provides earthquake shaking information to the ShakeAlert system.

The law passed in 2013 was intended to expand the prototype system, but adequate funding has not been obtained for the expansion. As estimated by the USGS, at least \$23.1 million in additional funding is needed for one-time start-up costs, and another \$11.4 million is needed for ongoing maintenance and operation costs. Last December the federal government provided another \$8.2 million for earthquake early warning to be split up between California, Washington, and Oregon, but the state of California has yet to provide any additional funding beyond what it already provides for seismic sensors because current law prohibits the use of General Fund dollars.

The funding provided by SB 438 would be used to launch the warning system, which would include installing 440 new and upgraded seismic sensors throughout the state, connecting 840 existing seismic sensors with communications equipment so they can

be hooked up into the system, and developing a system to send alerts to the public.

When the Napa earthquake struck in August 2014, the ShakeAlert system provided BART with a 10 second warning. Had BART trains been running at the time (the earthquake struck early in the morning, before trains were running), the trains would have automatically slowed down or come to a complete stop when the alert was received.

Several other countries have already implemented earthquake early warning systems. After the 1995 Kobe earthquake that killed more than 6,400 people, Japan implemented a warning system that went online in 2007. The system helped save lives during the disastrous 2011 earthquake, which led to the closure of the Fukushima nuclear power plant. After more than 10,000 people died in the 1991 Mexico City earthquake, Mexico implemented an early warning system as well.

SOLUTION

SB 438 will remove the prohibition in current law that restricts the use of General Funds for the warning system. The bill will also appropriate \$23.1 million to install the needed seismic sensors, to implement the telecommunications technology, and to get the system up and running.

SUPPORT

California Institute of Technology (CalTech)
Silicon Valley Leadership Group
Mayor Eric Garcetti, City of Los Angeles
California State Firefighters' Association
California Fire Chiefs Association
Fire Districts Association of California
Computing Technology Industry Association
California Department of Insurance
Bay Area Rapid Transit (BART)

(updated 5-31-16)

FOR MORE INFORMATION

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SB 873 (Beall)
Allowing the Sale of State Low Income Housing Tax Credits
Fact Sheet

ISSUE

This bill seeks to increase the impact of the state's existing low-income housing tax credit with no fiscal impact to the state by structuring the credits in a way that is not subject to federal taxation.

BACKGROUND

Congress enacted the federal Low Income Housing Tax Credit (LIHTC) program in 1986 to provide the private market with an incentive to invest in affordable housing. The Legislature directed the California Tax Credit Allocation Committee (CTCAC) to award LIHTCs to developers of qualified projects in the state. The developers, who do not have sufficient tax liability to use the credits themselves, in turn seek equity investment for the project from corporations and others with tax liabilities in exchange for the tax credits. Under current law, the investors must become owners of the property to claim the credits. The equity the investors provide typically reduces the debt that the developer would otherwise have to borrow, allowing owners to offer lower, more affordable rents.

In response to the high cost of developing housing in California, the Legislature in 1987 authorized a state low-income housing tax credit program to leverage the federal credit program. Unfortunately, state taxes are deductible from federal taxable income, meaning that investors reducing their state tax liability with the state LIHTC must then pay taxes on their higher federal income as a result of losing their state tax deduction. With the federal corporate tax rate at 35%, this means that investors claiming state LIHTC's generally pay no more than 65 cents for each dollar of state credit. In other words, for every dollar the state invests in this critical program, the federal government currently takes 35 cents.

THIS BILL

SB 873 substantially increases the value of the state's investment in the LIHTC program by restructuring the credit to avoid the federal taxation impact to investors. The bill allows a developer who receives an award of state LIHTCs to sell the credits to an investor without requiring the investor to be part of the project ownership. Under federal and state tax laws, tax credits that are bought by an investor are considered a payment of the investor's tax rather than a reduction in his or her tax liability. As a result, bought credits do not reduce the taxpayer's federal deductions.

SB 873 will significantly increase the value of state LIHTCs and therefore the public benefit because it will eliminate the federal tax impacts associated with investors claiming state credits. The bill greatly increases the efficiency of the program and allows many more affordable housing units to be built for the same level of state tax expenditure. In other words, this bill gives the state a bigger bang for its buck.

STATUS/VOTES

Introduced January 14, 2016

SUPPORT

California State Treasurer John Chiang (Co-Sponsor)
California Housing Partnership Corporation (Co-Sponsor)
Association of Regional Center Agencies
California Apartment Association
California Council for Affordable Housing
California Housing Consortium
City of Dublin
Palm Communities
Santa Clara County Board of Supervisors
The Arc and United Cerebral Palsy California
Collaboration

OPPOSITION

None received.

