HOUSING, COMMUNITY & ECONOMIC DEVELOPMENT POLICY COMMITTEE
Friday, April 13, 2018
10:00 a.m. – 3:00 p.m.
Sheraton Fairplex Hotel & Conference Center, 601 West McKinley Avenue, Pomona

Individuals who wish to review the full text of bills included in this packet are encouraged to do so by visiting the League’s website at www.cacities.org and clicking on “Bill Search” found at the left column. Be sure to review the most recent version of the bill.

AGENDA

SPECIAL ORDER: State Budget and Issues Briefing for all policy committee members
10:00 – 10:45 a.m., Room California 2
Upon adjournment, individual policy committee meetings will begin

I. Welcome and Introductions – 10 mins

II. Public Comment – 5 mins

   Homelessness Task Force Report - Tools and Resources for Cities and Counties
   Speaker: Melissa Kuehne, Institute for Local Government

IV. State Fire Response and Disaster Relief Draft Policy – 20 mins (Attachment A)
   Action
   Nearly 70 wildfire and disaster response bills have been introduced. Given the volume, League staff will present some draft policies to several policy committees for discussion and refinement. Once adopted, these policies will help guide League positions on 2018 post-disaster legislation.

V. 2018 Legislative Agenda – 90 mins (Attachment B)
   Action
   Speaker: Jason Rhine, League of California Cities
   • SB 912, AB 3171 Homelessness Funding Proposals
   • AB 2162 (Chiu) Planning and Zoning: Supportive Housing
   • SB 1045 (Wiener) Conservatorship: Chronic Homelessness: Mental Illness.
   • SB 827 (Wiener) Transit: Rezoning
   • SB 946 (Lara) Street Vending

VI. 2018 Legislative Update – 45 mins (Handout)
   Informational
   Speaker: Jason Rhine, League of California Cities

VII. Next Steps on Tax Increment: AB 3037 (Chiu) & Other Bills – 45 mins (Attachment C)
     Informational
     Speaker: Dan Carrigg, Deputy Executive Director/Legislative Director

Next Meeting: Friday, June 8, Sacramento Convention Center, Sacramento

NOTE: Policy committee members should be aware that lunch is usually served at these meetings. The state’s Fair Political Practices Commission takes the position that the value of the lunch should be reported on city officials’ statement of economic interests form. Because of the service you provide at these meetings, the League takes the position that the value of the lunch should be reported as income (in return for your service to the committee) as opposed to a gift (note that this is not income for state or federal income tax purposes—just Political Reform Act reporting purposes). The League has been persistent, but unsuccessful, in attempting to change the FPPC’s mind about this interpretation. As such, we feel we need to let you know about the issue so you can determine your course of action.

IF YOU CHOOSE TO REPORT THE VALUE OF THE LUNCH AS INCOME, YOU MAY SUBMIT A CHECK TO THE LEAGUE IN THE AMOUNT OF $30 TO $45 PER MEETING. A COPY OF THE FPPC’S MOST RECENT LETTER ON THIS ISSUE IS AVAILABLE ON THE LEAGUE’S WEBSITE.

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PROPOSED UPDATE
LEAGUE DISASTER RELIEF AND PREVENTION POLICIES
April 2018

The wildfires in Northern and Southern California in October and December were the most costly and destructive in California history. Cities were also affected in an unprecedented way, as a fast moving wildfire entered urban neighborhoods in Santa Rosa. This has led to state to recognize a new normal: a year-around fire season. Because of the wildfires and the mudslide that followed in the Montecito area of Santa Barbara County, lawmakers have introduced approximately 70 bills that address various aspects of disaster prevention, notification, and recovery.

While the League has existing policy that addresses fire services, emergency services and emergency preparedness, gaps in certain areas have been identified. League staff has carefully reviewed the legislation and determined that it would be helpful to have some additional guidance in this policy area from our members to help tailor League positions on 2018’ disaster related legislation.

