

AGENDA

Legislative Committee

Date: Thursday, February 14, 2019 - 5:30 p.m. to 6:30 p.m.
 Place: San Mateo County Transit District Office¹
 1250 San Carlos Avenue
2nd Floor Auditorium
 San Carlos, California

PLEASE CALL Jean Higaki (599-1462) IF YOU ARE UNABLE TO ATTEND.

1	Public comment on related items not on the agenda.	Presentations are limited to 3 Minutes	
2	Approval of Minutes from January 10, 2019.	Action (O'Connell)	Pages 1-4
3	Home for All Presentation	Information (Jessica Mullin)	No Materials
4	Discussion on SB 50 with Senator Scott Wiener	Information (Senator Wiener)	Pages 5-11
5	Review/ recommend approval of the C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified).	Action (Update from Shaw/Yoder/Antwih)	Pages 12-16
6	Schedule "2019 Lobby Day"	Action (O'Connell)	No Materials
7	Adjournment	Action (O'Connell)	

NOTE: All items appearing on the agenda are subject to action by the Committee. Actions recommended by staff are subject to change by the Committee.

PUBLIC NOTICING: All notices of C/CAG regular Board meetings, standing committee meetings, and special meetings will be posted at the San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA, and on C/CAG's website at: <http://www.ccag.ca.gov>.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the City/County Association of Governments of San Mateo County (C/CAG), located at 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection. Such public records are also available on C/CAG's website at: <http://www.ccag.ca.gov>.

PUBLIC PARTICIPATION: Public comment is limited to two minutes per speaker. Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Mima Guilles at (650) 599-1406, five working days prior to the meeting date.

¹From Route 101 take the Holly Street (west) exit. Two blocks past El Camino Real go left on Walnut. The entrance to the parking lot is at the end of the block on the left, immediately before the ramp that goes under the building. Enter the parking lot by driving between the buildings and making a left into the elevated lot. Follow the signs up to the levels for public parking.

For public transit access use SamTrans Bus lines 390, 391, 292, KX, PX, RX, or take CalTrain to the San Carlos Station and walk two blocks up San Carlos Avenue.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
LEGISLATIVE COMMITTEE**

**MEETING MINUTES
December 13, 2018**

At 5:30 P.M. the Legislative Committee meeting was called to order in the 2nd Floor auditorium at the San Mateo Transit District Office.

Attendance sheet is attached.

Guests or Staff Attending:

Matt Robinson - Shaw/ Yoder/ Antwih Inc.
Sandy Wong, Matt Fabry - C/CAG Staff
Seth Miller - League of California Cities, Peninsula Division

1. Public comment on related items not on the agenda.

Seth Miller announced that a lot of CASA influenced housing bills are being introduced in the legislature. He announced that the Peninsula Division of the League of California Cities is hosting a workshop to learn about CASA and the newly introduced legislation on January 30, 2019. There will be speakers from MTC and from the City of San Jose.

Chair O'Connell asked if the information for the meeting could be distributed. (Jean emailed information to the committee on 1/14/19).

2. Approval of Minutes from December 13, 2018.

Member Papan moved and member Masur seconded approval of the December 13, 2018 minutes. Motion passed unanimously.

3. Update from Shaw/ Yoder/ Antwih (SYA).

C/CAG staff informed the Board of the MTC action to approve the Chair to sign onto the CASA compact but that MTC staff was directed to perform robust outreach to local jurisdictions. There are some legislative policies that align with the CASA goals but MTC did not necessary officially endorse any specific CASA strategies.

Member Vaterlaus is concerned about MTC is endorsing such legislation that promotes rent control among other things.

Matt Robinson, from Shaw/ Yoder/ Antwih,Inc. provided an election update from Sacramento.

The Governor released his budget today and announced a lot of progressive policies as part of his budget in the areas of education, health, housing. He is interested in exploring ways to tie

transportation housing funds to housing production. Newsome is proposing over a billion dollars in various forms of housing incentives for moderate to very low-income production throughout the state. There are many housing bills that have been introduced that align with the CASA compact, but many bills are still early and need further development.

Although the Governor is very interested in tying transportation dollars to low income housing production there has been pushback from stakeholders, many of whom were recent defenders against Proposition 6. The Governor will hold off influencing SB 1 funding this year and will work with stakeholders before proposing anything.

