



LEGISLATIVE ACTION COMMITTEE MEETING AGENDA
 THURSDAY, APRIL 11, 2019 | 5PM
 CITY OF SUNNYVALE | WEST CONFERENCE ROOM
 456 WEST OLIVE | SUNNYVALE, CA 94088

Discussion & action may be taken on any of the following items:

1. Welcome and Roll Call (Vice Mayor Margaret Abe-Koga, Chair) 5:00 PM
2. Consent Agenda
 - a. Approval of March 2019 Legislative Action Committee Minutes
3. Consideration, discussion, and possible action on Legislative Guiding Principles 5:05 PM
4. Discussion of next steps regarding the adopted Housing Policy Statement 5:10 PM
5. Discussion of legislation with Morgan Hill Assistant City Manager Leslie Little (League's Policy Committee) - -

**possible discussion items are highlighted bills*

- | | | |
|------------------------|--|---------------|
| 1. Just Cause Eviction | AB 1481 (Bonta) | |
| 2. Rent Cap | AB1482 (Chiu)
AB 36 (Bloom) | |
| 3. Legal Counsel | SB 18 (Skinner) | |
| 4. ADUs | AB 68
AB 69 (Ting)
AB 587
SB 13Wieckowski | Anita Enander |
| 5. Minimum Zoning | SB 50 (Wiener)
SB 4 (McGuire) spot bill | |
| 6. Good Government | AB 1483 (Grayson)
AB 1484 (Grayson)
SB 330 (Skinner) | Gustav Larson |
| 7. Streamlining | SB 6 (Beall/McGuire)
spot bill
AB 1485 (Wicks/Quirk) | |
| 8. Public Lands | AB 1486 (Ting) | |

- | | | |
|---|--|--------------|
| 9. Funding | SB 5 (Beall)
AB 1487 (Chiu)
AB 11 (Chiu)
ACA 1 (Aguiar-Curry) | Marico Sayoc |
| 10. Regional Housing
Enterprise
(wastewater)
emergency preparedness
\$\$
heavy duty trucks/requires
smog checks
by right | AB 1487 (Chiu)
AB 707
AB 332
AB 291 (Chiu)
SB 744 | |
| 6. Public Comment | | 5:50 PM |
| 7. Discussion of next meeting date and adjournment | | 5:55 PM |



LEGISLATIVE ACTION COMMITTEE MEETING MINUTES
THURSDAY, MARCH 14, 2019 | 6PM
CITY OF SUNNYVALE | WEST CONFERENCE ROOM
456 WEST OLIVE | SUNNYVALE, CA 94088

Discussion & action may be taken on any of the following items:

The Legislative Action Committee was called to order at 6:04 PM by Vice Mayor Margaret Abe-Koga, Chair (Mountain View). Attending:

Campbell Councilmember Paul Resnikof
Cupertino Councilmember Rod Sinks 6:07 PM
Gilroy - absent
Los Altos Councilmember Anita Enander
Los Altos Hills - absent
Los Gatos Councilmember Marico Sayoc
Milpitas Councilmember Carmen Montano 6:18 PM
Monte Sereno Mayor Rowena Turner
Morgan Hill Mayor Rich Constantine
Mountain View Vice Mayor Margaret Abe-Koga
Palo Alto Mayor Eric Filseth
San José Councilmember Chappie Jones 6:07 PM
Santa Clara Councilmember Debi Davis
Saratoga Mayor Manny Cappello
Sunnyvale Councilmember Gustav Larrson
Andi Jordan, Executive Director

Also Present: Councilmember Mary-Lynne Bernald, Councilmember Liz Gibbons, Mayor Larry Klein, Trevin Barber, Jeff Cristina,

Consent Agenda consisting of the February 2019 Legislative Action Committee Minutes were approved.

Motion by Councilmember Debi Davis, 2nd Councilmember Gustav Larrson.

Unanimously approved.

AYES: 12

NOS: 0

ABSTENTIONS: 0

ABSENT: Constantine, Velasco, Wu

The Committee considered and discussed the Housing Policy Statement (attached). After revisions made, Councilmember Debi Davis motioned and a second by Gustav Larrson, the Housing Policy Statement passed with unanimous consent.

AYES: 13

NOS: 0

ABSTENTIONS: 0

ABSENT: Velasco, Wu

Chair Abe-Koga asked the committee for interest in tracking specific bills.

Councilmember Anita Enander – ADUs (AB 68, 69, AB 587, SB 13)

Councilmember Gustav Larrson – Good Government (AB 1483, 1484, SB 330)

Councilmember Marico Sayoc – Funding and Regional Housing Enterprise (SB 5, AB 1487, AB 11, ACA , AB 1487, AB 707)

Chair Abe-Koga & Executive Director Jordan will follow the remaining.

The meeting adjourned at 7:05PM and will convene next on April 11, 2019 at 5PM.

Respectfully submitted,

Andi Jordan
Executive Director

Minutes Approved DATE

AYES -

NAYES -

ABSENSTENTIONS -

ABSENT –



Cities Association of Santa Clara County: Position Paper on Housing

The Cities Association of Santa Clara County (CASCC) is an association of the fifteen cities of the county that works collectively to discuss and find solutions on issues at a regional level.

CASCC recognizes the need for increased housing opportunities, especially for people earning below the area median income. We fully **endorse** local and regional efforts to encourage the production of more housing, preserve and increase subsidized below market rate housing at moderate- and below-income levels, and provide benefits to minimize the impact for current residents in rapidly changing neighborhoods.

The CASA Compact is a high-level document with only limited detail. Small and medium sized cities were not well represented in it's creation yet represent 66% of the Bay Area population. CASCC wants to ensure that their member cities' voices are heard as the details of legislation are being crafted. CASCC further encourages MTC, ABAG and the State Legislature collaborate with all cities on the ideas contained within the CASA Compact so that we can collectively formulate workable solutions to address the Bay Area's housing needs. It is the consensus of the CASCC that:

We support legislation that will provide voters statewide with the opportunity to apply a 55 percent threshold for revenue generating ballot measures for investments in affordable housing and housing production.

We support legislation that will return e-commerce/internet sales tax revenue to the point of sale – not the point of distribution as currently mandated – to provide cities that have a significant residential base with a commensurate fiscal stimulus for new housing.

We support Governor Newsom's investments proposed in the state budget that will benefit California cities including a substantial increase in state funding for affordable and workforce housing and to address the growing homelessness crisis in our state.

We support incentives for the production of new accessory dwelling units to streamline the entitlement of those ADU's.

We support removing barriers to planning complete communities, ensuring that adequate resources are available for new schools and parks to serve our growing population.

We support additional transportation investments to expand the Bay Area transit network that provide connections from job centers to existing housing as well as planned future housing.

We support establishing tenant protections as cities deem appropriate for their residents.

We support maintaining local control of the entitlement process. We urge the State to recognize that cities control entitlements, while developers build. Cities should therefore primarily be measured by entitlements when calculating RHNA attainment, and not penalized when funding is inadequate to build affordable housing.

We support ABAG, an elected body, to serve as the governance structure that administer new affordable housing funds and monitor housing production rather than establishing yet another agency to take on that role.

We oppose a one-size-fits-all approach to housing densities and land-use decision-making.

We oppose any diversion of existing revenue sources from cities.

Cities in Santa Clara County are actively addressing the housing shortage.

- All 15 cities have State-approved plans for new housing growth.
- Permits for 30,000 new residential homes have been approved since 2015 which represents over 50% of the state's housing goal for Santa Clara County of 58,836 new homes by 2023.
- Over 6,000 new residential units were approved in Santa Clara County in 2018.
- Santa Clara County voters increased local taxes to support \$950 million in affordable housing funds. As of 2018, \$234 million has been invested for 1,437 new multi-family units and 484 rehabilitated units.
- The Cities Association of Santa Clara County is leading the effort to form a 2023-2031 RHNA Sub-Region within the County.

About us: The Cities Association of Santa Clara County is an association of the fifteen cities of the county and the elected representatives of more than 1.9 million Bay-Area residents. Since 1990, the city representatives have been gathering to discuss and find consensus and solutions for regional issues. The cities of our association are diverse and include cities of a few thousand people and a city of a million people.

Cities Association of Santa Clara County

Legislative Guiding Principles – 2018

Introduction

The Cities Association takes positions on federal, state, and regional legislative issues that may impact its member cities, so as to advocate for the interests of the member cities. In most cases, positions are taken by the Board of Directors after receiving a recommendation from the Legislative Action Committee (LAC). However, legislative issues occasionally arise in a fashion that prevents timely deliberation and response from the Board of Directors. To address such occasions, the Board of Directors establishes this list of standing legislative advocacy positions. When time does not permit consideration by the Board of Directors, the President of the Cities Association is empowered to advocate for or against issues according to these standing legislative advocacy positions, subject to subsequent ratification by the Board of Directors.

General Administration

The Cities Association respects the importance of local control over areas of municipal responsibility, and it opposes legislation and initiatives that weaken or eliminate existing local control.

Municipal Revenue

The Cities Association recognizes the ongoing difficulty for cities to maintain and enhance revenue, due to the legislative framework that governs municipal revenue sources. As a general rule, the Cities Association opposes legislation or initiatives that threaten municipal revenue sources.

Opposition to Unfunded Mandates

Recognizing the frequency with which federal, state, and regional initiatives attempt to impose unfunded mandates on cities, the Cities Association opposes unfunded mandates.

Protecting Tax Exempt Municipal Bonds

The Cities Association recognizes that tax exempt municipal bonds are an essential revenue tool for cities to fund infrastructure projects and other critical initiatives. The Cities Association supports the existence of tax exempt municipal bonds and opposes efforts to weaken or eliminate such bonds.

Improved Access to Grants and Reimbursement

The Cities Association recognizes that cities depend on grant funding and reimbursements from state, federal, and regional agencies. It also recognizes that unnecessary bureaucracy and other barriers can impede or reduce the availability and effectiveness of grant revenue. Accordingly, the Cities Association supports efforts to streamline grant and reimbursement processes. It specifically opposes unnecessary regulations, requirements, or bureaucratic processes to new or existing grants and reimbursement opportunities.

CalPERS Stability

The Cities Association recognizes the threat posed to cities by CalPERS unfunded liabilities. As such, the Cities Association supports efforts to provide long-term stability of CalPERS funding.

Land Use

CEQA Reform

The Cities Association supports the environmental protections provided by the California Environmental Quality Act. At the same time, it recognizes the burdensome nature of some CEQA provisions, as well as the frequency with which

Cities Association of Santa Clara County

Legislative Guiding Principles – 2018

CEQA is utilized to obstruct projects for reasons unrelated to environmental protection. As such, the Cities Association supports efforts to streamline the CEQA process and prevent CEQA abuse, provided those efforts do not materially weaken the environmental protections provided by CEQA.

Community Development Block Grants (CDBG)

The Cities Association supports expanding the federal Community Development Block Grant (CDBG) program, and it opposes efforts to reduce CDBG funding.

Public Works

Infrastructure Funding

The Cities Association supports increased state and federal funding to meet cities' infrastructure needs.

Energy Efficiency and Conservation Block Grant (EECBG) Program

The Cities Association supports restoration of the federal Energy Efficiency and Conservation Block Grant Program and the budgeting of adequate federal funds for the EECBG Program.

Protecting Cities' Water Supply

The Cities Association supports legislation and funding that supports water efficiency, conservation, increased use of recycled water, drought relief and policies, and local agencies' ability to manage and protect groundwater supplies. The Cities Association opposes legislation and initiatives that threaten the availability of water provided to cities by regional water agencies. The Cities Association further recognizes that the affordability of water is a critical issue for the residents of its member cities, and it opposes legislation and initiatives that would create undue fiscal impacts on water ratepayers.

Transportation

The Cities Association recognizes that transportation planning must be done on a regional level in order to be effective and supports efforts for adequate funding of transportation.

Environment

Climate Change

The Cities Association recognizes the danger posed by climate change, and the unique and substantial responsibility and opportunities that cities have to combat climate change through land use and municipal regulation. It therefore supports efforts and initiatives to mitigate climate change. It specifically supports the provision of funds, incentives, and/or revenue-raising authority to assist cities in funding climate change mitigation and adaptation.

Community Choice Energy (CCE) Programs

The Cities Association supports the availability of Community Choice Energy, and it opposes legislation and initiatives that threaten CCE programs or their economic competitiveness.

Zero Waste

The Cities Association advocates for the achievement of zero waste goals. In particular, the Cities Association supports Extended Producer Responsibility programs, which shift the fiscal burden of hazardous waste disposal to the entities that produce the hazardous products.

Cities Association of Santa Clara County

Legislative Guiding Principles – 2018

Parks

The Cities Association recognizes the importance of open space for recreation and exercise. It supports funding for acquisition, operation and maintenance of parks.