FOR MORE INFORMATION

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SB 879 (Beall)
Affordable Housing Bond Act of 2016
Amended May 5, 2016

ISSUE

This bill seeks to provide \$3 billion through a statewide housing bond to fund existing critical and successful affordable housing programs in California.

BACKGROUND

California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. A person earning minimum wage must work three jobs on average to pay the rent for a two-bedroom unit. Additionally, units affordable to low-income earners, if available, are often in serious states of disrepair.

California also faces a housing shortage: 2.2 million extremely low-income (ELI) and very low-income (VLI) renter households are competing for only 664,000 affordable rental homes. This leaves more than 1.54 million of California's lowest income households without access to affordable housing.

As a result, low-income families are forced to spend more and more of their income on rent, which leaves little else for other basic necessities. Many renters must postpone or forego homeownership, live in more crowded housing, commute further to work, or, in some cases, choose to live and work elsewhere.

California has seen a significant reduction of state funding in recent years. The funds from Proposition 46 of 2002 and Proposition 1C in 2006 -- totaling nearly \$5 billion for a variety of affordable housing programs -- have been expended. Combined with the loss of redevelopment funds, \$1.5 billion of annual state investment dedicated to housing has been lost, leaving several critical housing programs unfunded.

THIS BILL

SB 879 provides for \$3 billion through a statewide housing general obligation bond to fund existing and successful affordable housing programs in California, with the intent of addressing the shortage of housing stock. SB 879 will fund the following existing state programs:

- Multifamily Housing
- CalHome
- Joe Serna Farmworker Housing

- Local Housing Trust Fund Matching Grant
- Transit-Oriented Development
- Infill Infrastructure Financing

As demonstrated through Prop 46 and Prop 1C and the 183,000 units they created, SB 879 will have a real and lasting impact on the housing shortage by providing \$3 billion to fund existing and successful affordable housing programs in California. The programs in this bill specifically fund the construction, rehabilitation, and preservation of housing for persons who earn up to 60% of the area median income, as well as those at risk of or currently experiencing homelessness.

Investing in affordable housing would save Californians money. According to a 2015 study conducted by the Economic Roundtable on homelessness in Santa Clara County, the estimated cost to the public of permitting homeless residents to remain homeless was \$62,473 per person annually. The estimated average cost of housing each individual was \$19,767 annually, or a reduction of \$42,706 annually. The costs of housing in lower cost areas of California would be significantly less. Another cost study conducted in Los Angeles found that public costs are reduced by 79% when the chronically homeless are housed and 50% when the entire homeless population is housed.

Further, SB 879 will result create jobs and provide local benefits through the construction of affordable housing. The estimated one-year impacts of building 100 rental apartments in a typical local area include \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs (1.62 jobs per apartment). The additional, annually recurring impacts of building 100 rental apartments in a typical local area include \$2.6 million in local income, \$503,000 in taxes and other revenue for local governments, and 44 local jobs (.44 jobs per apartment).

Investments in housing under SB 879 will also leverage federal dollars. For each \$0.70 of state funding for the multifamily housing program, the state leverages \$1 of 4% federal tax credits and \$2 of federal tax-exempt bonds that California otherwise would not be eligible to receive.

STATUS/VOTES

Introduced – January 15, 2016
Senate T&H Committee (May 3rd) – 9:1
Senate G&F Committee (May 11th) – 5:1
Senate Floor (June 2nd) – 28:9

SUPPORT

California Apartment Association
California Coalition for Rural Housing
California Economic Summit
California Housing Consortium
California Housing Partnership Corporation
City and County of San Francisco
City of Berkeley, Housing Advisory Commissioner -
Marian Wolfe
City of Santa Monica
Coachella Valley Housing Coalition
Community Economics Inc.
EAH Housing
Eden Housing
First Community Housing
Food Empowerment Project
Gubb and Barshay, LLP
Hello Housing
League of California Cities
Mammoth Lakes Housing
MidPen Housing
Non-Profit Housing Association of Northern
California
Northern California Community Loan Fund
Paulett Taggart Architects
Resources for Community Development
San Diego Housing Federation
Silicon Valley Independent Living Center
Sonoma County Board of Supervisors
SV@Home
TLCS, Inc.

OPPOSITION

Howard Jarvis Taxpayers Association

FOR MORE INFORMATION

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Date: June 7, 2016
From: Duane Bay / Miriam Chion
To: Legislation & Governmental Organization Committee
Subject: Governor's Streamlined Affordable Housing Approvals Trailer Bill (707)

Background

The Governor is proposing a change in state law to remove regulatory barriers and streamline development timeframes by allowing multifamily attached housing to be approved through an expedited by-right ministerial process. Eligible housing proposals would be required to include some affordable housing and be located on appropriately zoned residential land in infill or transit rich areas. Bill language is attached (Attachment A).