Thus, we are requesting five League policy committees to consider and refine several potential policies. The committees that will review various aspects include:

- Community Services
- Environmental Quality
- Housing, Community and Economic Development
- Public Safety
- Transportation, Communication and Public Works

League policy committee staff will revise these policies to reflect committee input and produce an updated summary for the League Board.
COMMUNITY SERVICES POLICY COMMITTEE
PUBLIC SAFETY POLICY COMMITTEE
Topic: Better Natural Disaster Preparation

Background:
Safety of the public during a disaster depends on widespread notification of residents as well as carefully coordinated emergency shelters and local services. Among the issues communities must address during disasters are health and mental health care needs, animals, elderly, homeless, and medically-fragile individuals.

One area of legislative focus is helping ensure communities are better prepared for disasters. Another area of legislative focus is assisting with post-disaster non-medical assistance to help individuals and communities recover. This is an area where League policy does not offer much guidance, so League staff—after reviewing some of the legislation—has proposed some potential policy for consideration.

Potential Additions to League Policy:
League staff recommend the committee consider adopting the following policy statements:

- **Amend existing policy**: The League supports additional funding for local agencies to recoup the costs associated with fire safety in the community and timely mutual aid reimbursement for disaster response services in other jurisdictions. The League also supports additional funding for local agencies to preposition fire personnel and equipment as well as coordinate notification systems with local and state agencies.

- **New proposed policy**: The League supports measures that provide resources for local governments to coordinate services to assist displaced residents and communities recover from wildfires, earthquakes and other natural disasters.

Committee Action:

Board Action:
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT POLICY COMMITTEE
Topic: Residential Insurance

Background:
Following the wildfires substantial attention has been focused on underinsured homeowners. While there is debate in the Sacramento regarding which entities should bear the cost of rebuilding, cities are not directly involved in this discussion. Rather, cities’ interest may lie more appropriately in ensuring that (1) future consumers of property insurance are fully insured for the cost of rebuilding a home and (2) residential property owners have sufficient support during the rebuilding process.

The League does not have existing policy regarding residential insurance coverage.

Potential Additions to League Policy:
League staff recommend the committee consider adopting the following policy statements:

- The League believes homeowners should be insured for the value of rebuilding a home to current building standards. The League supports measures to increase transparency in insurance policies so that homeowners can make informed decisions.

- The League believes residents who have experienced a wildfire or other natural disaster are entitled to fair residential property insurance practices that provide flexibility to rebuild, including that insured property owners should not lose insurance coverage during the rebuilding effort.

- The League also believes residential property insurance policies should not be canceled based on weather-related claims or immediately following a disaster.

Committee Action:

Board Action:
ENVIRONMENTAL QUALITY POLICY COMMITTEE
TRANSPORTATION, COMMUNICATIONS & PUBLIC WORKS POLICY COMMITTEE
Topic: Utilities

Background:
Current law provides that utilities found to be even partially at fault for a wildfire are strictly liable for damages caused by that wildfire. The immense costs of the most recent wildfires have resulted in discussions at the state level of the fairness of this standard, whether an investor-owned utility can withstand such costs, and who should bear the burden of rebuilding communities following a wildfire.

Investor-owned utilities (IOUs) and publicly-owned utilities (POUs) must also maintain the infrastructure in such a way as to reduce fire risk. One area of discussion is that if the strict liability standard were to remain in place, what mitigating effects may be useful for the utility, such as the ability to clear cut vegetation within a certain radius of utility poles. However, this authority could result in unintended environmental consequences associated with removing vegetation.

Existing League policy supports cooperation regarding public health and safety resulting from fires near the wildland urban interface.

Staff Recommendation:
League staff recommend the committee discuss the strict liability standard utilities are currently held to and consider the relative merits and drawbacks of authorizing IOUs or POUs to cut vegetation when maintaining power lines. We also encourage the committee to consider the differences between fire in wildland and forest management practices and utilities operating in urban areas.