Economic Development

As a general rule, the Cities Association supports new and existing financing tools for local governments to maximize resources for economic development.

Workforce Development

The Cities Association supports local workforce development agencies, which are entirely funded through state and federal grants. As such, the Cities Association opposes cuts to workforce development funding.

Library Services

The Cities Association supports [the American Library Association Bill of Rights](#).

Library Bonds

The Cities Association supports a State Constitutional Amendment to lower the voting threshold for library-related municipal bonds from 2/3rds to 55%.

Education

The Cities Association recognizes that the State of California separates municipal government from school governance. However, adequate funding of schools is essential to the well-being of communities, and a failure to properly fund schools can impact crime, traffic, economic development, property values, and other areas of interest to schools. As a general rule, the Cities Association supports efforts to ensure proper school funding.

School Impact Fees

The Cities Association recognizes that state limits on school development impact fees generate insufficient revenue for school capital projects in Santa Clara County, due to the high cost of development in Santa Clara County as compared to the rest of the State of California. Accordingly, the Cities Association supports efforts to raise state limits on school development impact fees to levels reflecting the actual cost to schools imposed by new housing development.

Human Rights

The Cities Association respects the right of every individual to the services provided by municipal government, and to enjoy the benefits of living within its communities. The Cities Association opposes legislation or initiatives that threaten the rights of specific groups, or changes to policies or law enforcement processes that target specific groups.

2019 Housing Bills of Concern

AB 1279 (Bloom) Planning and Zoning: Housing Development: High-Resource Areas.

- Would require HCD to determine "high-resource areas", areas of high opportunity and low residential density not experiencing displacement or gentrification.
- Would require by-right approval for up to 100 units and 55 ft., if the project meets affordability requirements and site limitations.
- Projects would not need to be near transit.

AB 1568 (McCarty) General Plans: Housing Element: Production Report: Withholding of Transportation Funds.

- Would withhold and divert critical transportation funds from the Road Repair and Accountability Act (SB 1, Beall), for cities' basic maintenance and road repair needs, if the jurisdiction has not produced enough housing units to satisfy state housing goals (RHNA). *by income category*

AB 1763 (Chiu) Density Bonuses: Affordable Housing.

- Would greatly expand existing Density Bonus Law to allow developers to receive a density bonus of 80% and four additional concessions if 100% of project's units are affordable to low-income households.
- For projects that are 100% affordable to low-income households and are within one-half mile radius of a major transit stop, a city would have to allow unlimited density and an additional three stories or 33ft.
- If the development is within one ½ mile of a high quality transit corridor, a city would have to allow unlimited density and an additional two stories or 22 feet.

SB 4 (McGuire) Housing.

- Would require up to fourplexes on vacant lots in single-family neighborhoods, by-right housing approvals, TOD heights one-story above existing heights; based on city population.

SB 13 (Wieckowski) Accessory Dwelling Units.

- Would cap/limit impacts fees and other mitigation fees.
- Would require jurisdictions to act on an ADU application within 60 days of application submittal.
- If HCD finds that a jurisdiction's ordinance is out of compliance, the department would notify the Attorney General that the jurisdiction is in violation of the law.

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

- Would require cities to allow development up to 55 feet and unlimited density within one ½ mile of a major transit stop.
- Would require cities to allow housing projects that adhere to existing height limitations unlimited density within one ½ mile of a major transit stop.
- Would limit single-family only zoning by allowing housing projects that adhere to existing height limitations unlimited density in single-family zoned neighborhoods near high quality public schools and jobs.
- Would limit or eliminate parking requirements.
- Would award Density Bonus Law concessions and incentives.

SB 330 (Skinner) Housing Crisis Act of 2019.

Until Jan. 2030, a city would not be able to:

- Downzone.
- Impose parking requirements.
- Increase impact fees.
- Apply any fees to affordable housing
- Impose a housing moratorium.
- Impose design standards that are costlier than those in effect in 2019.
- Establish a maximum number of conditional use permits.
- Adhere to a voter approved initiative that limits density or intensity of housing, and infrastructure.

all Bay Area

HOUSING, COMMUNITY & ECONOMIC DEVELOPMENT
Legislative Agenda
March 28, 2019

1. AB 53 (Jones-Sawyer) Rental Housing Discrimination.

Bill Summary:

This measure would prohibit the owner of any rental housing accommodations (Landlord) from conducting a criminal background check during the initial review of housing applicants and creates a process for denial of an application once the initial review of an application is complete.

Additionally, this measure prohibits the owner of any rental housing accommodations from requiring the disclosure of or denying an applicant on the basis of an arrest that did not result in a conviction, a conviction that has been judicially rendered inoperative, or other specified criminal information.

Bill Description:

This measure would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, a criminal record during the initial application assessment phase.

The "initial application assessment phase" is defined as, the period before a decision is made to rent or lease a rental housing accommodation, which includes the time during which a person seeking a rental housing accommodation requests, and is provided with, an application and the time during which the assessment of rental history and credit history, the checking of sources of income, and the scheduling an applicant interview routinely occur.

Following the successful completion of the initial application assessment phase, the owner of any rental housing accommodations may request a criminal background check of the applicant and consider an applicant's criminal record in deciding whether to rent or lease. If the owner of any rental housing accommodations is considering denying an application after requesting a criminal background check and the possible denial is based on the applicant's criminal record, the owner of any rental housing accommodations must within five days of receiving the information regarding the possible denial provide the applicant with a written statement listing the reasons for the possible denial before making the final decision.

The applicant then has 14 days to provide the owner of any rental housing accommodations evidence demonstrating the inaccuracy of the notice regarding their criminal record and/or provide evidence of rehabilitation or other factors that the owner of any rental housing accommodations may consider when reevaluating the application.

If upon individualized assessment of the applicant's criminal record and the evidence of rehabilitation and mitigating factors, the applicant still has an unacceptable criminal record, then the owner of the housing accommodation shall notify the applicant of his or her final decision to deny the application in writing. This bill makes it unlawful for the owner of any rental housing accommodations to deny the rental or lease of a housing accommodation without first satisfying the above requirements, unless otherwise required by state or federal law.

Additionally, the owner of the housing accommodation shall not in an application for rental housing accommodations require disclosure of, or, if such information is received, deny a dwelling based in whole or in part on the following:

- A previous arrest that did not result in a conviction.
- ~~Participation in~~, or completion of, a diversion or a deferral of judgment program.
- A conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative.
- A determination or adjudication in the juvenile justice system or information regarding a matter considered in or processed through the juvenile justice system.
- Information pertaining to an offense other than a felony or misdemeanor.

Background:

The Fair Employment and Housing Act (FEHA) generally prohibits housing discrimination with respect to the personal characteristics of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information.

Existing law also prohibits the discrimination through public or private land use practices, decisions, and authorizations because of one of those personal characteristics.

The Department of Fair Employment and Housing in the Business, Consumer Services, and Housing Agency, has the powers and duties to, among other things, receive, investigate, and conciliate complaints relating to housing discrimination. The Director of Fair Employment and Housing may investigate verified complaints that allege a violation of the act, subject to certain procedures and requirements, and requires the Director, if attempts at mediation or other forms of dispute resolution do not eliminate a violation of the act, to file a civil action on behalf of the aggrieved person.

In 2016, the Federal Housing and Urban Development Department (HUD), under the Obama administration, issued guidance that landlords, property managers, and home owners should not categorically refuse to rent to all individuals with criminal histories. Although HUD has provided general guidance regarding renting to individuals with

criminal records, neither federal nor state law offers protection from housing discrimination based on past criminal records.

Fiscal Impact:

No direct fiscal impact to cities.

Existing League Policy:

No existing League policy.

Comments:

According to the author:

California has made improvements in counseling for prisoners, educational and vocation programs for prisoners, and post-release employment opportunities, but attaining housing continues to be difficult for individuals upon release. A January 2019 audit report of the California Department of Corrections and Rehabilitation (CDCR) noted that the success of certain vocational programs have seen a recidivism rate of 7%, compared to a recidivism rate of 51% for all inmates.

However, this type of successful rehabilitation is meaningless if an individual is unable to find housing upon release. For African Americans, Asian Americans and Pacific Islanders, Latinos, and Native Americans who often grow up in overly policed communities, a criminal record adds one more barrier to attaining secure housing. The Prison Policy Initiative shows that while 24% of formerly incarcerated Californians face difficulty finding housing, 61% of formerly incarcerated people of color report difficulty finding housing.

AB 53 would “ban the box,” preventing landlords from inquiring about an applicant’s criminal history during the initial screening process. If a landlord decides to deny housing to a formerly incarcerated individual, this bill requires that landlords, or property managers, inform the applicant. This would allow formerly incarcerated individuals to show evidence of their rehabilitation, or, in cases where there was a mistake made in the background check, it would allow individuals to show proof of a mistake.

Finally, this bill prohibits landlords and property managers from inquiring about arrests that did not result in a conviction, participation in a diversion or a deferral judgement program, a conviction that has been judicially dismissed or expunged, or juvenile records. AB 53 ensures that men and women who were formerly incarcerated have a fair chance at successful reintegration.

Support-Opposition: (as of 3/21/2019)

Support:

Legal Services for Prisoners with Children (Sponsor)
Centro Legal De La Raza

Los Angeles Homeless Services Authority
Rubicon Programs
Policy Link
State Building Trades and Construction Council of CA

Opposition:
None on file.

Staff Recommendation:
Staff recommends the committee discuss AB 53 and determine a position.

Committee Recommendation:

Board Action:

2. AB 1110 (Friedman) Rent Increases: Noticing.

Bill Summary:
This measure would lengthen the notification time requirement a tenant must receive before the effective date of specified rent increases.

Bill Description:
This measure would amend the law so that if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by 10% – 15%, the landlord must provide a 90-day notice. If a landlord wishes to increase the rent by more than 15%, there must be a 120-day notice of the increase. Any rent increase under 10% would require a 30-day notice as consistent with existing law.

If the proposed rent increase for that tenant is caused by a change in a tenant's income or family composition, the notice shall be delivered at least 30 days before the effective date of the increase regardless of the percentage of the increase.

Background:
Under current law, if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by 10% or less of the amount of rent charged to a tenant annually shall provide at least a 30 days' notice before the effective date. If the landlord wishes to increase the rent by more than 10% annually, a 60-day notification is required.

Fiscal Impact:
No direct fiscal impact to cities.

Existing League Policy:
No existing League policy.

Comments:

California has seen rising housing costs impact all communities and residents regardless of income status. According to the State Legislative Analyst Office, an average California home costs approximately 2.5 times the average national home price and the average California rent is approximately 50% higher than the rest of the country. According to the report, even California's least expensive housing markets are more expensive than the national average.

The California Department of Housing and Community Development has reported that of California's, almost 6 million renter households, more than 3 million households, pay more than 30 percent of their income toward rent, and nearly 30 percent — more than 1.7 million households — pay more than 50 percent of their income toward rent.

According to the author:

Rent increases in significant numbers and frequency can create significant financial pressure, even for the most economically fortunate households. Unexpected expenses cause immediate strain and financial hardship on households. As such, renter households should be provided with more time when significant or frequent rent increases are given in order to make the necessary financial adjustments to be able to stay in the unit, or to plan to vacate that unit in order to find housing elsewhere that is more affordable to them.

Despite these increasing housing costs, California Civil Code regulating rent increase noticing has only been amended once since 1907, the year that 30-day rent increase noticing was first required. In 2000, the code was amended (subdivision b was added) to require 60-day noticing for proposed rent increases over 10%. AB 1110 does not limit a landlord's ability to increase or place a cap on rents. The goal of this bill is to keep rent increase noticing requirements in tandem and proportional with the frequency and amounts of rent increases that California residents have been receiving.

Support-Opposition: (as of 3/21/2019)

Support
City of Glendale

Opposition:
None on file.

Staff Recommendation:
Staff recommends the committee discuss AB 1110 and determine a position.

Committee Recommendation:

Board Action:

4. SB 18 (Skinner) Keep Californians Housed Act.

Bill Summary:

This bill would enact the Keep Californians Housed Act.

Bill Description:

Specifically, this measure would:

- Repeal the sunset date on existing law that requires a 90-day notice to be given to a tenant if they are a tenant on a month to month lease in a property that has been sold in a foreclosure. This measure would also repeal the sunset on existing law that allows tenants renting a unit, under a fixed-term lease entered into before a transfer of title at the foreclosure sale, the right to continue out the lease until the end of the lease term, with specified exceptions.
- Require the Department of Housing and Community Development (HCD) to develop and publish a guide to all state laws pertaining to landlords and landlord-tenant relationship. In developing the guide required by this subdivision, the department shall include a template for cities and counties to add information pertaining to their ordinances regulating the landlord-tenant relationship.
- Require HCD to survey each city to determine which cities provide resources or programs to inform landlords of their legal rights and obligations.
- Require HCD to publish on its website a list of those cities which, in the judgment of the department, have the most robust tenant protection resources and programs.
- Allocate, upon appropriation of the legislature, an unspecified amount to the California Emergency Solutions and Housing Program. This funding, in addition to the moneys already available for the program, would be allocated by HCD to local governments and nonprofit organizations for activities including rental assistance and housing relocation and stabilization.
- Create the Homelessness Prevention and Legal Aid Fund in the State Treasury to be used for legal aid to tenants facing eviction. This competitive grant program would allow HCD to allocate funds to cities and counties to establish their own tenant legal aid programs.