Member Papan was concerned that state legislators were not cognizant of the many failed vote attempts to promote such things as just cause eviction and rental caps. She feels that Sacramento is not giving locals credit for what they have been able to achieve. Member Garbarino did not agree with a one size fits all approach from Sacramento. There is also concern about the negative impact of the access to major transit hubs on community resources.

Member Masur asked for clarification that MTC did not seek bill authors but rather felt that the listed bills aligned with the CASA compact goals. She felt that there might be some ability to work with authors to modify some bills to a more supportive and incentive approach over a regulatory approach. Matt Robinson stated that working with California State Association of Counties and the League of Cities will be critical in the future, especially when several legislative authors are not from the Bay Area.

Member Papan stated that it would help if locals could tap into funding reserves from the state. She further stated that cities often do not have jurisdiction over some parcels that may be viewed as developable. Chair O'Connell asked if information was available for recent permits issued and authorized by the City in the last 5 years. Staff said that ABAG has some information. The committee was not confident in the ABAG information and requested that staff request housing production data from member city managers. There was a request if possible there might be map of land that is parks or designated open space.

4. Review and recommend approval of the Annual C/CAG Legislative Policies for 2019

Member Papan moved and member Mahanpour seconded a recommendation of approval of the Annual C/CAG Legislative Policies for 2019 with no further changes. Motion passed unanimously.

5. Review and recommend approval to execute a funding agreement with Shaw/Yoder/Antwih, Inc. to provide state legislative advocacy service in an amount not to exceed \$146,250 for twenty-two and a half months for the 2019 and 2020 legislative session.

Member Vaterlaus moved and member Garbarino seconded to recommend approval to execute a funding agreement with Shaw/Yoder/Antwih, Inc. to provide state legislative advocacy service in an amount not to exceed \$146,250 for twenty-two and a half months for the 2019 and 2020 legislative session. Motion passed unanimously.

6. Election of a C/CAG Legislative Committee Chairperson and Vice Chairperson

Member Moise Derwin moved and member Garbarino seconded the nomination of Catherine Mahanpour to be the Vice Chair of the C/CAG Legislative Committee. Motion passed unanimously.

Member Papan nominated herself for the Chair of the Legislative Committee. Member Mahanpour moved and member Moise Derwin seconded the nomination of Vice Chair O'Connell to be the Chair of the C/CAG Legislative Committee. Motion passed 6-2. Member Vaterlaus and Papan opposed.

7. Adjournment

The meeting adjourned at approximately 6:30 P.M.

Legislative Committee 2019 Attendance Record

Agency	Name	Jan 10	Feb 14	March 14	April 11	May 9	June 13	July 11	August	Sept 12	Oct	Nov	Dec 12
Foster City	Catherine Mahanpour	x											
Hillsborough	Marie Chuang (C/CAG Vice Chair)	x											
Menlo Park	Catherine Carlton												
Millbrae	Gina Papan	x											
Pacifica	Sue Vaterlaus	x											
Portola Valley	Maryann Moise Derwin (C/CAG Chair)	x											
Redwood City	Shelly Masur	x											
San Bruno	Irene O'Connell (Leg Vice Chair)	x											
Sounth San Francisco	Richard Garbarino	x											

 no meeting

C/CAG AGENDA REPORT

Date: February 14, 2019
To: C/CAG Legislative Committee
From: Sandy Wong, Executive Director
Subject: Discussion on SB 50 with Senator Scott Wiener

(For further information, contact Jean Higaki at 650-599-1462)

RECOMMENDATION

Discussion on SB 50 with Senator Scott Wiener

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

N/A

BACKGROUND

Senator Scott Wiener is scheduled to attend the February 14, 2019 Legislative Committee meeting to discuss housing issues with the Legislative Committee.

At the January 10, 2019 Legislative Committee meeting and C/CAG Board meeting, staff was directed to request housing production information from all San Mateo cities. Staff sent out a request to all City Managers on January 15, 2019. Attached is a compiled listing of the response that staff has received.