A flowchart prepared by California Department of Finance (Attachment B) steps through a cascade of four filter questions: 1) Are local requirements met [for zoning, general plan, other relevant ordinances]? 2) Is the development on an infill site? 3) Are location criteria met [with respect to places NOT to build]? 4) Does it include affordable units?

Positions

The bill is consistent with the Governor's emphasis on housing production, subject to certain constraints and mitigations. It is an opt-in program through which developers who are willing to include 20 percent deed-restricted affordable housing—or 5 percent in transit-proximate areas—and to follow local objective development standards get streamlined entitlement.

The proposal has drawn opposition from some of the building trades and environmental advocates as it would diminishing their opportunity to negotiate concessions during the conditional approval process, from the League of California Cities as an incursion into local control. Many affordable housing and equity advocates have raised additional concerns (see letters, Attachment C and Attachment D).

Recommendation

Staff recommends that ABAG take a "support if amended" position as a matter of "constructive engagement," and because much of the Governor's bill is consistent with ABAG standing policy in many respects:

- *The bill respects local control by requiring that development must conform to locally adopted plans.* However, cities and counties have used the conditional approval process not only for growth management but also for plan refinement (e.g., particular local traffic impacts, appropriate functional and aesthetic relationship to immediate surroundings), and only a few California jurisdictions have adopted codes (e.g., "form-based codes" or detailed "design guidelines") except within area Specific Plans. Therefore, the by-right provisions should be limited to apply only within Specific Plan areas and on designated affordable housing sites. If the bill is

not amended to limit application to Specific Plan areas, the bill should allow moratorium before it becomes effective so cities/counties can bring their "objective standards" to an appropriate level of detail.

- *The bill is incentive based in some important aspects.* It grants the valuable incentive of streamlined approval in exchange for a developer voluntarily including affordable housing. It could be even more incentive based. For example, jurisdictions with strong housing production track records could apply for exemption from by-right, or they could receive State funds on a per-unit-built basis, both of which have been effective approaches used in Massachusetts.
- *The bill facilitates implementation of locally-adopted plans,* thereby assuring that tax-payer dollars (local, regional, state, federal) used by cities and counties to develop and adopt local plans that affirmatively specify desired local "built environment" will not have been wasted.
- *The bill will likely result in production of more housing, and more affordable housing,* resulting in the many benefits described in Plan Bay Area.

Therefore, we recommend a "support if amended" position, subject to the following amendments or confirmations:

1. Link the implementation of the bill to the state providing specific commitments of funding to support the construction and preservation of affordable housing.
2. Assure that the bill does not allow ministerial amendment of zoning codes or general plans.
3. Delay implementation for two years to give jurisdictions who chose to update their general plans and/or zoning ordinances the opportunity to do so.
4. Limit implementation to parcels in a certified local housing element that are designated as potential affordable housing sites (i.e., at or above default density).
5. Assure that the bill does not override or diminish existing local inclusionary housing ordinances, affordable housing overlay zones, or no-net-loss provisions.
6. Increase the inclusionary requirement in transit-proximate areas from 5% to 10%.
7. Limit implementation to parcels in a Specific Plan consistent with Plan Bay Area.
8. Allow jurisdictions that meet objective production targets (as determined from their Annual Progress Report to Cal HCD) to apply for exemption from the by-right provisions. Further, just as RHNA methodology is now devolved to the COG subject to State mandated constraints, so could the methodology for defining "what counts" for housing production and affordable housing production.
9. Add seismic liquefaction zones to the list of areas where the by-right provisions may not be invoked absent appropriate mitigations, and raise the mitigation standard from "health/safety" to "habitability/timely-rehabilitability."

In the list above, the first four points mirror positions taken by SACOG and numerous other organizations. Points 5 and 6 are supported by a coalition of housing organizations. The final three points have been presented to staff of the Governor's Office and Department of Housing and Community Development by ABAG staff on an exploratory basis.

Regardless of what position the Committee recommends and the Board takes, staff believes this is a constructive opportunity to discuss the balance and interplay of several key ABAG policy values, including but not limited to local control, entitlement efficiency for duly adopted community plans, housing supply matching housing need, and neighborhood quality.