Background:

One provision of SB 18 seeks to expand the recently created California Emergency Solutions and Housing Program (CESH). This program provides funds for a variety of activities to assist persons experiencing or at risk of homelessness as authorized by SB 850 (Chapter 48, Statutes of 2018). The California Department of Housing and Community Development (HCD) administers the CESH Program with funding received

from the Building Homes and Jobs Act Trust Fund (SB 2, Chapter 364, Statutes of 2017). SB 18 would allocate an unspecified amount to the program.

CESH funds may be used for five primary activities: housing relocation and stabilization services (including rental assistance), operating subsidies for permanent housing, flexible housing subsidy funds, operating support for emergency housing interventions, and systems support for homelessness services and housing delivery systems. In addition, some administrative entities may use CESH funds to develop or update a Coordinated Entry System (CES), Homeless Management Information System (HMIS), or Homelessness Plan. Refer to the current Notice of Funding Availability (NOFA) for any limitations on these activities.

Eligible applicants are Administrative Entities (AEs) — local governments, non-profit organizations, or unified funding agencies — designated by the Continuum of Care (CoC) to administer CESH funds in their service area.

Fiscal Impact:

No direct fiscal impact to cities.

Existing League Policy:

No existing League policy.

Comments:

California has seen rising housing costs impact all communities and residents regardless of income status. According to the State Legislative Analyst Office, an average California home costs approximately 2.5 times the average national home price and the average California rent is approximately 50% higher than the rest of the country. According to the report, even California's least expensive housing markets are more expensive than the national average.

The California Department of Housing and Community Development has reported that of California's, almost 6 million renter households, more than 3 million households, pay more than 30 percent of their income toward rent, and nearly 30 percent — more than 1.7 million households — pay more than 50 percent of their income toward rent.

According to the author:

An unexpected financial hardship can lead to homelessness for many residents. California's homeless population rose 16 percent from 2015 to 2017, with many people becoming homeless for the first time. Once a tenant loses their home, the cycle of homelessness can be difficult and expensive to break.

According to a 2009 study by the Economic Roundtable, providing services and emergency response to homeless individuals can cost taxpayers nearly \$35,000 per person per year. An upfront investment in keeping families housed could save the state billions of dollars.

Support-Opposition: (as of 3/21/2019)

Support:

BayLegal
Bet Tzedek
CA Association of Retired Americans (CARA)
CA Community Builders
California Rural Legal Assistance (CRLA)
Central CA Legal Services, Inc. (CCLS)
City of Oakland
City of Berkeley
City of Berkeley, Rent Stabilization Board
City of Santa Monica
Community Legal Services, East Palo Alto
Disability Rights Education & Defense Fund
Justice & Diversity Center
Legal Aid Association of CA (In Concept)
Legal Aid of Marin
Los Angeles Tenants Union
SV@Home
TMG Partners
Venice Community Housing Corporation
Western Center on Law and Poverty

Opposition:

Staff Recommendation:

Staff recommends the committee discuss SB 18 and determine a position.

Committee Recommendation:

Board Action:

5. SB 329 (Mitchell) Discrimination: Housing: Source of Income.

Bill Summary:

This measure would make it unlawful for landlords to discriminate against or harass tenants who use federal housing assistance vouchers issued under Section 8 of the United States Housing Act of 1937 and other public assistance towards their rental payments.

Bill Description:

This measure changes the definition of "source of income" to including federal, state, or local public assistance, and federal, state, or local housing subsidies, including, but not

limited to, federal housing assistance vouchers issued under Section 8 of the United States Housing Act of 1937.

Background:

The Fair Employment and Housing Act (FEHA) generally prohibits housing discrimination with respect to the personal characteristics of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information.

Existing law also prohibits the discrimination through public or private land use practices, decisions, and authorizations because of one of those personal characteristics.

The Department of Fair Employment and Housing in the Business, Consumer Services, and Housing Agency, has the powers and duties to, among other things, receive, investigate, and conciliate complaints relating to housing discrimination. The Director of Fair Employment and Housing may investigate verified complaints that allege a violation of the act, subject to certain procedures and requirements, and requires the Director, if attempts at mediation or other forms of dispute resolution do not eliminate a violation of the act, to file a civil action on behalf of the aggrieved person.

In 2016, the Federal Housing and Urban Development Department (HUD), under the Obama administration, issued guidance that landlords, property managers, and home owners should not categorically refuse to rent to all individuals with criminal histories. Although HUD has provided general guidance regarding renting to individuals with criminal records, neither federal nor state law offers protection from housing discrimination based on past criminal records.

Fiscal Impact:

No direct fiscal impact to cities.

Existing League Policy:

No existing League policy.

Comments:

According to the author:

California's severe shortage of affordable housing contributes to the state's growing homelessness crisis. Local jurisdictions are increasingly turning to housing vouchers and other subsidies as a part of the solution. For these strategies to be successful, it is critical to remove barriers that lead to the most vulnerable tenants being unable to find housing despite having secured a voucher to assist them with their rent.

Under current law, FEHA prohibits discrimination against renters based on their source of income. Regrettably, vouchers are not listed as a protected source of income under FEHA, allowing landlords to refuse to rent to assisted families

even if they otherwise qualify for the housing they are applying for based on factors such as their credit and rental history.

After years waiting for a voucher, families who cannot find a landlord willing to accept one are forced to return their voucher to the local housing authority. This prevents low-income families from accessing housing in high opportunity neighborhoods that can provide a path out of poverty. Blanket refusal of housing assistance also frustrates efforts to prevent homelessness or rehouse homeless residents.

This bill will add housing assistance to the sources of income protected by FEHA. The Lifting Children and Families Out of Poverty Taskforce recommended this as an immediate policy action to address child poverty. At least 11 states prohibit discrimination against voucher holders; several California jurisdictions, including San Francisco, Santa Monica, and San Diego, have passed similar policies, and their benefit is well documented. A recent study concluded these protections increase success rates for renters while improving voucher utilization for local Housing Authorities.

Under this proposal, landlords would still be able to screen tenants for suitability; they simply would not be allowed to refuse a tenant solely on the basis that the tenant intends to use housing assistance to help pay their rent.

Support-Opposition: (as of 3/21/2019)

Support

Western Center on Law & Poverty (co-sponsor)
Housing California (co-sponsor)
California Rural Legal Assistance Foundation (co-sponsor)
League of Women Voters California
City of Los Angeles

Opposition:

None on file.

Staff Recommendation:

Staff recommends the committee discuss SB 329 and determine a position.

Committee Recommendation:

Board Action:

HCED Bills 2019

Priority List 3/21/19

Yellow Highlight = Higher Priority**Planning/Zoning****AB 725 (Wicks D) General plans: housing element: above moderate-income housing.**

The law requires that the housing element include, among other things, an inventory of land suitable for residential development, 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 determined pursuant to specified law. This bill would prohibit more than 20% of a jurisdiction's share of regional housing need for above moderate-income housing from being allocated to sites with zoning restricted to single-family development. By imposing additional requirements on the manner in which a city or county may satisfy its regional housing need, this bill would impose a state-mandated local program.

AB 1279 (Bloom D) Planning and zoning: housing development: high-resource areas.

This bill would require the department to designate areas in this state as high-resource areas, as provided, by January 1, 2021, and every 5 years thereafter. The bill would authorize a city or county to appeal the designation of an area within its jurisdiction as a high-resource area during that 5-year period. In any area designated as a high-resource area, the bill would require that a housing development project be a use by right, upon the request of a developer, in any high-resource area designated pursuant to a use by right in certain parts of the high-resource area if those projects meet specified requirements, including specified affordability requirements. For certain development projects where the initial sales price or initial rent exceeds the affordable housing cost or affordable rent to households with incomes equal to or less than 100% of the area median income, the bill would require the applicant agree to pay a fee equal to 10% of the difference between the actual initial sales price or initial rent and the sales price or rent that would be affordable, as provided. The bill would require the city or county to deposit the fee into a separate fund reserved for the construction or preservation of housing with an affordable housing cost or affordable rent to households with a household income less than 50% of the area median income.

AB 1487 (Chiu D) Land use: housing element. (SPOT BILL)

The Planning and Zoning Law requires a city or county to adopt a comprehensive, long-term general plan that includes various mandatory elements, including a housing element. That law requires the housing element to contain, among other things, an assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs. That law requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, as specified. This bill would make nonsubstantive changes to that law.

AB 1561 (Garcia, Cristina D) Residential development: discrimination.

This bill would prohibit a city, county, and city and county from subjecting any residential development, or part thereof, to a new or modified regulation, rule, policy, action, ordinance, or other requirement, beyond those adopted and in effect on January 1, 2019, that increases the cost to develop or construct new housing. The bill would declare such an action null and void, unless it is established by a preponderance of the evidence that the new rule, policy, action, ordinance, or other requirement is mandated by federal law or necessary to mitigate or avoid a specific, adverse impact on public health or safety, as defined. By imposing new duties on local government agencies, the bill would create a state-mandated local program.

AB 1568 (McCarty D) General plans: housing element: production report: withholding of transportation funds.

This bill would require the department, on or before June 30, 2022, and on or before June 30 every year thereafter and until June 30, 2051, to review each production report submitted by a city or county in accordance with the provisions described above to determine if that city or county has met the applicable minimum housing production goal for that reporting period. The bill would provide that, if the department determines that a city or county has met its applicable minimum housing production goal for that reporting period, the department shall, no later than June 30 of that year, submit a certification of that result to the Controller.

SB 4 (McGuire D) Housing.

Under existing law, various agencies administer programs to preserve and expand safe and affordable housing opportunities and promote sound community growth. This bill would state the intent of the Legislature to enact legislation that would limit restrictive local land use policies and legislation that would encourage increased housing development near transit and job centers, in a manner that ensures that every jurisdiction contributes its fair share to a housing solution, while acknowledging relevant differences among communities.

SB 6 (Beall D) Residential development: available land.

Existing law requires the jurisdiction over lands reported excess to be transferred to the department upon request. Existing law requires the Department of General Services to report to the Legislature annually on the lands declared excess. Existing law requires a city or county to have a general plan for development with a housing element and to submit the housing element to the Department of Housing and Community Development prior to adoption or amendment. Existing law requires that the housing element include an inventory of land suitable and available to residential development, as specified. This bill would require the Department of Housing and Community Development to furnish the Department of General Services with a list of local lands suitable and available for residential development as identified by a local government as part of the housing element of its general plan. The bill would require the Department of General Services to create a database of that information and information regarding state lands determined or declared excess and to make this database available and searchable by the public by means of a link on its internet website.

SB 50 (Wiener D) Planning and zoning: housing development: equitable communities incentive.

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.

SB 330 (Skinner D) Housing Crisis Act of 2019.

This bill, until January 1, 2030, with respect to land where housing is an allowable use, would prohibit the legislative body of a county or city, defined to include the electorate exercising its local initiative or referendum power, in which specified conditions exist, from enacting an amendment to a general plan or adopting or amending any zoning ordinance that would have the effect of (A) changing the zoning classification of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing zoning district below what was allowed under the general plan land use designation and zoning ordinances of the county or city as in effect on January 1, 2018; (B) imposing a moratorium on housing development within all or a portion of the jurisdiction of the county or city, except as provided; (C) imposing design standards that are more costly than those in effect on January 1, 2019; or (D) establishing a maximum number of conditional use or other discretionary permits that the county or city will issue for the development of housing within all or a portion of the county or city, or otherwise imposing a cap on the number of housing units within or the population of the county or city. The bill would, notwithstanding these prohibitions, allow a city or county to prohibit the commercial use of land zoned for residential use consistent with the authority of the city or county conferred by other law. The bill would state that these prohibitions would apply to any zoning ordinance adopted or amended on or after January 1, 2018, and that any zoning ordinance adopted, or amendment to an existing ordinance or to an adopted general plan, on or after that date that does not comply would be deemed void.