ATTACHMENTS

1. Map of open spaces in San Mateo and viable public lands near transit are available at the following website: <http://ccag.ca.gov/committees/legislative-committee/>
2. San Mateo County Housing Production/Progress 2014-2018
3. Draft language for SB 50 (Wiener)

San Mateo County Housing Production/Progress 2014-2018

Jurisdiction

	Total number of housing units completed (certificate of occupancy issued) in the past five years (Jan. 1, 2014-Dec. 31, 2018)		Total number of housing units currently under construction - if not available, indicate # building permits (but no CoO) issued		Number of housing units permitted in the last five years (Jan. 1, 2014-Dec. 31, 2018) where planning entitlements/permits are still valid but construction has not begun		Number of housing units currently in planning pipeline (application received)	
	Market Rate	BMR	Market Rate	BMR	Market Rate	BMR	Market Rate	BMR
Atherton	No data provided							
Belmont	45		120		6		237	139
Brisbane	50	9	5	8	48	11		
Burlingame	44	6	276	30	166	147	563	66
Colma	6	-	69	-	-	-	-	-
Daly City	355	63	130	204	776	97	276	595
East Palo Alto	No data provided							
Foster City	637	147	130	-	-	-	78	14
Half Moon Bay	179	85	15		14		33	
Hillsborough ¹	26	47	7	13	1	-	4	8
Menlo Park	698	173	224	25	227	20	1,377	416
Millbrae	-		3		680	167	263	46
Pacifica	30	-	31	-	37	4	67	4
Portola Valley	56		42		14		6	
Redwood City	686	4	595	62	35	242	281	162
San Bruno	10	-	151	11	77	11	424	72
San Carlos	No data provided							
San Mateo	1,403	194	492	44	310	26	1,542	278
South San Francisco	443	112	493	102	286	17	1,199	125
Woodside	37	24	7	28	1	4	7	5
San Mateo County	373	36	161	67				
Totals	5,078	900	2,951	594	2,678	746	6,357	1,930

21,234

¹ADUs are listed as BMR units, but are not deed restricted



SB-50 Planning and zoning: housing development: equitable communities incentive. (2019-2020)

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Date Published: 12/03/2018 09:00 PM

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

SENATE BILL**No. 50**

Introduced by Senator Wiener
(Coauthors: Senators Caballero, Hueso, Moorlach, and Skinner)
(Coauthors: Assembly Members Burke, Kalra, Kiley, Low, Robert Rivas, Ting, and Wicks)

December 03, 2018

An act to add Chapter 4.35 (commencing with Section 65918.50) to Division 1 of Title 7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 50, as introduced, Wiener. Planning and zoning: housing development: equitable communities incentive.

Existing law, known as the Density Bonus Law, requires, when an applicant proposes a housing development within the jurisdiction of a 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 require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development, as defined, that satisfies specified criteria, including, among other things, that the residential development is either a job-rich housing project or a transit-rich housing project, as those terms are defined; the site does not contain, or has not contained, housing occupied by tenants or accommodations withdrawn from rent or lease in accordance with specified law within specified time periods; and the residential development complies with specified additional requirements under existing law. The bill would require that a residential development eligible for an equitable communities incentive receive waivers from maximum controls on density and automobile parking requirements greater than 0.5 parking spots per unit, up to 3 additional incentives or concessions under the Density Bonus Law, and specified additional waivers if the residential development is located within a 1/2-mile or 1/4-mile radius of a major transit stop, as defined. The bill would authorize a local government to modify or expand the terms of an equitable communities incentive, provided that the equitable communities incentive is consistent with these provisions.

The bill would include findings that the changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. The bill would also declare the intent of the Legislature to delay implementation of this bill in sensitive communities, as defined, until July 1, 2020, as provided.

By adding to the duties of local planning officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 4.35 (commencing with Section 65918.50) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 4.35. Equitable Communities Incentives

65918.50. For purposes of this chapter:

(a) "Affordable" means available at affordable rent or affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate incomes, as specified in context, and subject to a recorded affordability restriction for at least 55 years.

(b) "Development proponent" means an applicant who submits an application for an equitable communities incentive pursuant to this chapter.

(c) "Eligible applicant" means a development proponent who receives an equitable communities incentive.

(d) "FAR" means floor area ratio.