Attachments

- Attachment A: Trailer bill language (6/3/16)
- Attachment B: Flowchart: Proposed "By-Right" Process for Developments with Affordable Housing Units
- Attachment C: Joint letter (6/8/16) coordinated by Alliance for Community Transit and Public Advocates for Southern California and Northern California, respectively
- Attachment D: Joint letter (5/27/16) from a coalition of affordable housing and fair housing organizations

**Streamlining Affordable Housing Approvals – Proposed Trailer Bill
Technical Modifications**

SECTION 1. Section 65400.1 is added to the Government Code, to read:

65400.1. (a) A development applicant or development proponent pursuant to Section 65913.3 of the Government Code may submit information describing the development, including, but not limited to, land use and zoning designations and requested permit(s) for the development to the Department of Housing and Community Development in a reporting format to be made available. The information submitted shall be compiled along with information pursuant to subparagraph (B) of subsection (2) of subdivision (a) of Section 65400 and Section 65588 of the Government Code as follows:

- (i) Upon receipt of a local government determination regarding the development submittal, or
 - (ii) Issuance of a building permit for the development.
- (b) The Department of Housing and Community Development shall annually review and report on its website the information that has been submitted pursuant to this section.

SEC. 2. Section 65913 of the Government Code is amended to read:

65913. (a) The Legislature finds and declares that there exists a severe shortage of affordable housing, especially for persons and families of low and moderate income, and that there is an immediate need to encourage the development of new housing, not only through the provision of financial assistance, but also through changes in law designed to do all of the following:

- (1) Expedite the local and State-supported residential development process.
- (2) Assure that local governments zone sufficient land at densities high enough for production of affordable housing.

(3) Assure that local governments make a diligent effort through the administration of land use and development controls and the provision of regulatory concessions and incentives to significantly reduce housing development costs and thereby facilitate the development of affordable housing, including housing for elderly persons and families, as defined by Section 50067 of the Health and Safety Code.

These changes in the law are consistent with the responsibility of local government to adopt the program required by subdivision (c) of Section 65583.

(b) The Legislature further finds and declares that the costs of new housing developments have been increased, in part, by the existing permit processes and by existing land use regulations and that vitally needed housing developments have been halted or rendered infeasible despite the benefits to the public health, safety, and welfare of those developments and despite the absence of adverse environmental impacts. It is therefore necessary to enact this chapter and to amend existing statutes which govern housing development so as to provide greater encouragement for local and state governments to approve needed and sound housing developments.

(c) It is the intent of the Legislature that the provisions of Section 65913.3 of the Government Code advance all of the following:

(A) the provisions of Government Code Section 65008;

(B) implementation of the State planning priorities pursuant to Government Code Section 65041.1;

(C) attainment of Section 65580 of the Government Code;

(D) significant actions designed to affirmatively increase fair housing choice, furthering the objectives of the Federal Fair Housing Act, 42 U.S.C. 3601, and

implementing regulations; and

(E) the objectives of the California Global Warming Solutions Act of 2006, commencing with Section 38500 of the Health and Safety Code.

(F) compliance with non-discretionary inclusionary zoning ordinances adopted by localities.

SEC. 3. Section 65913.3 is added to the Government Code, to read:

65913.3. (a) For the purposes of this section, the following terms shall have the following meanings:

(1) “Approved remediation measures” shall mean measures included in a certified environmental impact report to mitigate the impact of residential development in the subject location; or uniformly applied development policies or standards that have been adopted by the city or county to mitigate the impact of residential development in that location.

(2) “Affordable rent,” or “Affordable housing cost” shall be as defined by Health and Safety Code subdivision (b) of Section 50053, or subdivision (b) of 50052.5 respectively.

~~(4)~~ “Attached housing development” or “development” means a newly constructed structure containing two or more dwelling units that is a housing development project, as defined by subdivision (2) of subsection (h) of Section 65589.5 of the Government Code, but does not include a second unit, as defined by subdivision (4) of subsection (i) of Section 65852.2 of the Government Code, or the conversion of an existing structure to condominiums.

(4) “Department” means the Department of Housing and Community Development.

~~(2) “Designated housing sites” means sites designated to allow housing development by the general plan, a zoning ordinance, or for which a certified environmental review document includes provisions to mitigate potential harm.~~

~~(3)~~ “Land-use authority” means any entity with state-authorized power to

regulate land-use permits and entitlements conferred by local governments.

(46) “Land-use restriction” means covenants restricting the use of land, recorded regulatory agreements, or any other form of an equitable servitude.

(57) “Major transit stop” means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a service interval frequency of 15 minutes or less during the morning and afternoon peak weekday commute periods, and offering weekend service.

(68) “Public agency” means a federal, state, or local government agency, or a local or regional housing trust fund which has been funded or chartered by a federal, state, or local government agency.

(79) “Required by law to record” means, but is not limited to, a development applicant or development proponent is required to record a land-use restriction based on any of the following:

- (i) As a condition of award of funds or financing from a public agency.
- (ii) As a condition of the award of tax credits.
- (iii) As may be required by a contract entered into with a public agency.