RDA/Tax Increment Financing

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

This bill, the Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined. The bill would require the city or county to submit that resolution to each affected taxing entity and would authorize an entity that receives that resolution to elect to not receive a passthrough payment, as provided. The bill would require the city or county that adopted that resolution to hold a public hearing on the proposal to consider all written and oral objections to the formation, as well as any recommendations of the affected taxing entities, and would authorize that city or county to adopt a resolution of formation at the conclusion of that hearing. The bill would then require that city or county to submit the resolution of intention to the Strategic Growth Council for a determination as to whether the agency would promote statewide greenhouse gas reduction goals. The bill would require the council to approve formation of the agency if it determines that formation of the agency both (1) would not result in a state fiscal impact, determined as specified by the Controller, that exceeds a specified amount and (2) would promote statewide greenhouse gas reduction goals. The bill would deem an agency to be in existence as of the date of the council's approval. The bill would require the council to establish a program to provide technical assistance to a city or county desiring to form an agency pursuant to these provisions.

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

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, subject to certain modifications. Existing law requires an annual reallocation of property tax revenue from local agencies in each county to the Educational Revenue Augmentation Fund (ERAF) in that county for allocation to specified educational entities. This bill would establish in state government 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 Sustainable Investment Incentive Committee to participate in the program and would authorize the committee to approve or deny applications for projects meeting specific criteria. This bill contains other related provisions and other existing laws.

SB 15 (Portantino D) Redevelopment.

The Community Redevelopment Law authorized 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, as defined, to wind down the affairs of the dissolved redevelopment agencies. This bill would state the intent of the Legislature to enact legislation relating to redevelopment.

Accessory Dwelling Units (ADUs)

AB 68 (Ting D) Land use: accessory dwelling units.

This bill would prohibit an ordinance from imposing requirements on minimum lot size, lot coverage, or floor area ratio, and would prohibit an ordinance from establishing size requirements for accessory dwelling units that do not permit at least an 800 square foot unit of at least 16 feet in height to be constructed.

AB 69 (Ting D) 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 587 (Friedman D) Accessory dwelling units: sale or separate conveyance.

This bill would authorize an accessory dwelling unit that was ministerially approved pursuant to the process described above to be sold or conveyed separately from the primary residence to a qualified buyer if certain conditions are met. Those conditions include that the property was built or developed by a qualified nonprofit corporation that is receiving the above-described welfare exemption, a recorded contract exists between the qualified buyer and the qualified nonprofit corporation that imposes an enforceable restriction upon the sale and conveyance of the property that ensures the property will be preserved for affordable housing, and that the property is held pursuant to a recorded tenancy in common agreement that includes specified provisions.

AB 881 (Bloom D) Accessory dwelling units.

Existing law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on criteria that includes, but is not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. This bill would instead require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

SB 13 (Wieckowski D) Accessory dwelling units. (SPOT BILL)

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Existing law prohibits an accessory dwelling unit from being considered a new residential use for purposes of calculating certain fees, including local agency connection fees or capacity charges for utilities. This bill would express the intent of the Legislature to enact legislation that would reduce impact fees and other existing barriers for homeowners seeking to create accessory dwelling units for the purpose of creating additional residential housing within their neighborhoods.

Tenant Protection

AB 36 (Bloom D) Affordable housing: rental prices. (SPOT BILL)

This bill would state the findings and declarations of the Legislature that, among other things, affordable housing has reached a crisis stage that threatens the quality of life of millions of Californians as well as the state economic outlook. This bill also would express the Legislature's intent to enact legislation in order to stabilize rental prices and increase the availability of affordable rental housing.

AB 53 (Jones-Sawyer D) Rental housing discrimination: applications: criminal records.

Existing law generally prohibits housing discrimination with respect to the personal characteristics of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information. This bill would make it unlawful for the owner of any rental housing accommodation to deny the rental or lease of a housing accommodation without first satisfying specified requirements relating to the application process. The bill would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, a criminal record during the initial application assessment phase, as defined, unless otherwise required by state or federal law.

AB 1110 (Friedman D) Rent increases: noticing.

Existing law requires that if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by 10% or less of the amount of the rent charged to a tenant annually, as specified, the landlord shall provide at least 30 days' notice, before the effective date of the change. Existing law requires that if a

landlord of a residential dwelling with a month-to-month tenancy increases the rent by more than 10% of the amount of the rent charged to a tenant annually, as specified, the landlord shall provide an additional 30 days' notice, for a total of 60 days, before the effective date of the increase, except as specified. This bill would require 90 days' notice if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by more than 10%, but no more than 15%, of the amount of the rent charged to a tenant annually. This bill would require 120 days' notice if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by more than 15% of the amount of the rent charged to a tenant annually.

SB 329 (Mitchell D) Discrimination: housing: source of income.

Existing law, the Fair Employment and Housing Act, prohibits housing discrimination, including discrimination through public or private land use practices, decisions, or authorizations, based on specified personal characteristics, including source of income. Existing law defines the term "source of income" for purposes of the provisions relating to discrimination in housing accommodations described above, to mean lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant. This bill would instead define the term for purposes of those provisions, to mean verifiable income paid directly to a tenant, or paid to a housing owner or landlord on behalf of a tenant, including federal, state, or local public assistance and housing subsidies, as specified.

Homelessness

AB 22 (Burke D) Housing: safe and clean shelter for children.

This bill would declare that it is the policy of the state that every child has the right to safe and clean shelter and that no child should be without safe and clean shelter by 2025. The bill would require the agency, the department, and every other state agency, to consider this policy when establishing, adopting, or revising any policy, regulation, or grant criterion pertinent to safe and clean shelter for children.

AB 67 (Rivas, Luz D) Individuals or families who are homeless or at risk of homelessness.

Existing law provides various housing and supportive services for individuals and families who are homeless or at risk of homelessness, and defines the terms "homeless" and "at risk of homelessness" for those purposes, as specified. Existing law requires the Governor to create the Homeless Coordinating and Financing Council to, among other things, identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California. This bill would require the coordinating council to compile a list of federal, state, and local funding sources, programs, and services for addressing homelessness, and the definitions of "homeless" and "at risk of homelessness" used for those purposes, and would require state and local governmental entities that provide programs and services to individuals and families who are homeless or at risk of homelessness, or funding for those programs and services, to provide the coordinating council with the existing definitions of those terms. The bill would require the coordinating council, in consultation with those state and local governmental entities, to develop and recommend in a report to the Legislature the funding sources, programs, and services for which the definitions of "homeless" and "at risk of homelessness" that are used for those purposes may be aligned to ensure a continuum of care for individuals and families who are homeless or at risk of homelessness.

AB 139 (Quirk-Silva D) Emergency and Transitional Housing Act of 2019.

The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. This bill would additionally require the report to include the number of emergency shelter beds currently available within the jurisdiction and the number of shelter beds that the jurisdiction has contracted for that are located within another jurisdiction, as specified. By increasing the duties of local officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 816 (Quirk-Silva D) California Flexible Housing Subsidy Pool Program.

Existing law also establishes the Homeless Coordinating and Financing Council to, among other things, create a statewide data system or warehouse that collects local data through homeless management information systems, with the ultimate goal of matching data on homelessness programs to programs impacting

homeless recipients of state programs, as specified. This bill would establish the California Flexible Housing Subsidy Pool Program within the Department of Housing and Community Development for the purpose of making grants available to applicants, defined to include a city, county, city and county, or continuum of care, for eligible activities including, among other things, rental assistance, operating subsidies in new and existing affordable or supportive housing units, and specified outreach services. The bill would continuously appropriate \$450,000,000 from the General Fund every fiscal year to the department for purposes of the program, and set forth how these funds must be allocated.

AB 891 (Burke D) Public property: safe parking program.

This bill would require a city with a population greater than 330,000 and each county, in coordination with cities and local nonprofit entities, as specified, to establish a safe parking program that provides safe parking locations and options for individuals and families living in their vehicles. The bill would require the safe parking programs be developed and implemented by June 1, 2022.

SB 48 (Wiener D) Homelessness: right to shelter. (SPOT BILL)

Existing law establishes various entities and programs to provide assistance to homeless persons, including, among others, the Homeless Emergency Aid Program, the Emergency Housing and Assistance Program, the California Emergency Solutions Grants Program, homeless youth emergency service pilot projects, and the Homeless Coordinating and Financing Council. This bill would state the intent of the Legislature to enact legislation that creates a right to shelter for unhoused residents throughout the state, which would be required to include the navigation center model. The bill would state the purposes of this legislation, including ensuring that every person living on California's streets has the ability to promptly secure shelter that is safe and supportive. The bill would specify certain elements that this right to shelter would include. The bill would specify that the right to shelter is not intended to be in lieu of prioritizing permanent housing for people who lack housing.

Impact Fees/Mitigation Fees/General Fees

AB 579 (Daly D) Development fees. (SPOT BILL)

The Mitigation Fee Act, among other things, prohibits a fee or exaction imposed as a condition of approval of a proposed development or development project from exceeding the estimated reasonable cost of providing the service or facility for which the fee or exaction is imposed. The act defines various terms for these purposes. This bill would make nonsubstantive changes to the definitions under the act.

AB 1483 (Grayson D) Housing development project applications: reporting.

This bill would require a city or county to compile a list that provides zoning and planning standards, fees imposed under the Mitigation Fee Act, special taxes, and assessments applicable to housing development projects in the jurisdiction. This bill would require each local agency to post the list on its internet website and provide the list to the Department of Housing and Community Development and any applicable metropolitan planning organization. The bill would require the department to post the information submitted pursuant to these provisions on its internet website by January 1, 2021, and each year thereafter.

AB 1484 (Grayson D) Mitigation Fee Act: housing developments.

The Mitigation Fee Act requires a local agency that establishes, increases, or imposes a fee as a condition of approval of a development project to, among other things, determine a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. This bill would prohibit a local agency from imposing a fee, as defined, on a housing development project, as defined, unless the type and amount of the exaction is specifically identified on the local agency's internet website at the time the application for the development project is submitted to the local agency.

AB 1775 (Reyes D) Development fees: definition.

The Mitigation Fee Act authorizes a local agency to establish, increase, or impose various fees as a condition of approval of a development project, if specified requirements are met. The act defines a "fee" for these

purposes to mean a monetary exaction other than a tax or special assessment, as specified, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, and excludes from that definition certain fees, including, among others, fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements, or fees collected pursuant to agreements with redevelopment agencies, as provided. This bill would expand the definition of a "fee" for these provisions by eliminating those exclusions.

Streamlining

AB 1485 (Wicks D) Housing development: streamlining. (SPOT BILL)

Existing law authorizes a development proponent to submit an application for a multifamily housing development, which satisfies specified planning objective standards, to be subject to a streamlined, ministerial approval process, as provided, and to not be subject to a conditional use permit. This bill would state the intent of the Legislature to enact legislation to establish a policy that would (1) ensure timely approval of zoning-compliant housing projects and create financial incentives for enabling onsite affordability and prevailing wages; (2) provide additional streamlining options for housing projects, including those that may not benefit from existing streamlining options and (3) allow sensitive communities to defer implementation while developing a context-sensitive plan.

Housing Finance/Tax Credits

AB 1084 (Mayer R) Redevelopment: housing successor: Low and Moderate Income Housing Asset Fund.

Existing law defines the term "excess surplus" for these purposes to mean an unencumbered amount in the housing successor's Low and Moderate Income Housing Asset Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the fund during the housing successor's preceding 4 fiscal years, whichever is greater. This bill would expand the definition of "excess surplus" to also include, for a housing successor that owns and operates affordable housing that was transferred to the housing successor as a housing asset of the former redevelopment agency, an unencumbered amount in the housing successor's Low and Moderate Income Housing Asset Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the account during the housing successor's preceding 8 fiscal years, whichever is greater.

ACA 1 (Aguir-Curry D) Local government financing: affordable housing and public infrastructure: voter approval.

The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, or city and county to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.

Welfare Exemption

AB 723 (Wicks D) Property taxation: exemption: leased rental housing.

Existing property tax law, in accordance with authorization provided by the California Constitution, provides a welfare exemption for property used exclusively for religious, hospital, scientific, or charitable purposes and that is owned or operated by certain types of nonprofit entities, if certain qualifying criteria are met. This bill, for lien dates occurring on and after January 1, 2020, would extend this latter exemption to property that otherwise meets the above-described requirements but is rented for no more than 30% of the income level of persons of low income, as defined, to tenants occupying the property at the initial application for tax exemption, regardless of the actual income of the tenants. The bill would require that each new tenant

occupying the property after the initial application for exemption pursuant to these provisions meet the above-described income restrictions at the time of that tenant's initial occupancy.

AB 1326 (Gloria D) Property taxation: welfare exemption: low income housing.

The California Constitution authorizes the Legislature to exempt from taxation, in whole or in part, property that is used exclusively for religious, hospital, or charitable purposes, and is owned or held in trust by a nonprofit entity. Pursuant to this constitutional authority, existing law partially exempts from property taxation property used exclusively for rental housing and related facilities, if specified criteria are met, including that the owner is eligible for and receives low-income housing tax credits pursuant to specified provisions of the Internal Revenue Code. This bill would extend indefinitely the treatment of a unit of property whose owner is eligible for specified federal low-income housing tax credits as occupied by a lower income household, as provided. By extending the duties of local tax officials, this bill would impose a state-mandated local program.