(e) "High-quality bus corridor" means a corridor with fixed route bus service that meets all of the following criteria:

(1) It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive, and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.

(2) It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 a.m., inclusive, on Monday through Friday.

(3) It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

(f) "Job-rich housing project" means a residential development within an area identified by the Department of Housing and Community Development and the Office of Planning and Research, based on indicators such as proximity to jobs, high area median income relative to the relevant region, and high-quality public schools, as an area of high opportunity close to jobs. A residential development shall be deemed to be within an area designated as job-rich if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of the job-rich area.

(2) No more than 10 percent of residential units or 100 units, whichever is less, of the development are outside of the job-rich area.

(g) "Local government" means a city, including a charter city, a county, or a city and county.

(h) "Major transit stop" means a site containing an existing rail transit station or a ferry terminal served by either bus or rail transit service.

(i) "Residential development" means a project with at least two-thirds of the square footage of the development designated for residential use.

(j) "Sensitive community" means an area identified by the Department of Housing and Community Development, in consultation with local community-based organizations in each region, as an area vulnerable to displacement pressures, based on indicators such as percentage of tenant households living at, or under, the poverty line relative to the region.

(k) "Tenant" means a person residing in any of the following:

(1) Residential real property rented by the person under a long-term lease.

(2) A single-room occupancy unit.

(3) An accessory dwelling unit that is not subject to, or does not have a valid permit in accordance with, an ordinance adopted by a local agency pursuant to Section 65852.22.

(4) A residential motel.

(5) Any other type of residential property that is not owned by the person or a member of the person's household, for which the person or a member of the person's household provides payments on a regular schedule in exchange for the right to occupy the residential property.

(l) "Transit-rich housing project" means a residential development the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor. A project shall be deemed to be within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

(2) No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

65918.51. (a) A local government shall, upon request of a development proponent, grant an equitable communities incentive, as specified in Section 65918.53, when the development proponent seeks and agrees to construct a residential development that satisfies the requirements specified in Section 65918.52.

(b) It is the intent of the Legislature that, absent exceptional circumstances, actions taken by a local legislative body that increase residential density not undermine the equitable communities incentive program established by this chapter.

65918.52. In order to be eligible for an equitable communities incentive pursuant to this chapter, a residential development shall meet all of the following criteria:

(a) The residential development is either a job-rich housing project or transit-rich housing project.

(b) The residential development is located on a site that, at the time of application, is zoned to allow housing as an underlying use in the zone, including, but not limited to, a residential, mixed-use, or commercial zone, as defined and allowed by the local government.

(c) (1) If the local government has adopted an inclusionary housing ordinance requiring that the development include a certain number of units affordable to households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code, and that ordinance requires that a new development include levels of affordable housing in excess of the requirements specified in paragraph (2), the residential development complies with that ordinance.

(2) If the local government has not adopted an inclusionary housing ordinance, as described in paragraph (1), and the residential development includes ____ or more residential units, the residential development includes onsite affordable housing for households with incomes that do not exceed the limits for extremely low income, very low income, and low income specified in Sections 50093, 50105, and 50106 of the Health and Safety Code. It is the intent of the Legislature to require that any development of ____ or more residential units receiving an equitable communities incentive pursuant to this chapter include housing affordable to low, very low or extremely low income households, which, for projects with low or very low income units, are no less than the

number of onsite units affordable to low or very low income households that would be required pursuant to subdivision (f) of Section 65915 for a development receiving a density bonus of 35 percent.

(d) The site does not contain, or has not contained, either of the following:

(1) Housing occupied by tenants within the seven years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the application for a development permit.

(2) A parcel or parcels on which an owner of residential real property has exercised his or her rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years prior to the date that the development proponent submits an application pursuant to this chapter.

(e) The residential development complies with all applicable labor, construction employment, and wage standards otherwise required by law and any other generally applicable requirement regarding the approval of a development project, including, but not limited to, the local government's conditional use or other discretionary permit approval process, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), or a streamlined approval process that includes labor protections.

(f) The residential development complies with all other relevant standards, requirements, and prohibitions imposed by the local government regarding architectural design, restrictions on or oversight of demolition, impact fees, and community benefits agreements.