(810) “Transit priority area” means an area within one-half mile of a major transit stop that is existing or planned, provided the planned stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program adopted pursuant to Section 450.216 or 450.322 of Title 23 of the Code of Federal Regulations within the adopted general plan or specific plan of a local government.

(911) “Urban uses” means any residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

(b) A development that satisfies all of the following criteria shall be a permitted use by right as that term is defined in subdivision (i) of Section 65583.2 of the Government Code:

- (1) The development applicant or development proponent has submitted to the

local government its intent to utilize this authority, and certifying under penalty of perjury that, to the best of its knowledge and belief, it conforms with all other provisions identified herein.

(2) The development is consistent with the following objective planning standards: land use and building intensity designation applicable to the site under the general plan and zoning code, land use and density or other objective zoning standards, and any setback or objective design review standards, all as in effect at the time that the subject development is submitted to the local government pursuant to this section.

(3) The development is located on a site that is either immediately adjacent to parcels that are developed with urban uses or for which at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses or is bounded by a natural body of water.

(4) The development must be an attached housing development, for which the development applicant or development proponent already has recorded, or is required by law to record, a land-use restriction, which shall require all the following:

(A) A duration of at least 30 years or more.

(B) ~~Enforceability by~~ That any public agency and or by any member or members of the public, including non-profit corporations, may bring and maintain an enforcement action.

(C) For developments within a transit priority area, a restriction of the development's real property to a level of affordability equal to or greater than either of the following:

(i) At least ten percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(ii) At least five percent of the total units of a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code.

(D) For developments not within a transit priority area, a restriction of the development's real property to a level of affordability equal to or greater than at

least twenty (20) percent or more of the residential units restricted to and occupied by individuals whose income is eighty (80) percent or less of area median gross income.

(5) ~~Except for developments that are located on designated housing sites, Unless the development incorporates approved remediation measures in the following locations as applicable to the development,~~ the development is not located on a site that is any of the following:

(A) Either “prime farmland” or “farmland of statewide importance,” as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation.

(B) Wetlands, as defined in Section 328.3 of Title 33 of the Code of Federal Regulations.

(C) Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178 of the Government Code, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code; however, this limitation shall not apply to sites excluded from the specified hazard zones by a local agency pursuant to subdivision (b) of Section 51179 of the Government Code or sites that have adopted sufficient fire hazard mitigation measures as may be determined by their local agency with land-use authority.

(D) Hazardous waste site that is listed pursuant to Section 65962.5 of the Government Code, or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless the Department of Toxic Substances Control has cleared the site for residential use or residential mixed-uses.

(E) Within a delineated earthquake fault zone as determined by the State Geologist in the official maps published thereby.

(F) Within a flood plain as determined by maps promulgated by the Federal Emergency Management Agency, unless the development has been issued a

floodplain development permit pursuant to Sections 59 and 60 of Title 44 of the Code of Federal Regulations.

(G) Within a flood way as determined by maps promulgated by the Federal Emergency Management Agency, unless the development receives a no rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations.

(H) Within an area determined by the Department of ~~Housing and Community Development~~ to be inappropriate for affordable housing development by additional objective criteria, including areas severely lacking in access to public transit, accessibility to employment or educational opportunities, and residentially supportive retail and service amenities, all as to be determined through regulations adopted by the Department at its discretion; until the Department adopts such regulations this subparagraph (H) shall not be interpreted to prohibit any such site. operative nor apply. The Department is authorized, but not mandated, to adopt regulations to implement the terms of this subparagraph (H); and such regulations shall be adopted pursuant to the Administrative Procedures Act set forth in Government Code section 11340 et seq. Division 13 of the Public Resources Code shall not apply to either: the Department's adoption of the regulations authorized by this section, or any financial assistance awarded by any public agency to any development that satisfies subdivision (b) of this section. This section shall be operative regardless as to whether the Department adopts the regulations authorized by this section.

~~Division 13 of the Public Resources Code shall not apply to the Department's adoption of the regulations authorized by this section.~~

(6) Unless the proposed housing development replaces units at a level of affordability equal to or greater than the level of a previous affordability restriction, the development must not be on any property that is any of the following:

(A) A parcel or parcels on which rental dwelling units are, or if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income.

(B) Subject to any other form of rent or price control through a public entity's

valid exercise of its police power; or occupied by lower or very low income households.