Committee Action:

Board Action:
1. SB 912 (Beall) Housing: Homelessness Programs and Affordable Housing

Bill Summary:
This measure would, upon appropriation in the 2018/19 Budget Act, allocate $2 billion from the General Fund to the Department of Housing and Community Development for various homelessness programs and affordable housing.

Bill Description:
Specifically, SB 912 would appropriate $2 billion from the General Fund to the Department of Housing and Community Development (HCD) for the following purposes:

- $1 billion to the Housing Rehabilitation Loan Fund to support the Multifamily Housing Program to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with incomes of up to 60% of the area median income.
- $1 billion to address homelessness, with emphasis on vulnerable population as follows:
  - $700 million for grants to cities and counties that agree to provide matching funds to alleviate chronic homelessness within their jurisdictions. Cities and counties may use the funding for 1) rental assistance; 2) operating subsidies; 3) capital grants; 4) interim housing; 5) emergency shelters, navigation centers, and rapid rehousing; 5) construction of affordable housing that includes housing for homeless persons.
  - $200 million for grants provided under the Housing for a Healthy California Program, which provides rental assistance to individuals who are homeless.
  - $50 million for housing for homeless youth in accordance with HCD’s Homeless Youth Multifamily Housing Program.
  - $50 million for the Domestic and Sexual Violence Prevention Complementary Services Fund, upon establishment of that fund within the Office of Emergency Services, to provide housing and services for survivors of domestic violence.

Background:
Over the last several years, addressing homelessness and housing affordability have been one of the League’s annual strategic goals. To help find solutions, the League and the California State Association of Counties (CSAC) joined forces in the Fall of 2016 and established a Joint Homelessness Task Force. In February 2018, the Task Force released a detailed report that examined strategies local governments can implement to overcome challenges, foster best practices, and share ideas and resources to address this complex issue.

As part of the report, the Joint Homelessness Task Force found that:
After steady declines in homelessness from 2007 through 2014, the number of people without homes in California has now risen for three consecutive years. This is occurring not just in major cities and urban areas but also in rural California, in our heavily forested areas, along our rivers, and in our suburban neighborhoods. Homelessness is no longer confined to our major metropolitan areas — it has spread to every part of our state.

Distressingly, the increase is due to large increases in the number of unsheltered homeless people — those who not only have no place to call home, but are not able to find even temporary shelter.

The demographics of homelessness are changing, too. Many homeless individuals struggle with substance abuse disorders and mental illness. However, domestic violence, lack of affordable housing and employment opportunities and the cost of health care have also pushed individuals into homelessness. In addition, thousands of Californians are displaced every year by natural disasters such as floods and wildfires.

California is home to 21 of the 30 most expensive rental markets in the nation and the state does not have enough affordable housing stock to meet the demand of low-income households. The state’s 2.2 million extremely low-income and very low income renter households compete for 664,000 affordable rental homes.

SB 912 is not the first legislative proposal to increase funding for homelessness programs in recent years. In 2016, the Governor signed the No Place Like Home measure led by President Pro Tempore Kevin de León, which earmarks a portion of Prop. 63 (2004) mental health dollars to fund a $2 billion revenue bond to help house homeless mentally ill people. The funds are allocated to counties as deferred payment loans to finance capital costs of permanent supportive housing for persons who are eligible for services under Proposition 63 (2004) and are homeless, chronically homeless, or at risk of chronic homelessness. The funding will be divided into a competitive program ($1.8 billion) and a non-competitive program ($200 million) for counties.

Even though HCD has developed guidelines, no funds can be released until the validation process is completed and the lower court issues a decision, which could occur this Spring. HCD is planning on releasing the final Notice of Funding Availability (NOFA) in the Summer of 2018.