AB 1734 (Chiu D) Property taxation: welfare exemption: rental housing: moderate income housing.

Existing property tax law, in accordance with the California Constitution, provides for a "welfare exemption" for property used exclusively for religious, hospital, scientific, or charitable purposes and that is owned or operated by certain types of nonprofit entities, if certain qualifying criteria are met. Under existing property tax law, property that meets these requirements that is used exclusively for rental housing and related facilities is entitled to a partial exemption, equal to that percentage of the value of the property that is equal to the percentage that the number of units serving lower income households represents of the total number of residential units, in any year that any of certain criteria apply. This bill, on and after January 1, 2020, would provide a similar exemption for qualified property, as defined, that meets the requirements of the welfare exemption and that is used exclusively for rental housing and related facilities, equal to that percentage of the value of the property that is equal to the percentage that the number of units serving moderate-income households, as defined, represents of the total number of residential units. The bill would require the owner of the property to certify specified information under penalty of perjury.

CEQA – Housing Related

AB 1515 (Friedman D) California Environmental Quality Act: transit priority areas.

This bill would define transit priority area to mean an area within 1/2 mile of a major transit stop that is existing or planned if the planned stop is scheduled to be completed within the planning horizon included in a transportation improvement program or an applicable regional transportation plan.

SB 25 (Caballero D) California Environmental Quality Act: qualified opportunity zones.

This bill would establish specified procedures for the administrative and judicial review of the environmental review and approvals granted for projects located in qualified opportunity zones that are funded, in whole or in part, by qualified opportunity funds, or by moneys from the Greenhouse Gas Reduction Fund and allocated by the Strategic Growth Council. Because a public agency would be required to comply with those new procedures, this bill would impose a state-mandated local program. The bill would apply certain rules of court establishing procedures requiring actions or proceedings seeking judicial review pursuant to CEQA or the granting of project approvals, including any appeals therefrom, to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceedings with the court to an action or proceeding seeking judicial review of the lead agency's action related to those projects located in a qualified opportunity zone.

SB 450 (Umberg D) California Environmental Quality Act exemption: supportive and transitional housing: motel conversion.

This bill would exempt from CEQA, projects related to the conversion of a structure with a certificate of occupancy as a motel, hotel, apartment hotel, transient occupancy residential structure, or hostel to supportive housing or transitional housing, as defined. Because the lead agency would be required to determine the applicability of this exemption, this bill would impose a state-mandated local program.

Miscellaneous

SB 128 (Beall D) Enhanced infrastructure financing districts: bonds: issuance.

Existing law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district, with a governing body referred to as a public financing authority, to finance public capital facilities or other specified projects of communitywide significance. 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. Existing law requires the proposal submitted to the voters by the public financing authority and the resolution for the issuance of bonds following approval by the voters to include specified information regarding the bond issuance. 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. The bill would also make conforming changes.

AB 191 (Patterson R) Building standards: exemptions: rebuilding after disasters.

Existing law, the State Housing Law, establishes statewide construction and occupancy standards for buildings used for human habitation, including energy conservation and fire prevention requirements relating to energy efficiency and the installation of interior sprinklers. This bill would, until January 1, 2030, exempt homes being rebuilt after wildfires or specified emergency events that occurred on or after January 1, 2017, from meeting certain current building standards.

AB 599 (Maienschein D) Housing programs: definitions: workforce housing.

Existing law governing housing and home finance programs defines various terms for purposes of those programs, including the term "persons and families of low or moderate income," which is generally defined as persons and families whose income does not exceed 120% of area median income, adjusted as provided. Existing law provides that 20% of the moneys in the Building Homes and Jobs Trust Fund on and after January 1, 2019, be appropriated by the Legislature and expended for affordable owner-occupied workforce housing. This bill, for these purposes, would define the terms "affordable workforce housing" and "affordable owner-occupied workforce housing" as housing that is affordable to persons and families of low or moderate income.

AB 726 (Wicks D) Housing: downpayment assistance. (SPOT BILL)

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, homeownership for very low and low-income households, and downpayment assistance for first-time homebuyers. This bill would express the intent of the Legislature to enact legislation that would create a pilot program to provide downpayment assistance to persons who are purchasing their rental residence pursuant to a rent-to-own contract.

AB 847 (Grayson D) Transportation finance: priorities: housing.

Existing law requires a planning agency to include in its annual report specified information, known as a production report, regarding units of net new housing, including rental housing and for-sale housing that have been issued a completed entitlement, building permit, or certificate of occupancy. This bill would require the Department of Housing and Community Development, on or before June 30, 2020, and on or before June 30 every year thereafter, to review each production report submitted by a city or county in accordance with the provisions described above to determine if that city or county has met its very low, low-, and moderate-income housing goals, as defined, for that reporting period. The bill would require the miscellaneous revenues, upon appropriation by the Legislature, to be apportioned by the Controller to cities and counties pursuant to a specified formula if those cities and counties are eligible to receive an apportionment pursuant to the local streets and roads program, and if those cities and counties have been certified by the Department of Housing and Community Development to have met their very low income housing goals or low-income housing goals.

AB 1486 (Ting D) Local agencies: surplus land.

This bill would expand the definition of "local agency" to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing

SB 5 (Beall/McGuire) Affordable Housing and Community Development Investment Program

Key Elements

- \$200 million initially, ramps up to \$2 billion annually by 2029. New allocations can be suspended when the Legislature uses the “Raining Day Fund” or suspends Prop. 98 school funding guarantee.
- Strong priorities for affordable housing.
- 30-year cap on annual funding allocations to support a plan. Anti-tenant displacement provisions.
- Opt-in: No taxing entities are forced to participate.
- Schools will be made whole. No impact to Prop 98.
- 12% rural city/county set aside for counties of less than 200K.
- Prevailing wage and skilled and trained workforce requirements.
- Strong state oversight.

Overview:

- The Program creates a state investment program support the development of affordable housing, reduce poverty and advance other state priorities financed, in part, by property tax increment. A city, county, or JPA, that has a financial commitment to a plan, is eligible for a portion of the school share of property tax if the plan that includes affordable housing. Eligible uses include:
 - Housing development plans that propose construction of affordable housing for households up to 120% area median income. At least 50 percent of program funds, and 50% of funding for each project funded shall be dedicated to affordable housing. A 30% inclusionary requirement applies for housing units constructed pursuant to the plan.
 - Transit-oriented development in priority locations that maximize density and transit use, and contribute to the reduction of vehicle miles traveled and greenhouse gas emissions.
 - Infill development and equity by rehabilitating, maintaining and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, street, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.
 - Promoting strong neighborhoods through supporting of local community planning and engagement efforts to revitalize and restore neighborhoods, including repairing infrastructure and parks, rehabilitating and building housing, promoting public-private partnerships, supporting small businesses and job growth for affected residents.
 - Protecting communities dealing with the effects of sea level rise.
 - Acquisition, construction or rehabilitation of land or property to support eligible uses.

State Oversight:

- Creates the Affordable Housing and Community Development Investment Committee which shall be comprised of the following:
 - The Chair of the Strategic Growth Council.
 - The Chair of the State Infrastructure and Economic Development Bank.
 - The Chair of California Workforce Investment Board.
 - Director of the California Housing and Community Development Department.
 - Two people appointed by the Speaker of the Assembly.
 - Two people appointed by the Senate Rules Committee.
 - One public member appointed by the Joint Legislative Budget Committee with expertise in education finance.
- The Committee shall review and approve or disapprove proposed projects. The Department of Housing and Community Development provides staffing and technical support to the committee.
- Each applicant that has received financing pursuant to the program for any fiscal year shall provide a report to the Committee. The Committee shall also provide an annual report to the Joint Legislative Budget Committee.

Pros:

- Up to \$2 billion state investment in affordable housing and infrastructure; 50% of the funds are required to be spent on affordable housing; relies on post redevelopment tools; allows wide-range of agency participation;

Cons:

- Less flexibility than redevelopment agencies; less resources available for economic development.

authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. The bill would revise the definition of "surplus land" to mean land owned by any local agency that is not necessary for the agency's governmental operations, except property being held by the agency expressly for the purpose of exchange for another property necessary for its governmental operations and would provide that land is presumed to be surplus land when a local agency initiates an action to dispose of it.

AB 1497 (Holden D) Hosting platforms. (SPOT BILL)

Existing law, the California Fair Employment and Housing Act, prohibits an owner of housing from engaging in specific acts of discrimination against a person seeking to purchase, rent, or lease any housing accommodation. Existing law requires a hosting platform, as defined, to provide notice, as specified, to an offeror listing a residence for short-term rental on the hosting platform. This bill would express the intent of the Legislature to enact legislation that would make hosting platforms subject to fair housing laws.

AB 1731 (Boerner Horvath D) Short-term rentals: coastal zone.

Existing law requires a hosting platform, as defined, to provide a specific notice to an occupant listing a residence for short-term rental on a hosting platform that states, among other things, that, if the occupant is a tenant, listing the room, home, condominium, or apartment may violate the lease or contract and could result in legal action by the landlord, including possible eviction. This bill would authorize a housing platform to make available a residentially zoned or residentially used unit within a residential property that is located within the coastal zone as a short-term rental 365 days per year if the primary resident lives onsite of the residential property full time. The bill would prohibit a housing platform from making available residential property that is located within the coastal zone in which the primary resident does not live onsite full time as a short-term rental for more than 30 days per year, unless the primary resident makes the residential property available as a short-term rental in accordance with the Lower Cost Coastal Accommodations Program administered by the State Coastal Conservancy. The bill would also require the housing platform facilitator of the short-term rental to be responsible for collecting and remitting applicable transient occupancy taxes, as specified.

City Economic Development in 2019: Resources, Options and Prospects

Ten years ago, identifying the major economic development tools available for cities was simple: local redevelopment agencies and enterprise zones. Both are gone. Now city officials must sort through smaller puzzle pieces with a babble of new acronyms and programs when attempting to address their community's needs. Still, resources are available for those with the patience and persistence to sort through the new tools and funding options.

Existing Funding Resources:

- **SB 1 Transportation Funding:** After 10 years of work, the League and other key stakeholders helped secure the largest augmentation in transportation funding in decades at \$5.2 billion per year, including doubling the amount that cities receive to fix their streets and roads. In November, voters rejected Prop. 6 which attempted to repeal this funding source. City officials can now put these funds to work doing good projects in your community.
- **SB 2 Funding for Updating General, Specific and Community Plans:** Having updated plans is critical to both getting the community on board with your city's development plans as well as reducing uncertainty for developers. The problem for many cities, however, is that planning efforts are costly and often take a back seat to public safety and other more urgent priorities. New ongoing funding is now available from SB 2 (Atkins) of 2017 to help communities update their plans and streamline future development including housing. The League is having a webinar on April 17 to help cities understand how to access these funds.
- **Prop 68 Park Funds:** Cities will receive a minimum \$200,000 grants to improve local parks from Prop. 68, at \$4 billion park and water bond approved in June, 2018. Some large cities will get increased amounts. Cities are also eligible to apply for over \$1 billion in additional funding for parks, safe drinking water, recycling and flood protection.
- **Prop 1 Housing Funds:** With the elimination of redevelopment in 2011 and no state housing bond since 2006, Prop. 1, a \$4 billion housing bond approved by voters in November 2018, represents the first infusion of new housing funds in nearly a decade. Governor Newsom has committed to expedite the allocation of these funds in 2019. Cities should be partnering now with local developers and non-profits and prepare to apply for funding to build affordable housing in your city.
- **Prop 2 and Emergency Homeless Housing Funds:** Pervasive homelessness undermines local efforts to improve quality of life and attract and retain jobs. Prop 2, approved by voters in November 2018, authorizes \$2 billion to build up to 10,000 housing units with services for the homeless mentally ill. Governor Newsom has committed to expedite the allocation of these funds in 2019. The FY 2018-19 State budget approved \$500 million for emergency shelters, and Governor Newsom's proposed budget would double that amount. Make sure your city takes advantage of these funds to help people get off your streets. Doing so, will both assist those in need and improve your local business climate and economic development prospects.
- **Billions in Cap and Trade Funding:** City officials need to take advantage of the opportunities to access cap and trade funds. The state has adopted aggressive greenhouse gas reduction goals that are accompanied by a major funding source derived from private industry purchasing emissions from auctions conducted by the Air Resources Board. Billions in funding are annually available to fund a variety of local projects through the state Strategic Growth Council. Some

AB 11 (Chiu) Community Redevelopment Law of 2019

Key Elements

- Annual unspecified state commitment: At the discretion of the State Controller.
- Opt-in: No taxing entities are forced to participate.
- Schools will be made whole. No impact to Prop 98.
- Creates an economic development tool with similar powers as the old redevelopment agencies.
- Extensive upfront planning and costs required before a city or county can form an agency and receive project funding from the state.