(c) If the applicable city, county, or city and county determines that the development is inconsistent with at least one of the objective planning standards delineated in paragraph (2) of subdivision (b), then it must provide the development proponent written documentation of which standard or standards the development is not consistent with, as well as explain why the development is not consistent with that standard or standards, all within thirty (30) calendar days of submittal of the development to the local government pursuant to this section. If the documentation described in this subsection fails to identify the objective standard or standards that the development is not consistent with, if it fails to provide an explanation of why it is inconsistent therewith, or if it is not provided to the development proponent within thirty (30) calendar days of submittal, then for the purposes of this section, the development shall be deemed to satisfy paragraph (2) of subdivision (b) of this section.

(d) Any design review of the development shall not exceed ninety (90) days from the submittal of the development to the local government pursuant to this section, and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section and the effect thereof.

(e) A development that satisfies subdivision (b) of this section shall not be subject to the requirements of Section 65589.5 of the Government Code in order to be accorded by right status under this section.

(f) This section does not relieve an applicant or public agency from complying with the Subdivision Map Act (Division 2 (commencing with Section 66410)).

~~(g f) The review of a permit, license, certificate, or any other entitlement, including, but not limited to: the enactment and amendment of zoning or design review ordinances or guidelines, the issuance of zoning variances, the issuance of conditional use permits, and the approval of tentative subdivision maps, by any public agency with land-use authority over any development that satisfies subdivision (b) of this section shall be ministerial.~~

(h g) This section shall be enforceable pursuant to a writ of mandate issued pursuant to Section 1085 of the Code of Civil Procedure.

(i h) The development applicant or development proponent may submit information describing the development pursuant to Government Code Section 65400.1(a).

(i i) The Legislature finds and declares that this section shall be applicable to all cities and counties, including charter cities, because the Legislature finds that the lack of affordable housing is a matter of vital statewide importance.

(k j) Any and all individuals displaced by a development that is approved through the ministerial process authorized by this section shall be accorded relocation assistance as provided in the California Relocation Assistance Act set forth in Section 7267.8 et seq. California Real Property Acquisition and Relocation Assistance Act, set forth in Chapter 16, commencing with Government Code Section 7260. The development proponent shall be responsible for paying for relocation assistance expenses incurred by any local agency as a result of this section.

(l k) This section shall apply, notwithstanding anything to the contrary contained in this code or in any other law.

Proposed "By-Right" Process for Developments with Affordable Housing Units



JUNE 8, 2016

JOINT LETTER CONCERNING THE 'BY RIGHT' DEVELOPMENT BUDGET TRAILER 707 (UPDATED)

Dear Senate President Pro Tem de Leon, Assembly Speaker Rendon, and Members of the Senate and Assembly:

We are more than 50 organizations with members and roots in racially diverse urban communities across California. We write to urge you to reject the present Budget trailer bill proposal that gives developers the power to force approval of projects “by right” without public or environmental review. This proposal represents a huge give-away to the real estate industry and at the particular expense of low-income residents and communities of color.

Let us be clear: we are not NIMBYs. We are staunch supporters of building more affordable housing in our own communities and elsewhere. But in our view a law that promotes building housing that is 90% or 95% **un**affordable to the majority of people in our communities is **not** an inclusive “affordable housing” policy.

But our concerns go beyond a disagreement over affordability levels. We believe it is profoundly unjust and undemocratic for the state to take away from our communities the ability to review and engage in the decisions about development proposals. We cannot rely merely on zoning standards and the “ministerial” authority of city planning staff to prevent the displacement of existing tenants, small businesses, community institutions, and jobs. This puts disadvantaged neighborhoods at the mercy of real estate developers who already wield too much power at all levels of government.

Urban minority communities in particular have for too long been treated by developers and planners as a blank canvas for urban renewal, highways, shopping malls, office towers, and gentrifying development. All of these approaches share something in common with the current “by right” proposal: they override the input of low income people of color in the service of some supposed “greater good” defined by those in power. Even in the absence of bias, existing zoning may be badly out of date or simply wrong relative to the needs of neighborhoods. And rushed city planning staff can and do make mistakes in reviewing project proposals. Meaningful public review is our only means to correct the gaps, errors, and biases of the project approval process.

We agree that the approval process in many cities can be a barrier to the development of affordable housing. We would support new policies to assure that all communities in California do their fair share to facilitate building housing that is affordable. But the “by right” proposal leaves privileged communities completely insulated from the new policy because they can merely maintain or redesign zoning restrictions to keep out affordable housing. Low-income communities of color whose power is in participating in a public process on a neighborhood level will be completely cut out.

Denying our communities a voice in the development process within our neighborhoods is fundamentally unfair and raises significant equity and potential fair housing concerns. We should be looking for solutions to stem the tide of displacement in California’s urban communities and to build affordable housing everywhere. We urge you to vote no on the “by right” development bill.