Fiscal Impact: SB 912 will only have a fiscal impact to cities that want to provide matching funds necessary to receive a grant to alleviate chronic homelessness within their jurisdictions.
Existing League Policy:
Housing and programs for homeless and other extremely low income populations are necessary to ensure quality of life and economic viability for all Californians.

Homelessness is a statewide problem that disproportionately impacts specific communities. The state should make funding and other resources available to help assure that local governments have the capacity to address the needs of the homeless in their communities.

Homeless housing is an issue that eludes a statewide, one-size-fits-all solution, and collaboration between local jurisdictions should be encouraged.

State and federal funding programs should be designed to reflect responsibilities imposed by state and federal law.

Comments:
According to the author:
Recent actions by Trump and Congressional Republicans to defund affordable housing tax credits combined with anticipated cuts to safety net programs will plunge even more Californians into homelessness. SB 912 builds on last year’s housing bills including Senator Beall’s SB 3 that put a $4 billion bond measure on the ballot to fund housing for low-income families, seniors, homeless, and veterans. Last year’s SB 3 was designed to leverage about $11 billion in federal Low-Income Housing Tax Credits that are now at risk. Passing SB 912 this year will help make up for federal cuts and expedite investments needed in communities now.

“There can be no better investment than to immediately put these dollars to work to shelter the homeless, the aged, and children,” said Beall, the chairman of the Senate Transportation and Housing Committee. “Taking a portion of available revenue will help people today and still leave a sufficient rainy day fund for tomorrow.”

Are there funds available?
In early January 2018, the Governor released his FY 2018/19 State Budget, which contained a projected $6.1 billion surplus. Since then, the Legislature has been considering how to possibly spend some of the surplus. The Governor has strongly advocated for allocated nearly all of it to the State’s Rainy Day Fund. Given the size of the surplus, it is likely that a portion of it will be appropriated to various priority programs.

Big Eleven Mayors Letter
On February 5, 2018, the mayors of the eleven largest cities in California submitted a letter Senate Pro Tem Kevin de Leon and Speaker Anthony Rendon asking for immediate focus and significant assistance from the State to address the homelessness
problem facing nearly every city in California. The letter identified the $6 billion State Budget surplus as a possible funding source.

**Other Pending Funding Proposals**

The Legislature is also considering several other homelessness funding proposals, including:

- **AB 3171 (Ting) Homeless Persons Services Block Grant** - Establishes the Local Homelessness Solutions Program for the purpose of providing funding to cities to create innovative and immediate solutions to the problems caused by homelessness. AB 3171 is supported by the mayors of the eleven largest cities in California.
- **Assembly Member Chiu Budget Request Letter** - $1 billion - $500 million for programs that target chronically homeless; and $500 million for the Multifamily Housing Program for affordable housing development.

**League’s 2018 Strategic Goals**

Strategic Goal #4 – Improve Housing Affordability and Support Additional Resources to Address the Homelessness Crisis. Increase state and federal financial support and provide additional local incentives and tools to improve housing affordability and develop more workforce and affordable housing. Support additional resources and tools to address the homelessness crisis and advance the recommendations of the CSAC-League Homelessness Task Force.

**Support-Opposition:** (as of 4/2/18)

**Support**

None on file

**Opposition:**

None on file

**Staff Recommendation:**

Staff recommends the committee discuss SB 912 and determine a position.

**Committee Recommendation:**

**Board Action:**

2. **AB 3171 (Ting) Homeless Persons Services Block Grant**

**Bill Summary:**

This measure would establish the Local Homelessness Solutions Program and create the Local Homelessness Solutions Account for the purpose of providing funding to cities to create innovative and immediate solutions to the problems caused by homelessness.
Bill Description:
Specifically, AB 3171 would create the Local Homelessness Solutions Program for the purpose of providing matching funds to cities to create innovative and immediate solutions to the problems caused by homelessness, including, but not limited to, state and local social services and healthcare systems.