Overview:

- AB 11 allows a city or county, or two or more cities acting jointly, to form an Affordable Housing and Infrastructure Agency to fund projects such as infrastructure and affordable housing projects. 30% of tax increment must be deposited into low/moderate income housing fund. This bill includes enforcement provisions/fines regarding failure to timely use money for housing. The new agency can use an affected taxing entity's share of the property tax (special district etc.) if the affected taxing entity consents.

The Board of an Agency:

- One member appointed by the legislative body or the legislative bodies that adopted the resolution of intention.
- One member appointed by each affected taxing entity.
- Two public members, appointed by the board. These members cannot be an elected official or employee of any affected taxing entity.

Affordable Housing and Infrastructure Agencies must:

- Create a resolution of intention, which includes a preliminary project plan along with an extensive amount of other required actions and analysis before the Strategic Growth Council (SGC) may approve agency formation.
- An agency may not be formed if it will result in a negative state fiscal impact, to be determined by the State Controller, and must promote statewide greenhouse gas reduction goals.
- The SCG shall ensure that the projects proposed in the resolution of intention equitably represent rural, suburban, and urban communities, and that establishing the agency would not result in an inequitable geographic distribution of agencies throughout the state.
- Maintain detailed records of every action taken by that agency for a specified period of time.
- Submit an annual report and a final report of any audit undertaken by any other local, state, or federal government entity, to its governing body and to the State Controller and the Department of Housing and Community Development.
- Contract for an independent financial and performance audit every 2 years after the issuance of debt.
- Report the total number of housing units the agency assisted in creating or maintained.

Pros:

- Opt-in program that allows the state to reinvest in affordable housing and infrastructure; brings back a significant amount of flexibility, similar to redevelopment agencies; 30% of the funds must be spent on affordable housing.

Cons:

- Extensive upfront planning and analysis prior to agency approval and state funds being awarded; allows affected taxing entities that do not contribute property tax to have a seat on the governing board and oversee the creation of the redevelopment project plan; unspecified amount of state funding available to cities.

cities have been very creative and aggressive in pursuing these funds, but others are not paying sufficient attention to the opportunities. The League's Institute for Local Government is focused on helping cities understand how to take advantage of the opportunities.

- **California Competes Tax Credits:** The California Competes Tax Credit is an income tax credit available to businesses that want to locate in California or stay and grow in California. Tax credit agreements will be negotiated by the Governor's Office of Business Development (GO-Biz) and approved by a statutorily created California Competes Tax Credit Committee. \$180 million is allocated for these credits in each fiscal year through 2022-23. City officials should become familiar with this program as they work to attract and retain high quality jobs.
- **Film Tax Credits:** The California Film Commission allocates \$330 million in annual tax credits to attract and retain film production in the state. Additional incentives are provided to productions that film outside of Los Angeles. Ensure your community is positioned to be considered for future film production.
- **Federal New Market Tax Credits:** This existing federal program offers tax incentives to private investors to incentivize community development and economic growth in distressed communities.
- **Federal Opportunity Zones:** This new program authorized by the 2017 federal tax reform act provides investors relief from capital gains if they make up to 10-year investments in various low-income census tracts designated by the Governors of each state. Governor Newsom's budget proposes to offer conforming state tax benefits for investments in green technology or affordable housing projects located in Enhanced Infrastructure Finance Districts.

New Tax Increment Tools

The elimination of Redevelopment was devastating for many communities and the replacement tools approved by the Legislature and Governor Brown, while helpful in some instances, pale in comparison to the former tool. Still, it is worth the effort to learn about them; they offer opportunities for the creative:

Enhanced Infrastructure Financing District (EIFD) law (beginning with Section 53398.50 of the California Government Code) is the most popular tool so far. It provides broad authority for local agencies to use tax increments to finance a wide variety of public infrastructure. Private projects can also be financed, including affordable housing, mixed-use development and sustainable development, industrial structures, and facilities to house consumer goods and services. No public vote is required to establish an authority, and though a 55 percent vote is required to issue bonds (which Governor Newsom has proposed in his budget to eliminate) other financing alternatives exist.

There are some benefits to EIFDs. Unlike former redevelopment, the EIFD imposes no geographic limitations on where it can be used and requires no blight findings. An EIFD can be used on a single street, in a neighborhood or throughout an entire city. It can also cross jurisdictional boundaries and involve multiple cities and a county. Property tax that cities receive from former redevelopment agencies and property tax received by cities in lieu of former Vehicle License Fee funds can be also dedicated to an EIFD and used with fewer legal restrictions than apply to city financing. Though a city can form an EIFD without participation from other local governments, the flexibility of this tool and the enhanced financial capacity created by partnerships will likely generate creative discussions among local agencies on how the tool can be used to fund common priorities. Recent changes allow sales tax to be used, but with many conditions and limitations.

Community Revitalization and Investment Authorities (CRIAs) law (beginning with Section 62000 of the California Government Code) gives these authorities all the former powers of redevelopment agencies—including eminent domain for redevelopment purposes. A CRIA focuses on assisting with the revitalization of poorer neighborhoods and former military bases. While similar to redevelopment, establishing a CRIA is more streamlined. Some restrictive accountability measures were included to ensure that the use of the CRIA remains consistent with community priorities—but these will likely need to be modified by the legislature to make it more useful. A 25 percent set-aside is included for affordable housing. Although an initial protest opportunity exists, no public vote is required to establish a CRIA, and bonds and other debt can be issued without a public vote after a CRIA is established.

Affordable Housing Authority (AHA) financing law (beginning with Section 62250 of the California Government Code) is a new statute that authorizes a city or county to create by resolution an affordable housing authority (coterminous with its boundaries) with various powers and to dedicate a portion of its property tax increment, sales tax and other revenues to develop affordable (up to 120 percent of area median income) housing. This is a very flexible law for cities seeking to establish an ongoing funding mechanism for affordable housing. An AHA may issue bonds; borrow; receive funds from and coordinate with other entities; remove hazardous substances; provide seismic retrofits; loan funds to owners and tenants to repair, improve or rehabilitate buildings in the plan area; and take other actions. The AHA has broad property acquisition and disposal authority. Creating an AHA or bond issuance does not require a public vote.

Annexation Development Plan (ADP) law (Section 99.3 of the California Revenue and Taxation Code) authorizes consenting local agencies (a city and/or a county or special district) to adopt tax-increment financing to improve or upgrade structures, roads, sewer or water facilities or other infrastructure as part of annexing a disadvantaged unincorporated community. An ADP can be implemented by a special district either formed for this purpose or incorporated into the duties of an existing special district. After the Local Agency Formation Commission (LAFCO) approves the annexation, the special district can issue debt without an additional vote.

Seaport Financing Districts (SPDs) law (Section 1710, Harbors and Navigation Code of California) establishes a financing tool for seaport infrastructure based on a modified form of the EIFD law.

Infrastructure and Revitalization Financing Districts for Former Military Bases (IRFDs) law (beginning with Section 53369 of the California Government Code) creates infrastructure and revitalization financing districts separate and apart from existing law that established infrastructure financing districts (IFDs), authorizes a military base reuse authority to form a district and allows these districts to finance a broader range of projects and facilities.

Key Funding Proposals in Governor Newsom's Proposed Budget

Governor Newsom proposed additional funding for affordable housing programs, homelessness and community planning and development. The details of these proposals are currently being reviewed by the Legislature and some will likely be altered prior to the adoption of the final budget by July 1. They include:

- \$500 million annually in low income housing tax credits.
- \$500 million to the California Housing Finance Agency for moderate income housing production.
- \$500 million for homeless emergency shelters and environmental streamlining for construction.

Housing Planning and Production Grants
Draft Trailer Bill Language

Section 1. Chapter X (commencing with Section XXXXX) is added to Part X of Division XX of the Health and Safety Code, to read:

CHAPTER X. Housing Planning and Progress Grants

XXXXX. Definitions. For purposes of this chapter:

- (a) "Council of governments" means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.
- (b) "Department" means the California Department of Housing and Community Development.
- (c) "Completed Entitlement" means a housing development or project which has received all the required land use approvals or entitlements necessary for the issuance of a building permit. This means that there is no additional action, including environmental review or appeals, required to be eligible to apply and obtain a building permit.
- (d) "Housing element" or "element" means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.
- (e) "Jurisdiction" means a city, county, or city and county.
- (f) "Low-income unit" means units restricted to low-income households, as defined by 80 percent of the county area median income.
- (g) "Market rate unit" means units not restricted to low-income households, as defined by 80 percent of the county area median income.
- (h) "Program" means the Housing Planning and Progress Grants program.
- (i) "Regional housing needs allocation" means the housing goals identified for each locality pursuant to Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code.
- (j) "Annual Progress Report" means reports required to be submitted to the Department under Section 65400.

XXXXX.1. Program framework.

- (a) The Local Government Planning Support Grants program is hereby established for the purpose of providing regions and jurisdictions with one-time funding, including grants for planning activities to enable jurisdictions to meet new short-term housing goals and grants to reward those jurisdictions that meet certain milestones.

- \$250 million for updating local plans to accommodate additional housing allocations, and \$500 million in rewards for local agencies that achieve undefined “milestones.”
- Identifying Cal Trans property that can be used for homeless housing and allowing demonstration housing developments on excess state property.

Legislative Economic Development Proposals

The 2019 Legislative Session is just beginning and it is too early to predict outcomes but here are some bills, supported by the League, cities officials are encouraged to support and track:

- SB 5 (Beall/McGuire) seeks to restore a more robust and ongoing financing for community development, transit-oriented development, affordable housing and other priorities via a state approval process to enable the dedication of additional bondable property tax streams to assist local agencies with the financing of large community development projects.
- AB 11 (Chiu) Seeks to reestablish a community redevelopment tool.
- SB 128 (Beall) Removes the existing 55 percent vote requirement from EIFD bond issuance. May be a vehicle for additional changes.
- AB 1259 (Luz Rivas) Seeks to establish a California New Markets Tax Credit with the goal of attracting additional investments from the federal program to the state.
- ACA 1 (Aguilar-Curry) would reduce the local vote threshold for proposed local bonds and taxes to invest in infrastructure and affordable housing from 2/3rds to 55 percent.

Next Steps

City officials are encouraged to learn more about the funding opportunities and tools listed above that are either currently available, or may be available soon, and continue to support the League’s efforts to increase options and resources available for city community development.

develop plans and implement housing-related activities pursuant to subdivision (d) to reach short-term goals identified the Department, in accordance with section XXXXX.2.

(b) (1) Of the amount described in paragraph (a), one hundred and twenty-five million (\$125,000,000) shall be available to regions. These funds support regional coordination to assist jurisdictions in meeting short- and long-term housing goals, as well as, encourage planning at the regional level, and intra-regional collaboration in areas that are made up of several single counties or single-county council of governments; these counties and single-county councils of governments, will be encouraged to jointly apply for funds.

(2) Allocations pursuant to this subdivision shall be made to these regions on behalf of all the jurisdictions they represent. The amount of these allocations shall be calculated according to the methodology identified in subdivision (c) and provided in total to each region. Each region may determine appropriate use of funds or sub-allocations within its boundaries to appropriately address its unique housing and planning priorities.

(3) To receive funds available pursuant to this subdivision, a region compiled of all the counties in the regions specified in subsection (A-I), must jointly apply unless the counties are jointly represented by a single and existing council of governments, in which case the existing council of government would apply for the funds.

(4) If the counties desire to apply jointly with a regional construct that differs from what is listed in subsection (A-I) they can request an exception from the Department and the Department has the discretion to approve a modified regional construct.

(A) Del Norte, Humboldt, Lake, Mendocino, Siskiyou, Trinity

(B) Butte, Colusa, Glenn, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, and Tehama.

(C) Sacramento Area Council of Governments: El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba.

(D) Association of Bay Area Governments: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

(E) Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare.

(F) Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, and Tuolumne.

(G) Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz.

(H) Southern California Association of Governments: Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

(I) San Diego Association of Governments: San Diego.

(5) A county identified in subsection (A), (B), (F), or (G) may also request that it receive its allocation directly from the Department.

- (b) The Department shall administer the program.
- (c) The Department's decision to approve or deny an application and the determination of the amount of funding to be provided shall be final.
- (d) The Department shall maintain records of the following:
 - (1) The number of applications for program funding received by the Department.
 - (2) The number of applications for program funding denied by the Department.
 - (3) The name of each recipient of program funds.
- (e) The Department may carry out the program through the issuance of forms, guidelines, and one or more notices of funding availability as necessary to exercise the powers and perform the duties conferred or imposed on it by this chapter. Any forms, guidelines and notice of funding availability issued pursuant to this section shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

XXXXX.2. Short-term goals.