(g) The equitable communities incentive shall not be used to undermine the economic feasibility of delivering low-income housing under the state density bonus program or a local implementation of the state density bonus program, or any locally adopted program that puts conditions on new development applications on the basis of receiving a zone change or general plan amendment in exchange for benefits such as increased affordable housing, local hire, or payment of prevailing wages.

65918.53. (a) A residential development that meets the criteria specified in Section 65918.52 shall receive, upon request, an equitable communities incentive as follows:

(1) Any eligible applicant shall receive the following:

(A) A waiver from maximum controls on density.

(B) A waiver from maximum automobile parking requirements greater than 0.5 automobile parking spots per unit.

(C) Up to three incentives and concessions pursuant to subdivision (d) of Section 65915.

(2) An eligible applicant proposing a residential development that is located within a one-half mile radius, but outside a one-quarter mile radius, of a major transit stop and includes no less than ____ percent affordable housing units shall receive, in addition to the incentives specified in paragraph (1), waivers from all of the following:

(A) Maximum height requirements less than 45 feet.

(B) Maximum FAR requirements less than 2.5.

(C) Notwithstanding subparagraph (B) of paragraph (1), any maximum automobile parking requirement.

(3) An eligible applicant proposing a residential development that is located within a one-quarter mile radius of a major transit and includes no less than ____ percent affordable housing units shall receive, in addition to the incentives specified in paragraph (1), waivers from all of the following:

(A) Maximum height requirements less than 55 feet.

(B) Maximum FAR requirements less than 3.25.

(C) Notwithstanding subparagraph (B) of paragraph (1), any maximum automobile parking requirement.

(4) Notwithstanding any other law, for purposes of calculating any additional incentive or concession in accordance with Section 65915, the number of units in the residential development after applying the equitable communities incentive received pursuant to this chapter shall be used as the base density for calculating the incentive or concession under that section.

(5) An eligible applicant proposing a project that meets all of the requirements under Section 65913.4 may submit an application for streamlined, ministerial approval in accordance with that section.

(b) The local government may modify or expand the terms of an equitable communities incentive provided pursuant to this chapter, provided that the equitable communities incentive is consistent with, and meets the minimum standards specified in, this chapter.

65918.54. The Legislature finds and declares that this chapter addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this chapter applies to all cities, including charter cities.

65918.55. (a) It is the intent of the Legislature that implementation of this chapter be delayed in sensitive communities until July 1, 2020.

(b) It is further the intent of the Legislature to enact legislation that does all of the following:

(1) Between January 1, 2020, and _____, allows a local government, in lieu of the requirements of this chapter, to opt for a community-led planning process aimed toward increasing residential density and multifamily housing choices near transit stops.

(2) Encourages sensitive communities to opt for a community-led planning process at the neighborhood level to develop zoning and other policies that encourage multifamily housing development at a range of income levels to meet unmet needs, protect vulnerable residents from displacement, and address other locally identified priorities.

(3) Sets minimum performance standards for community plans, such as minimum overall residential development capacity and the minimum affordability standards set forth in this chapter.

(4) Automatically applies the provisions of this chapter on January 1, 2025, to sensitive communities that do not have adopted community plans that meet the minimum standards described in paragraph (3), whether those plans were adopted prior to or after enactment of this chapter.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

C/CAG AGENDA REPORT

Date: February 14, 2019

To: C/CAG Legislative Committee

From: Sandy Wong, Executive Director

Subject: Review and approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified).

(For further information, contact Jean Higaki at 650-599-1462)

RECOMMENDATION

Review and approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified)

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

N/A

BACKGROUND

The C/CAG Legislative Committee receives monthly written reports and oral briefings from the C/CAG's State legislative advocates. Important or interesting issues that arise out of that meeting are reported to the Board.

The legislature reconvened on January 7, 2019. Senator Scott Wiener is scheduled to attend the February 14, 2019 Legislative Committee meeting to discuss housing issues with the C/CAG Legislative Committee.