The measure appropriates an unspecified amount of money from the General Fund to the Local Homelessness Solutions Account. The Controller shall apportion funds in the account to cities in proportion to each city’s most recent total homeless population, as reported by the United States Department of Housing and Urban Development’s Continuum of Care Program.

Background:
Over the last several years, addressing homelessness and housing affordability have been one of the League’s annual strategic goals. To help find solutions, the League and the California State Association of Counties (CSAC) joined forces in the Fall of 2016 and established a Joint Homelessness Task Force. In February 2018, the Task Force released a detailed report that examined strategies local governments can implement to overcome challenges, foster best practices, and share ideas and resources to address this complex issue.

As part of the report, the Joint Homelessness Task Force found that:
After steady declines in homelessness from 2007 through 2014, the number of people without homes in California has now risen for three consecutive years. This is occurring not just in major cities and urban areas but also in rural California, in our heavily forested areas, along our rivers and in our suburban neighborhoods. Homelessness is no longer confined to our major metropolitan areas — it has spread to every part of our state.

Distressingly, the increase is due to large increases in the number of unsheltered homeless people — those who not only have no place to call home, but are not able to find even temporary shelter.

The demographics of homelessness are changing, too. Many homeless individuals struggle with substance abuse disorders and mental illness. However, domestic violence, lack of affordable housing and employment opportunities and the cost of health care have also pushed individuals into homelessness. In addition, thousands of Californians are displaced every year by natural disasters such as floods and wildfires.

California is home to 21 of the 30 most expensive rental markets in the nation and the state does not have enough affordable housing stock to meet the demand of low-income households. The state’s 2.2 million extremely low-income and very low income renter households compete for 664,000 affordable rental homes.
AB 3171 is not the first legislative proposal to increase funding for homelessness programs in recent years. In 2016, the Governor signed the No Place Like Home measure led by President Pro Tempore Kevin de León, which earmarks a portion of Prop. 63 (2004) mental health dollars to fund a $2 billion revenue bond to help house homeless mentally ill people. The funds are allocated to counties as deferred payment loans to finance capital costs of permanent supportive housing for persons who are eligible for services under Proposition 63 (2004) and are homeless, chronically homeless, or at risk of chronic homelessness. The funding will be divided into a competitive program ($1.8 billion) and a non-competitive program ($200 million) for counties.

Even though HCD has developed guidelines, no funds can be released until the validation process is completed and the lower court issues a decision, which could occur this Spring. HCD is planning on releasing the final Notice of Funding Availability (NOFA) in the Summer of 2018.

**Fiscal Impact:**
AB 3171 is an opt-in program and will only have a fiscal impact to cities that want to provide matching funds necessary to participate.

**Existing League Policy:**
Housing and programs for homeless and other extremely low income populations are necessary to ensure quality of life and economic viability for all Californians.

Homelessness is a statewide problem that disproportionately impacts specific communities. The state should make funding and other resources available to help assure that local governments have the capacity to address the needs of the homeless in their communities.

Homeless housing is an issue that eludes a statewide, one-size-fits-all solution, and collaboration between local jurisdictions should be encouraged.

State and federal funding programs should be designed to reflect responsibilities imposed by state and federal law.

**Comments:**
*Who gets funding?*
AB 3171 allocates an unspecified amount of funding directly to cities.

**Work in progress**
AB 3171, as introduced on February 16, 2018, is likely to be amended to address several outstanding issues, including:

- **Funding Amount** - Even though Assembly Member Ting has announced $1.5 billion for homelessness programs, AB 3171 actually contains an unspecified amount of funding.
- Funding Allocation Process – AB 3171 directs the Controller to apportion funds to cities in proportion to each city’s most recent total homeless population, as reported by the United States Department of Housing and Urban Development’s Continuum of Care Program. This process may not be the most appropriate since not all cities participate in the Point in Time Count.