- (a) The Department shall identify short-term statewide goals for new housing production across all regions and jurisdictions. Targets will be based on the sum of three years of a county's current annualized regional housing needs allocation to be achieved in calendar years 2020 and 2021. These targets will build on the existing goals identified in the regional housing needs allocation for each region, and the Department will allocate the increased targets to the jurisdictions within the county according to the following:
 - (1) Each jurisdiction's share of households within a county.
 - (2) Each jurisdiction's share of the county's low-income households paying more than 50 percent of income towards housing costs.
 - (3) Each jurisdiction's share of the current number of jobs available in the county.
- (b) These goals will include a target for low-income units, as well as a target for market-rate units.
- (c) No region or jurisdiction shall have an annual target lower than its existing annualized regional housing needs allocation

XXXXX.3. Planning grants.

- (a) Upon appropriation by the Legislature, the Department shall allocate two hundred and fifty million dollars (\$250,000,000) to regions and jurisdictions for technical assistance and staffing to

(8) The Department shall have 30 days to review action plans submitted by regions and will disburse any remaining funds pursuant to paragraph (1) to regions, following receipt and approval of their action plan pursuant to paragraph (7) of this subdivision.

(9) Expenditures shall be limited to housing-related planning activities. These activities include but are not limited to:

(i) Technical assistance in improving housing permitting processes, tracking systems, and planning tools

(ii) Facilitating technical assistance between jurisdictions

(iii) Establishing regional housing trust funds

(iv) Developing local or regional policies to link transportation funds to housing outcomes

(v) Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents.

(vi) Performing feasibility studies to determine the most efficient locations to site housing, consistent with section 65041.1 of the Government Code.

(c) Of this amount, one hundred and twenty-five million (\$125,000,000) shall be available directly for jurisdictions to assist in planning or other activities related to meeting short and long-term housing goals.

(1) Jurisdictions are eligible for funds under this paragraph if they demonstrate a commitment to participate in the development of their regional action plan. By December 31, 2019, the Department shall disburse funds to jurisdictions pursuant to paragraph (2). If the jurisdiction is in a region that does not submit a plan pursuant to paragraph (7) of subdivision (b) by the December 31, 2020 deadline, the jurisdiction must submit a plan to the Department that identifies specific strategies to meet their short-term targets and prepare to be effective at meeting their long-term housing goals, as well as promote sufficient supply of a range of housing types affordable to a variety of incomes.

(2) Maximum grant amounts shall be set as follows, according to population estimates as of January 1, 2019 posted on the Department of Finance Internet Web site:

(A) Seven hundred and fifty thousand dollars (\$750,000) to large localities (with populations over 200,000).

(B) Two hundred and seventy-five thousand dollars (\$275,000) to medium localities (with populations between 60,000 and 200,000, inclusive).

(C) One hundred and fifty thousand dollars (\$150,000) to small localities (with populations under 60,000).

(6) Beginning August 15, 2019 and by no later than December 31, 2019, regions, or counties pursuant to paragraph (5), may request funds pursuant to paragraph (1) to organize pursuant to subsections (A-I) of paragraph (4) and partner with and make suballocations to jurisdictions to promote sufficient housing supply, including but not limited to implementing paragraph (7) of this subdivision. The Department shall have 30 days to review a request for funds pursuant to this paragraph, and following approval disburse corresponding funds, provided that no more than 50% of the allocation of a region shall be awarded before the Department receives and reviews the region's action plan pursuant to paragraph (7) of this subdivision.

(7) By December 31, 2020, the regions, or counties pursuant to paragraph (5), must submit an action plan to the Department that identifies specific strategies that jurisdictions within the region have implemented or plan to implement to meet their short-term targets and strategies for how these jurisdictions are preparing to meet their long-term housing goals, and a framework to evaluate progress towards these goals. The action plan must include the following components:

- (i) an engagement process with jurisdictions within the region,
- (ii) an analysis of local policies and practices
- (iii) specific process improvement recommendations that have been shown to promote sufficient supply of a range of housing types affordable to a variety of incomes, including policies and programs that create additional development certainty, reduce regulatory barriers, and other strategies that have been shown to increase housing development.
- (iv) yearly action plan goals for each jurisdiction, which shall be a combination of a jurisdiction's short-term targets, as measured by the number of units with completed entitlements and reported through the annual progress report for the 2020 and 2021 calendar years, and the documented completion or adoption of the specific process improvements listed in subparagraph (iii).
- (v) a mechanism for the region to evaluate the progress of jurisdictions in meeting yearly action plan goals pursuant to subparagraph (iv).
- (vi) the methodology to distribute Production and Process Improvement Reward program allocations pursuant to section XXXXX.4
- (vii) specific actions that the region will take to support jurisdictions in attaining goals pursuant to subparagraph (iv).
- (viii) the amounts retained by the region, or county pursuant to paragraph (5), and any sub-allocations to jurisdictions.

(1) To be eligible for these funds, jurisdictions within regions must complete the following threshold requirements:

(A) The jurisdiction must have a compliant housing element.

(B) The jurisdiction must have submitted annual progress reports for 2018 through the most recently required annual progress report at time of application.

(C) The jurisdiction must, at the time of application for award, demonstrate that it has enough land zoned to meet its housing needs identified in its housing element.

(2) In making these awards, the region, or county pursuant to paragraph (5) of subdivision (b) of section XXXXX.3, shall consider whether a jurisdiction has taken actions identified in their region's action plan, pursuant to XXXXX.3.

(3) Reward methodologies must be submitted and approved as part of the regional action plan pursuant to XXXXX.3.

(d) If a jurisdiction is in a region that does not submit an approved plan pursuant to paragraph (7) of subdivision (b), it can apply to the Department for Production and Process Improvement Rewards.

(1) In awarding Production and Process Improvement Rewards for these jurisdictions, the Department shall evaluate progress made towards the short-term goals in the 2020 and 2021 calendar years for each jurisdiction that applies for funding, as well as process improvements made by the jurisdiction.

(2) By December 31, 2020, the Department shall identify three levels of impactful process improvements a jurisdiction can take to promote housing with award amounts varying depending on which level of process improvements are completed. These actions will include, but are not limited to, policies and programs that create additional development certainty, reduce regulatory barriers, and other strategies that have been shown to increase housing development.

(3) To be eligible for these funds, a jurisdiction must complete the following threshold requirements:

(A) The jurisdiction must have a compliant housing element.

(B) The jurisdiction must have submitted annual progress reports for 2018 through the most recently required annual progress report at time of application.

(C) The jurisdiction must, at the time of application for award, demonstrate that it has enough land zoned to meet its housing needs identified in its housing element.

XXXXX.5. Timelines.

(3) Expenditures shall be limited to housing-related planning activities to promote and streamline development, including staffing or contracts. These activities include but are not limited to:

(A) Any other uses eligible under paragraph (9) of subsection (b).

(B) Rezoning and encouraging development by updating planning documents and zoning ordinances, such as general plans, community plans, specific plans, sustainable communities' strategies, and local coastal programs.

(C) Completing environmental clearance to eliminate the need for project-specific review.

(D) Establishing Workforce Housing Opportunity Zones pursuant to Article 10.10 (commencing with Section 65620) of Chapter 3 of Division 1 of Title 7 of the Government Code or Housing Sustainability Districts pursuant to Chapter 11 (commencing with Section 66200) of Division 1 of Title 7 of the Government Code.

(E) Revamping local planning processes to speed up production.

(F) Creation or improvement of accessory dwelling unit ordinances.

(G) Any other process improvements identified by the Department pursuant to paragraph (2) of subdivision (d) of section XXXXX.4.

(e) (1) Five percent of the funds available pursuant to this section shall be set aside for program administration, including state operations expenditures and technical assistance, as well as expenditures by councils of government and the regional entities receiving funding pursuant to subdivision (c).

XXXXX.4. Production and Process Improvement Reward program.

(a) Upon appropriation by the Legislature, five hundred million dollars (\$500,000,000) shall be available to the Department for allocation to regions, or counties pursuant to paragraph (5) of subdivision (b) of section XXXXX.3, that have demonstrated progress towards increased housing production pursuant to this section. These funds may be used for general purposes.

(b) Regional allocations shall be based upon the region's, or county pursuant to paragraph (5) of subdivision (b) of section XXXXX.3, proportionate share of the annual housing targets pursuant to subdivision (a) of section XXXXX.2.

(c) Each region, or county pursuant to paragraph (5) of subdivision (b) of section XXXXX.3, shall determine an award methodology for distribution of its share of the allocation pursuant to subdivision (a) to its jurisdictions based an evaluation of the progress made by jurisdictions in meeting yearly region-specific action plan goals pursuant to subparagraph (v) of paragraph (7) of subdivision (a) section XXXXX.3

XXXXX.6. Long-term reform.

(a) It is the intent of the Legislature to revamp the existing regional housing needs allocation process pursuant to section 65584 of the Government Code, to accomplish the following objectives:

(1) Creating a fair, transparent, and objective process for identifying housing needs across the state.

(2) Strategically planning for housing growth according to statewide priorities consistent with section 65041.1 of the Government Code, and expected future need for housing at all income levels.

(3) Encouraging increased development to address the state's housing affordability issues.

(4) Improving compliance and outcomes through incentives and enforcement.

(b) By December 31, 2022, the Department, in collaboration with the Office of Planning and Research, shall propose, after engaging in stakeholder participation, an improved Regional Housing Needs Allocation process and methodology that promotes and streamlines housing development and substantially addresses California's housing shortage. The Department may appoint a third-party consultant to facilitate a comprehensive review of the current Regional Housing Needs Allocation process and methodology.

(c) (1) By December 31, 2022, the Department, in collaboration with the California State Transportation Agency and the Office of Planning and Research, shall propose, after engaging in stakeholder participation, opportunities to link transportation and other non-housing funding, including funds available pursuant to paragraph (2) of subdivision (h) of section 2032 of the Streets and Highways Code, with statutorily required housing goals, including but not limited to housing element and annual progress report compliance, and policies that support meeting of housing goals, and integrated housing and transportation planning. The recommendations proposed may be implemented administratively or proposed to the Legislature for statutory change, as applicable.

(2) To aid the implementation of paragraph (1), beginning July 1, 2023, funds available pursuant to paragraph (2) of subdivision (h) of section 2032 of the Streets and Highways Code may be withheld from any jurisdiction that does not have a compliant housing element and has not zoned or entitled for its annual housing goals, pursuant to its most-recent Regional Housing Needs Allocation. Any forms and guidelines issued pursuant to this subdivision shall not be

(a) (1) The Department shall make award determinations and issue a notice of funding availability for the planning grants available pursuant to section XXXXX.3 no later than August 15, 2019.

(2) Regions can apply for planning grants pursuant to section XXXXX.3 no later than December 31, 2020, and the Department will have 30 days to review applications before issuing awards.

(3) Jurisdictions can apply for planning grants pursuant to section XXXXX.3 no later than December 31, 2019.

(4) Regions shall submit their action plans pursuant to section XXXXX.4 no later than December 31, 2020, and make such action plans available publicly on an internet website.

(5) By March 1st, 2022, and every year thereafter regions shall complete an evaluation of progress made by jurisdictions in implementing yearly action plan goals pursuant to subparagraph (v) of paragraph (7) of subdivision (a) section XXXXX.3 and make these evaluations available publicly on an internet website.

(5) Jurisdictions and regions shall expend planning grant allocations no later than January 1, 2022.

(6) Regions shall report status of their action plans and all uses of planning grant funds to the Department no later than December 31, 2022. Status of the action plan must include an evaluation of jurisdiction actions taken in support of the plan, including which actions had greatest impact on housing production.

(7) Jurisdictions shall report all uses of planning grant funds to the Department no later than March 1, 2022.

(b) (1) The Department shall allocate funds pursuant to the approved reward methodology pursuant to paragraph (3) of subdivision (c) of section XXXXX.4 beginning January 1, 2021, upon notification by the region, or county pursuant to paragraph (5) of subdivision (b) of section XXXXX.3.

(2) All Production and Process Improvement Reward grants must be allocated by the Department no later than June 30, 2023.

(d) The Department may request additional information, as needed, to meet other applicable reporting or audit requirements.

(e) The Department may monitor expenditures and activities of an applicant, as the Department deems necessary, to ensure compliance with program requirements.