ATTACHMENTS

1. February 2019 Legislative update from Shaw/ Yoder/ Antwih, Inc.
2. Full Legislative information is available for specific bills at <http://leginfo.legislature.ca.gov/>



SHAW/YODER/ANTWIH, inc.
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

DATE: January 30, 2019
TO: Board Members, City/County Association of Governments, San Mateo County
FROM: Andrew Antwih and Matt Robinson, Shaw / Yoder / Antwih, Inc.
RE: STATE LEGISLATIVE UPDATE – February 2019

Legislative Update

The Legislature reconvened on January 7, beginning the 2019-2020 Legislative Session. To date, approximately 500 bills – many of them, “spot” or placeholder bills – have been introduced in this session; many more are expected to be introduced before the February 22 legislative deadline for bill introductions. We are tracking a number of bills for C/CAG, some of which are identified under ***Bills of Interest*** below.

Inauguration of Governor Gavin Newsom

On January 7, Governor-elect Gavin Newsom was sworn into office, becoming the 40th Governor of California. In his inaugural address, Governor Newsom highlighted his goal of building “A California for All” and committed to overseeing a state government that is “progressive, principled, and always on the side of the people.” He outlined several top priorities for his administration, including: addressing housing affordability and homelessness; expanding access to affordable health care and prescription drugs; sustainable economic growth; and, criminal justice reform. In his first acts as Governor, he announced a series of executive actions to: address the cost of prescription drugs; and, strengthen California’s Emergency Preparedness and Response.

Governor Newsom Releases First Budget

On January 10, Governor Newsom [released](#) his 2019-20 Proposed Budget. The Governor’s Budget highlights several the Administration’s top priorities, including proposals for early childhood education, healthcare, and housing. Overall, the Budget is light in discussion of public transit, but it does include the following details about the revenue outlook of the most important state transit funding programs.

Local Streets and Roads

The Budget provides approximately \$1.1 billion in Road Maintenance and Rehabilitation Account funding to cities and counties for road repairs and will provide a similar amount for the state highway system. Additionally, the State Transportation Improvement Program (STIP) is pegged to receive an estimated \$567 million in 2019-20 (local streets and roads receive the same amount).

Transit

The Budget estimates the State Transit Assistance (STA) Program would receive approximately \$876 million in 2019-20, an increase of almost \$100 million over the current year. Intercity and Commuter Rail would receive an estimated \$297 million in the coming fiscal year. Cap and Trade funding will provide an additional \$112 million to the Low-Carbon Transit Operations Program, which is distributed using the

STA formula. Lastly, the Transit and Intercity Rail Capital Program will receive SB 1 funds and Cap and Trade revenues (approximately \$486 million in 2019-20), but the existing program of projects will use those funds. The Governor's Budget includes \$132 million for Clean Trucks, Buses and Off-Road Freight Equipment.

Goods Movement

The Trade Corridors Enhancement Program will continue to receive its share of SB 1 revenues, getting an estimated \$307 million in 2019-20. The CTC is expected to begin developing the next programming cycle in 2019. The Governor's Budget also includes \$132 million for Clean Trucks, Buses and Off-Road Freight Equipment

Beyond these revenue projections, the Budget shows support for a key change to Enhanced Infrastructure Financing Districts (EIFD). An Enhanced Infrastructure Financing District (EIFD) is a governmental entity established by a city or a county that carries out a plan within a defined area (the boundaries of which do not need to be contiguous) to construct, improve and rehabilitate infrastructure, including transportation and housing. EIFDs can be created by cities or counties without voter approval and expend tax increment revenues without voter approval. However, an EIFD must receive 55-percent voter approval to issue debt. The Governor's Budget proposes removing the voter-threshold for issuing debt.

Finally, the Governor's Budget sets the stage for a discussion on tying transportation funds to housing production. The Budget states:

"Going forward, the state will strongly encourage jurisdictions to contribute to their fair share of the state's housing supply by linking housing production to certain transportation funds and other applicable sources, if any. The Administration will convene discussions with stakeholders, including local governments, to assess the most equitable path forward in linking transportation funding and other potential local government economic development tools to make progress toward required production goals."

In his budget press conference, the Governor stated that, "if you're not hitting your housing goals, you're not getting your SB 1 money." He noted that the implementation of this policy was still a few years off.

The Governor's Budget Summary can be found [here](#).