**Big Eleven Mayors Letter**
On February 5, 2018, the mayors of the eleven largest cities in California submitted a letter to Senate Pro Tem Kevin de León and Speaker Anthony Rendon asking for immediate focus and significant assistance from the State to address the homelessness problem facing nearly every city in California. The letter identified the $6 billion State Budget surplus as a possible funding source.

**Big Eleven Mayors and Lawmakers Announce Legislation for $1.5 Billion to Address Homeless Crisis**
On February 21, 2018, the mayors of the eleven largest cities in California and a bipartisan group of state lawmakers announced the introduction of AB 3171, which allocates $1.5 billion from the state budget to help address the growing homeless crisis.

**Other Pending Funding Proposals**
The Legislature is also considering several other homelessness funding proposals, including:
- SB 912 (Beall) Housing: Homelessness Programs and Affordable Housing – allocates $2 billion from the General Fund to the Department of Housing and Community Development for various homelessness programs and affordable housing.
- Assembly Member Chiu Budget Request Letter $1 billion - $500 million for programs that target chronically homeless; and $500 million for the Multifamily Housing Program for affordable housing development.

**League’s 2018 Strategic Goals**
Strategic Goal #4 – Improve Housing Affordability and Support Additional Resources to Address the Homelessness Crisis. Increase state and federal financial support and provide additional local incentives and tools to improve housing affordability and develop more workforce and affordable housing. Support additional resources and tools to address the homelessness crisis and advance the recommendations of the CSAC-League Homelessness Task Force.

**Support-Opposition:** (as of 4/2/2018)

**Support**
The Mayors of the following cities: Sacramento, San Diego, Los Angeles, San Jose, San Francisco, Bakersfield, Fresno, Anaheim, Long Beach, Santa Ana, and Oakland.

**Opposition:**
None on file
Staff Recommendation:
Staff recommends the committee discuss AB 3171 and determine a position.

Committee Recommendation:

Board Action:

3. AB 2162 (Chiu) Planning and Zoning: Housing Development: Supportive Housing

Bill Summary:
This measure would require that supportive housing be a use by right in zones where multiple dwelling uses are permitted, including commercial zones, if the proposed housing development meets specified criteria and would require a local government to approve a supportive housing development that complies with these specified requirements.

Bill Description:
Specifically, AB 2162:
- Includes the following definitions:
  - "Supportive housing" means: Housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; and Housing that incorporates the core components of Housing First.
  - "Supportive services" include, but are not limited to, a combination of subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, and benefits advocacy.
  - "Use by right" means that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of the California Environmental Quality Act (CEQA). Sites are subject to the all local laws, including, but not limited to, the Subdivision Map Act.
- Requires supportive housing to be a use by right in zones where multiple dwelling uses are permitted, including commercial zones, if the proposed housing development satisfies all of the following requirements:
  - Units within the development are subject to a recorded affordability restriction for 55 years.
  - One hundred percent of the units within the development are dedicated to low-income households and are receiving public funding to ensure
affordability of the housing to low-income Californians. For purposes of this paragraph, “low-income households” means households with an income equal to or less than 80 percent of the area median income.

- At least 35 percent of the units in the development or 15 units, whichever is greater, are restricted to residents in supportive housing. If the development consists of fewer than 15 units, then 100 percent of the units in the development shall be restricted to residents in supportive housing.

- Nonresidential floor area shall be used for onsite supportive services in the following amounts: (A) For a development with 20 or fewer total units, at least 90 square feet shall be provided for onsite supportive services; (B) For a development with more than 20 units, at least 3 percent of the total nonresidential floor area shall be provided for onsite supportive services that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.

- A developer must replace any dwelling units on the site of the supportive housing units consistent with state Density Bonus Law.

- Units within the development include at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.

- Provides that a local government may require a supportive housing development to comply with objective and quantifiable written development standards, conditions, and policies provided that the local government applies the least restrictive zoning standards or requirements applicable to the jurisdiction.