If there are questions regarding this letter please contact: in Southern California, Laura Raymond of ACT-LA at lraymond@allianceforcommunitytransit.org or 646-344-0381, and in Northern California, Sam Tepperman-Gelfant of Public Advocates at stepperman-gelfant@publicadvocates.org or 415-625-8464.

STATEWIDE ORGANIZATIONS

ALLIANCE OF CALIFORNIANS FOR COMMUNITY EMPOWERMENT (ACCE)

Anthony Thigpenn, President
CALIFORNIA CALLS

Eddie Kurtz, Executive Director
COURAGE CAMPAIGN

John Shaban, President
GAMALIEL OF CALIFORNIA

Corey Timpson, Executive Director
PICO CALIFORNIA

Sam Tepperman-Gelfant, Senior Staff Attorney
PUBLIC ADVOCATES INC.

Dawn Phillips, Executive Director
RIGHT TO THE CITY ALLIANCE

Aimee Inglis, Acting Director
TENANTS TOGETHER

REGIONAL AND LOCAL ORGANIZATIONS

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ALLIANCE FOR COMMUNITY TRANSIT (ACT-LA)
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ASIAN PACIFIC ENVIRONMENTAL NETWORK
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BERKELEY TENANTS UNION
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Maria Poblet, Executive Director
CAUSA JUSTA :: JUST CAUSE
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Tim Frank
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FAITH IN ACTION-BAY AREA
San Francisco and San Mateo Counties

Andy Levine

FAITH IN COMMUNITY
Fresno

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HOUSING RIGHTS COMMITTEE OF SAN FRANCISCO
San Francisco

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INQUILINOS UNIDOS (UNITED TENANTS)
Los Angeles

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KOREATOWN IMMIGRANT WORKERS ALLIANCE
Los Angeles

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JOBS WITH JUSTICE SAN FRANCISCO
San Francisco

Remy De La Peza, Director of Planning & Policy Counsel
LITTLE TOKYO SERVICES CENTER
Los Angeles

Jorge Rivera
LONG BEACH RESIDENTS EMPOWERED (LIBRE)
Long Beach

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LOS ANGELES COUNTY BICYCLE COALITION
Los Angeles

Luis Granados, Executive Director
MISSION ECONOMIC DEVELOPMENT AGENCY
San Francisco

Marty Bennett, Chair
NORTH BAY JOBS WITH JUSTICE
Santa Rosa

Omar Medina, President
THE NORTH BAY ORGANIZING PROJECT
Santa Rosa

Carol Stephenson, Communications Strategist
PACT: PEOPLE ACTING IN COMMUNITY TOGETHER
San Jose

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PEOPLE ORGANIZING TO DEMAND ENVIRONMENTAL & ECONOMIC RIGHTS (PODER)
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STRATEGIC ACTIONS FOR A JUST ECONOMY (SAJE)
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TENEMOS QUE RECLAMAR Y UNIDOS SALVAR LA TIERRA-SOUTH LA (T.R.U.S.T. SOUTH LA)
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THAI COMMUNITY DEVELOPMENT CORPORATION
Los Angeles

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UFCW Local 5
Hayward - San Jose

Milton Hum, Secretary-Treasurer
UFCW Local 648
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Ken Tray, Political Director
UNITED EDUCATORS OF SAN FRANCISCO
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UNITE HERE Local 2
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Tony Roshan Samara, Program Director of Land Use and Housing
URBAN HABITAT
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Francesca de la Rosa, Director of Policy and Strategic Alliances
WOMEN ORGANIZING RESOURCES, KNOWLEDGE AND SERVICES (WORKS)
Los Angeles

(PARTIAL LIST AS OF 6/8/2016 9:12AM)



May 27, 2016

The Honorable Jerry Brown
Office of the Governor
State Capitol, Room 1173
Sacramento, CA 95814

RE: 707 Streamlining Affordable Housing Approvals Trailer Bill – SUPPORT IF AMENDED/WITH RECOMMENDATIONS

Dear Governor Brown:

The undersigned housing organizations are writing to express our support for your proposal to streamline multifamily housing approvals, if amended. The organizations included in this letter have fought for many years to address the state’s housing affordability crisis and are pleased to see your recognition of the crisis and the hurdles local land use policies have presented to developing enough housing for the state. Strong land use policies and investment in affordable development are crucial to addressing the housing crisis in our state.