Bills of Interest

SB 5 (Beall) Local-State Sustainable Investment Incentive Program.*

This bill would establish the Local-State Sustainable Investment Incentive Program, which would be administered by the Sustainable Investment Incentive Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority or transit village development district to apply to the Committee to participate in the program and would authorize the Committee to approve or deny applications for projects meeting specific criteria. Upon approval of a project application, the bill would require the Committee to issue an order directing the county auditor to reduce the total amount of ad valorem property tax revenue otherwise required to be contributed to the county's ERAF from the applicant by the annual reduction amount approved. The bill would require a county auditor, if the applicant is an enhanced infrastructure financing district, affordable housing authority, transit village development district, or community revitalization investment authority, to transfer to the district or authority an amount of property tax revenue equal to the reduction amount approved by the Committee.

SB 18 (Skinner) Keep Californians Housed Act.*

This bill, no later than January 1, 2021, would require the department to develop and publish on its Internet Web site, and to annually update, a guide to all state laws pertaining to landlords and the landlord-tenant relationship. The bill would also require the department to survey each city in this state to determine which cities, if any, provide resources or programs to inform landlords of their legal rights and obligations and to post on its Internet Web site a list of those cities which, in the judgment of the department, have the most robust resources and programs. This bill contains other related provisions and other existing laws.

SB 50 (Wiener) Planning and Zoning: Housing Development: Equitable Communities Incentives.*

This bill would authorize residential developers to build four- to five-story apartment complexes in neighborhoods rail stops and eases local restrictions on building homes near frequently used bus stops. This bill would address concerns about displacement by prohibiting residential developers from demolishing properties rented within the prior 7 years and by allowing communities dealing with gentrification to propose alternate plans to increase housing.

SB 128 (Beall) Enhanced Infrastructure Financing Districts: Bonds: Issuance.

Existing law authorizes the public financing authority to issue bonds for these purposes upon approval by 55% of the voters voting on a proposal to issue the bonds. This bill would instead authorize the public financing authority to issue bonds for these purposes without submitting a proposal to the voters. The bill would require the resolution to issue bonds to contain specified information related to the issuance of the bonds. *We recommend C/CAG SUPPORT this measure.*

SB 137 (Dodd) Federal Transportation Funds: State Exchange Programs.

Existing federal law apportions transportation funds to the states under various programs, including the Surface Transportation Program and the Highway Safety Improvement Program, subject to certain conditions on the use of those funds. Existing law provides for the allocation of certain of those funds to local entities. Existing law provides for the exchange of federal and state transportation funds between local entities and the state under certain circumstances. This bill would authorize the Department of Transportation to allow the above-described federal transportation funds that are allocated as local assistance to be exchanged for Road Maintenance and Rehabilitation Program funds appropriated to the department. *We recommend C/CAG SUPPORT this measure.*

AB 11 (Chiu) Community Redevelopment Law of 2019.*

This bill, the Community Redevelopment Law of 2019, would authorize cities and counties to create agencies that would use tax increment financing to fund affordable housing and infrastructure projects. This bill takes a similar approach to the tax increment financing structure used by the former redevelopment agencies.

AB 69 (Ting) Land Use: Accessory Dwelling Units.*

Existing law requires a local agency to submit the accessory dwelling unit ordinance to the Department of Housing and Community Development within 60 days after adoption and authorizes the department to review and comment on the ordinance. This bill would authorize the department to submit written findings to a local agency as to whether the local ordinance complies with state law, and to notify the Attorney General if the ordinance violates state law. The bill would require a local agency to consider the department's findings and would authorize the local agency to amend its ordinance to comply with state law or adopt a resolution with findings explaining why the ordinance complies with state law, and addressing the department's findings.

AB 252 (Daly) Department of Transportation: Environmental Review Process: Federal Program.

Existing law, until January 1, 2020, provides that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it

assumed as a participant in the program. This bill would extend the operation of these provisions indefinitely. ***We recommend C/CAG SUPPORT this measure.***

ACA 1 (Aguiar-Curry) Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval.

This constitutional amendment would lower the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation bonds and special taxes for affordable housing and public infrastructure projects. ***We recommend C/CAG SUPPORT this measure.***

*Bills marked with an * are being tracked by MTC as implementing elements of the CASA Compact. These bills are not sponsored by MTC. The above list does not include all bills MTC has identified as others are currently "spot" bills and lack substance.*