- Requires a local government to notify the developer as to whether the application for streamlining supportive housing is complete within 30 days and issue a final approval within 60 days of receipt of an application.

- Prohibits a local government from imposing any minimum parking requirements on supportive housing developments that are within one-half mile of a public transit stop except the local government may require the development to include employee parking.

- Provides that a developer accessing streamlining is not precluded or limited from seeking a density bonus.

- Provides that nothing in the Act expands or contradicts a local government's authority to adopt or amend an ordinance, charter, general plan, specific plan, resolution, or other land use policy or regulation that promotes the development of supportive housing.

- Declares the provision of adequate supportive housing to alleviate the severe shortage of housing opportunities for people experiencing homelessness in the state is a matter of statewide concern and is not a municipal affair and therefore applies the provisions of the bill to all cities including charter cities.

**Background:**
According to the Assembly Committee on Housing and Community Development: California is facing a homelessness crisis. Our state is home to 25% of our nation's homeless population and 42% of our nation's chronically homeless.
Already home to the largest homeless population in the country, from 2016 to 2017 California experienced the largest increase in the number of residents experiencing homelessness – over 16,000 individuals. Virtually every community in the state has been impacted. San Diego and Los Angeles have experienced deadly Hepatitis A outbreaks and the American River has been contaminated with E. coli. Wildfires across the state have exacerbated homelessness.

Despite growing local, state, and federal recognition of supportive housing as an evidence-based intervention for homeless residents, planners and local policymakers face opposition to supportive housing projects. Under the current approval process, supportive housing projects can take up to three or more years to develop.

The state and local communities have made significant investments to increase the supply of affordable housing and housing for those who are homeless. In 2016 the Legislature passed No Place Like Home, creating $2 billion in new funding for construction of supportive housing units. On the November 2018 ballot, voters will consider approving a $4 billion bond to fund affordable housing that includes $1.5 billion for affordable housing developments. SB 2 (Atkins), Statutes of 2017, Chapter 364, will generate ongoing funding for affordable housing including significant funding in the first year to address homelessness.

**Fiscal Impact:**
AB 2162 does not impose any new costs on cities.

**Existing League Policy:**

**Zoning**
The League believes local zoning is a primary function of cities and is an essential component of home rule. The process of adoption, implementation and enforcement of zoning ordinances should be open and fair to the public and enhance the responsiveness of local decision-makers. State policy should leave local siting and use decisions to the city and not interfere with local prerogative beyond providing a constitutionally valid procedure for adopting local regulations. State agency siting of facilities, including campuses and office buildings, should be subject to local notice and hearing requirements in order to meet concerns of the local community. The League opposes legislation that seeks to limit local authority over parking requirements.

**Housing for Homeless**
Housing and programs for homeless and other extremely low-income populations are necessary to ensure quality of life and economic viability for all Californians. Homelessness is a statewide problem that disproportionately impacts specific communities. The state should make funding and other resources available to help assure that local governments have the capacity to address the needs of the homeless in their communities. Homeless housing is an issue that eludes a statewide, one-size-
fits-all solution, and collaboration between local jurisdictions should be encouraged. State and federal funding programs should be designed to reflect responsibilities imposed by state and federal law.

Comments:
League’s 2018 Strategic Goals
Strategic Goal #4 – Improve Housing Affordability and Support Additional Resources to Address the Homelessness Crisis. Increase state and federal financial support and provide additional local incentives and tools to improve housing affordability and develop more workforce and affordable housing. Support additional resources and tools to address the homelessness crisis and advance the recommendations of the CSAC-League Homelessness Task Force.