Amendments:

Our organizations are prepared to support the proposed trailer bill with the following amendments:

1. Amend Section 65913.3 to clarify that the proposal’s land-use restrictions do not override local inclusionary zoning ordinances with the following language: *“Nothing in this section shall be construed to expand or contract the authority of a local government to adopt an ordinance, charter amendment, or policy requiring that any housing development contain a fixed percentage of housing units affordable to and occupied by persons of specified lower or moderate incomes.”*
2. Amend Section 65913.3(b) to include the following “no net loss” provision: *“If the development is proposed on any property that includes a parcel or parcels on which rental dwelling units are or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through a public entity’s valid exercise of its police power; or occupied by lower or very low income households, unless the proposed housing development replaces those units and the development otherwise complies with the requirements of section 65915.”*

3. Modify the affordability requirements for developments within a transit area to be: *“At least ten percent of the total units of a housing development restricted to and occupied by individuals whose income is sixty (60) percent or less of area median income.”*

Additional Recommendations:

With the above amendments, our organizations are prepared to support the proposal. In addition, we have a number of other suggestions that we believe would strengthen the proposal and help achieve the Administration’s goal of producing more housing that is affordable:

1. State Density Bonus law provides cost-reducing incentives to developers who agree to make a percentage of their homes affordable to low- and moderate-income household. The incentives include reduced parking requirements, increased density, smaller set-backs, and other modified development standards that reduce costs and/or allow a developer to use land more efficiently. To ensure that developers can utilize both State Density Bonus law in conjunction with this proposal, clarification is necessary to make clear that “consistent with the general plan and zoning standards” includes a project that is receiving a density increase or concessions for which the development is eligible and the approval of such an application be ministerial.

Amend Section 65913.3(b)(2) as follows: *“The development, excluding any additional density or any other concessions, incentives, or waivers of development standards to which the development is entitled pursuant to an application under Section 65915, is consistent with objective general plan and zoning standards in effect at the time that the subject development is submitted to the local government pursuant to this section.”*

Amend Section 65913.3(f) as follows: *“The review of a permit, license, certificate, or any other entitlement, including, but not limited to: the enactment and amendment of zoning or design review ordinances or guidelines, the approval of any additional density or any other concessions, incentives, or waivers of development standards to which the development is entitled pursuant to an application under Section 65915, the issuance of zoning variances, the issuance of conditional use permits, and the approval of tentative subdivision maps, by any public agency with land-use authority over any development that satisfies subdivision (b) of this section shall be ministerial.*

2. Clarify that the definition of housing sites includes affordable housing overlay zones.
3. Make the definition of “transit priority area” consistent with Public Recourses Code Sections 21099(a) (7), 21155(b), and 21064.3.
4. Increase land-use restriction to at least 55 years for rental housing units.
5. Require *“that at least ten percent of the total units of the development be made affordable to and occupied by lower income households, as defined in Section 50079.5 of the Health and Safety Code, and that at least 10 percent of the total units of the development be made affordable to and occupied by very low income households, as defined in Section 50105 of the Health and Safety Code”* for all projects, regardless of location. In the Bay Area and Los Angeles there is strong competition for sites near transit so little incentive for development is needed in those areas. Our climate goals and affordability goals are better served by keeping lower income, higher propensity transit riders near transit stations.
6. Clarify that all attached housing developments within a master plan or a specific plan satisfy all of the criteria in Section 65913.3(b) so long as the entire plan is consistent with the requirements.

We recognize that increasing housing supply for all economic segments of our society is a key component of addressing the state's housing crisis, but increasing supply alone won't reach Californians most in need. Even by streamlining housing approvals, the housing market won't change overnight. In order to address this crisis now, we must make smart, targeted investments and lean on California's demonstrated success in lifting people and families out of poverty by building affordable places to live. We are, therefore, strong supporters of the Assembly proposal to invest a significant portion of the state's surplus into proven affordable housing programs and the Senate's "No Place Like Home" initiative, which will provide much-needed help to Californians experiencing chronic homelessness and mental health issues. We urge you to support these proposals through the budget process.

Sincerely,

Ray Pearl
California Housing Consortium

Shamus Roller
Housing California

Anya Lawler
Western Center on Law and Poverty

Brian Augusta
California Rural Legal Assistance Foundation

Rob Wiener
California Coalition for Rural Housing

Matt Schwartz
California Housing Partnership Corporation

Meghan Rose
LeadingAge California

Stephen Russell
San Diego Housing Federation

Cesar Covarrubias
The Kennedy Commission

CC: The Honorable Anthony Rendon, Speaker of the California State Assembly
The Honorable Phil Ting, Chair of Assembly Budget Committee
The Honorable Lorena Gonzalez, Chair of Assembly Appropriations Committee
The Honorable Kevin De Leon, President Pro Tempore of the California State Senate
The Honorable Mark Leno, Chair of Senate Budget Committee
The Honorable Ricardo Lara, Chair of Senate Appropriations Committee