(f) The Department may, as it deems appropriate or necessary, request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

Section 1. Chapter 6 (commencing with Section 50216) is added to Part 1 of Division 31 of the Health and Safety Code, to read:

CHAPTER 6. Homeless Aid for Planning and Shelter Program [50216 - 50220]

50216. For purposes of this chapter, the following definitions shall apply:

- (a) "Agency" means the Business, Consumer Services, and Housing Agency.
- (b) "Applicant" means a Continuum of Care, city, or county that is also a county.
- (c) "Continuum of Care" means the group organized to provide coordinated services to homeless individuals pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019. This group is composed of representatives of organizations such as nonprofit homeless services providers, faith-based organizations, businesses, governments, public housing agencies, victim service providers, medical providers, advocates, law enforcement, social service providers, school districts, universities, mental health services providers, affordable housing developers, and organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons, to the extent they reside within the geographic area and are available to participate.
- (d) "Coordinated Entry System" means a centralized or coordinated process developed pursuant to Section 578.7 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019, designed to coordinate program participant intake, assessment, and provision of referrals. A centralized or coordinated assessment system covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.
- (e) "Council" means the Homeless Coordinating and Financing Council created pursuant to Section 8257 of the Welfare and Institutions Code.
- (f) "County" includes, but is not limited to, a city and county.
- (g) "Emergency shelter" has the same meaning as defined in subdivision (e) of section 50801 of the Health and Safety Code.

subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) or Part 1 of Division 3 of Title 2 of the Government Code).

(3) By May 1, 2023, and annually thereafter, the Department shall report to the Controller a list of cities and counties with funds to be withheld from the following fiscal year's apportionment pursuant to paragraph (2). The Controller shall reapportion any withheld funds under paragraph (2) to all cities and counties that do not have funds withheld for that fiscal year, pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 of the Streets and Highways Code.

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Measure 7: Destination Classification” in federal U.S. Department of Housing and Urban Development guidelines.

(s) “Program” means the Homeless Aid for Planning and Shelter program established pursuant to this chapter.

(t) “Regional planning allocation” means the portion of program funds available to develop joint regional plans and expand or develop shelter to address homelessness, in the amount of three hundred million dollars (\$300,000,000).

50217.

(a) The Homeless Aid for Planning and Shelter program is hereby established for the purpose of providing jurisdictions with one-time grant funds to support regional planning, expanding or developing shelter for the homeless, and meeting milestones towards addressing homelessness in each jurisdiction.

(b) Upon appropriation by the Legislature, five hundred million dollars (\$500,000,000) shall be distributed in accordance with this chapter.

(c) The agency shall administer the program, which shall provide grant funds to cities, cities that are also counties, and Continuums of Care.

(1) No more than five percent of the funds available pursuant to this chapter shall be expended on state operations.

(2) If there are funds set aside for state operations that are not anticipated to be expended within the proposed encumbrance period, the agency shall work with the Department of Finance to identify an appropriate allocation methodology for these funds for local jurisdictions, or determine if any unallocated funds should revert to the General Fund. The allocation methodology or reversion to the General Fund shall be approved by the Department of Finance with notification provided to the Joint Legislative Budget Committee.

(d) The agency’s decision to approve or deny an application and the determination of the amount of funding to be provided shall be final.

(e) The agency shall maintain records of the following:

(1) The number of applications for program funding received by the agency.

(2) The number of applications for program funding denied by the agency.

- (h) "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019.
- (i) "Homeless Emergency Aid Program" means the grant program administered pursuant to Chapter 5 of Part 1 of Division 31 of the Health and Safety Code.
- (j) "Homeless Management Information System" means the information system designated by a Continuum of Care to comply with federal reporting requirements as defined in Section 578.3 of Title 24 of the Code of Federal Regulations. The term "Homeless Management Information System" also includes the use of a comparable database by a victim services provider or legal services provider that is permitted by the federal government under Part 576 of Title 24 of the Code of Federal Regulations.
- (k) "Homeless point-in-time count" means the 2017 homeless point-in-time count pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations.
- (l) "Homeless youth" means an unaccompanied youth between 12 and 24 years of age, inclusive, who is experiencing homelessness, as defined in subsection (2) of Section 725 of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)). "Homeless youth" includes unaccompanied youth who are pregnant or parenting.
- (m) "Housing First" has the same meaning as in Section 8255 of the Welfare and Institutions Code, including all of the core components listed therein.
- (n) "Joint regional plan" means a plan developed by the applicant in collaboration with city, county, and/or nonprofit partners to address homelessness.
- (o) "Jurisdiction" means a city, city that is also a county, or Continuum of Care, as defined in this section.
- (p) "Meeting milestones allocation" means the portion of program funds available to jurisdictions that show progress in addressing homelessness, in the amount of two hundred million dollars (\$200,000,000).
- (q) "Navigation center" means a Housing First, low-barrier, service-enriched shelter that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.
- (r) "Positive housing exits" means exits to shelter or permanent housing without reentry to homelessness during the program reporting period, consistent with "System Performance

(2) The applicant has prepared a joint regional plan to address homelessness within its jurisdiction. At a minimum, the plan shall do the following:

(A) Identify all funds currently being used to provide housing and homeless services for the homeless populations in the jurisdiction. These funds include but are not limited to federal funds, Homeless Emergency Aid Program funds, California Emergency Solutions and Housing funds pursuant to Chapter 2.8 of Part 2 of Division 31 of the Health and Safety Code, Mental Health Services Act funds pursuant to Section 5890 of the Welfare and Institutions Code, realignment funds pursuant to Section 30025 of the Government Code and Section 17606.10 of the Welfare and Institutions Code, and dedicated city and county funds.

(B) Provide data on the demographics and characteristics of the homeless populations in the jurisdiction and on current programs providing housing and homeless services in the jurisdiction, as reported to the federal government through Homeless Management Information Systems and point-in-time counts.

(C) Assess existing efforts to address homelessness and identify gaps in housing and homeless services for the homeless populations in the jurisdiction.

(D) Identify measurable goals and milestones for progress towards meeting these goals, including for addressing the needs of homeless youth.

(3) For the funding available pursuant to paragraph (2) of subdivision (a), an applicant that is a city or city that is also a county shall submit the joint regional plan included in its corresponding Continuum of Care application for the funding available pursuant to paragraph (1) of subdivision (a). If no joint regional plan is submitted for its Continuum of Care, a city or city that is also a county may prepare its own joint regional plan that meets the requirements of this subdivision.

(c) The applicant must provide evidence that the joint regional plan to address homelessness within its jurisdiction has been approved by the city council or board of supervisors.

(d) Regional planning allocations shall be used for the following eligible activities:

(1) Emergency shelters, including costs to develop or construct new shelters, expand existing facilities, rehabilitate or maintain existing facilities, and extend operations.

(3) The name of each recipient of program funds.

(f) In administering this chapter, the agency shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

50218. Regional planning allocation.

(a) Upon appropriation by the Legislature, three hundred million dollars (\$300,000,000) of the funds administered pursuant to this chapter shall be available for regional planning allocations.

(1) Two hundred million dollars (\$200,000,000) of the funding available pursuant to this section shall be available for Continuums of Care. Allocations shall be calculated based on each Continuum of Care's proportionate share of the total homeless population, according to the 2017 homeless point-in-time count.

(2) One hundred million dollars (\$100,000,000) of the funding available pursuant to this section shall be available to each city or city that is also a county that has a population as of January 1, 2019 of 300,000 or more, according to data published on the Department of Finance's Internet Web site. These allocations shall be calculated based on the proportionate share of the total homeless population of the jurisdiction, based on the 2017 homeless point-in-time count.

(3) Notwithstanding paragraph (1) or paragraph (2), allocations shall not exceed thirty percent for a given applicant in the allocations available pursuant to this subdivision. Allocation calculations shall be adjusted accordingly for the funds available in paragraph (1) and paragraph (2), and shall reflect a proportionate share of the total 2017 homeless point-in-time count for all other applicants.

(4) Any amounts not awarded pursuant to this section shall be available for award pursuant to section 50219.

(b) In order to be eligible for a regional planning allocation, an applicant shall demonstrate the following, in a format provided by the agency:

(1) The applicant has collaborated in its application and has committed to future collaboration with city, county, and/or nonprofit partners.

(b) In order to be eligible for a meeting milestones allocation, an applicant shall demonstrate in its application the progress that has been made, in accordance with the measurable goals and milestones identified in the applicant's joint regional plan, and including but not limited to:

(1) The number of homeless individuals and families who were provided shelter and navigation center services funded with a regional planning allocation, as well as with any and all other fund sources, including the Homeless Emergency Aid Program, since the applicant's joint regional plan was approved.

(2) The increase in the number of emergency shelter and navigation center beds available for use in the jurisdiction as a result of a regional planning allocation, as well as any and all other fund sources, including the Homeless Emergency Aid Program, since the applicant's joint regional plan was approved. State-owned armories used for temporary housing shall not qualify under this paragraph.

(3) An assessment of existing efforts and progress made to address homelessness in the jurisdiction since the applicant's joint regional plan was approved.

(4) The number of positive housing exits, as defined in Section 50216(r).

(c) The agency shall evaluate each applicant's progress toward meeting milestones and determine the extent that measurable progress has been made, pursuant to the goals and milestones identified in the applicant's joint regional plan. The agency shall determine an allocation to each eligible applicant based on a quantitative measure of each applicant's progress in addressing homelessness pursuant to the goals and milestones identified in its joint regional plan.

(d) Funds shall be expended on general purposes. An applicant shall report all uses of these funds to the agency, pursuant to Section 50220.

50220.

(a) (1) No later than December 1, 2019, each applicant shall submit to the agency its regional planning allocation application and, at a minimum, the information described in paragraph (b) of Section 50218.

(2) No later than February 1, 2020, each applicant shall submit to the agency the city council or board of supervisors resolution adopting the final joint regional plan. The

(2) Navigation centers, including costs to develop or construct new centers, expand existing facilities, rehabilitate or maintain existing facilities, and extend operations, including needed on-site staffing to connect individuals experiencing homelessness with services and longer-term housing opportunities.

(3) Up to ten percent of the regional planning allocation may be used by the applicant for capacity building to create rapid rehousing or prevention programs to further positive housing exits.

(e) Notwithstanding subdivision (d), at any time prior to the expenditure deadline in section 50220, applicants that demonstrate that they have created enough shelter capacity to house their homeless population, as identified by their 2017 point-in-time count, may propose additional uses to address homelessness in their application. The agency shall review the proposal and approve or deny the proposed uses of funds, to ensure that the uses are appropriate and will reduce homelessness in the jurisdiction. If the applicant's proposal is submitted following an initial award determination, the applicant shall submit a request to amend their contract. The agency shall review the proposal and notify the applicant of approval or denial within 30 days.

(1) No more than five percent of a regional planning allocation may be used by the applicant for administrative costs related to the execution of eligible activities. For purposes of this subdivision, "administrative costs" does not include staff costs directly related to carrying out the eligible activities pursuant to this subparagraph.

(2) Up to five percent of an applicant's regional planning allocation may be expended to reimburse eligible costs incurred no sooner than July 1, 2019 for the development of its joint regional plan prior to receipt of the regional planning allocation. These costs may include costs related to infrastructure development to support coordinated entry systems and Homeless Management Information Systems in alignment with the priorities and goals identified in the jurisdiction's joint regional plan.

50219. Meeting milestones allocation.

(a) Upon appropriation by the legislature, two hundred million dollars (\$200,000,000) of the funds administered pursuant to this chapter shall be available for meeting milestones allocations.

(e) The agency may, as it deems appropriate or necessary, request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

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applicant will include a written summary of any changes to the joint regional plan since it was submitted to the agency on or before December 1, 2019.

(3) The agency shall review each joint regional plan for consistency with this chapter. By March 1, 2020, the agency shall make award determinations for the regional planning allocation.

(4) Not less than 50 percent of regional planning allocations must be contractually obligated by March 1, 2021. If less than 50 percent is obligated by March 1, 2021, any amounts not obligated by this deadline shall be returned to the agency and shall revert to the General Fund. Regional planning allocations may be used to reimburse eligible costs incurred no sooner than July 1, 2019 but prior to receipt of the regional planning allocation.

(5) One hundred percent of regional planning allocations must be expended by March 1, 2022. Any funds not expended by that date shall be returned to the agency and shall revert to the General Fund.

(b)(1) No later than March 1, 2022, each applicant shall submit to the agency its meeting milestones allocation application and, at a minimum, the information described in paragraph (1) of subdivision (b) of section 50219, in a format provided by the agency.

(2) The agency shall review each application and make award determinations for the meeting milestones allocation by June 1, 2022.

(3) One hundred percent of meeting milestones allocations must be contractually obligated by June 30, 2023. Any funds not contractually obligated by that date shall be returned to the agency and shall revert to the General Fund.

(4) No later than September 30, 2023, each applicant that receives a regional planning or meeting milestones allocation shall submit to the agency a final report that includes, at a minimum, the information identified in subdivision (b) of Section 50219, as well as detailed uses of all program funds.

(c) The agency may request additional information, as needed, to meet other applicable reporting or audit requirements.

(d) The agency may monitor expenditures and activities of an applicant, as the agency deems necessary, to ensure compliance with program requirements.