Pending Funding Proposals
The Legislature is also considering several key homelessness funding proposals, including:

- SB 912 (Beall) Housing: Homelessness Programs and Affordable Housing – allocates $2 billion from the General Fund to the Department of Housing and Community Development for various homelessness programs and affordable housing.
- AB 3171 (Ting) Homeless Persons Services Block Grant - Establishes the Local Homelessness Solutions Program for the purpose of providing funding to cities to create innovative and immediate solutions to the problems caused by homelessness. AB 3171 is supported by the mayors of the eleven largest cities in California.
- Assembly Member Chiu Budget Request Letter $1 billion - $500 million for programs that target chronically homeless; and $500 million for the Multifamily Housing Program for affordable housing development.

New Funding Paired with Streamlining
Last year, the Governor refused to approve any new sources of funding for housing unless they were paired with regulatory and streamlining proposals. This year is shaping up to be the same with regard to homelessness funding. While the Governor has not indicated a position on the homelessness funding or supportive housing streamlining proposal, the Legislature is focused on sending him a spending plan and a streamlining measure.

Support-Opposition: (as of 4/2/18)

Support
Corporation for Supportive Housing (co-sponsor)
Housing California (co-sponsor)
A Community of Friends
Disability Rights California
Los Angeles Homeless Services Authority
Non-Profit Housing Association of Northern California
San Diego Housing Federation
Southern Association of Nonprofit Housing
Supportive Housing Alliance
Venice Community Housing Corporation
Individuals (1)

Opposition:
None on file

Staff Recommendation:
Staff recommends the committee discuss AB 2162 and determine a position.

Committee Recommendation:

Board Action:

4. SB 1045 (Wiener) Conservatorship: Chronic Homelessness: Mental Illness

Bill Summary:
This bill would create a new conservatorship that focuses on providing supportive housing with wraparound services for Californians who are chronically homeless and severely mentally ill or suffer from severe substance abuse disorders.

Bill Description:
SB 1045 would create a new type of conservatorship in the Welfare and Institutions Code that focuses on providing housing with wraparound services to the most vulnerable Californians living on the streets. In order to be considered for conservatorship, an individual must be chronically homeless and suffering from acute mental illness or severe substance abuse disorder such that those co-occurring conditions have resulted in that individual frequently visiting the emergency room, being frequently detained by police under Section 5150, or frequently held for psychiatric evaluation and treatment.

Under this bill, recommendations for conservatorship may be made to the county by (1) the director of a county mental health or social services department, (2) the county sheriff, (3) the director of a hospital or emergency health facility, or (4) the head of a facility providing intensive. If the county officer investigating the conservatorship agrees with that recommendation, a judge will consider the case. A judge may only order conservatorship if there are no other viable alternatives to caring for that individual.

Background:
CSAC-League Homelessness Task Force
Over the last several years, addressing homelessness and housing affordability have been one of the League’s annual strategic goals. To help find solutions, the League and the California State Association of Counties (CSAC) joined forces in the Fall of
2016 and established a Joint Homelessness Task Force. In February 2018, the Task Force released a detailed report that examined strategies local governments can implement to overcome challenges, foster best practices, and share ideas and resources to address this complex issue.

As part of the report, the Joint Homelessness Task Force found that:

After steady declines in homelessness from 2007 through 2014, the number of people without homes in California has now risen for three consecutive years. This is occurring not just in major cities and urban areas but also in rural California, in our heavily forested areas, along our rivers, and in our suburban neighborhoods. Homelessness is no longer confined to our major metropolitan areas — it has spread to every part of our state.

Distressingly, the increase is due to large increases in the number of unsheltered homeless people — those who not only have no place to call home, but are not able to find even temporary shelter.

The demographics of homelessness are changing, too. Many homeless individuals struggle with substance abuse disorders and mental illness. However, domestic violence, lack of affordable housing and employment opportunities and the cost of health care have also pushed individuals into homelessness. In addition, thousands of Californians are displaced every year by natural disasters such as floods and wildfires.

California is home to 21 of the 30 most expensive rental markets in the nation and the state does not have enough affordable housing stock to meet the demand of low-income households. The state’s 2.2 million extremely low-income and very low income renter households compete for 664,000 affordable rental homes.

Conservatorship
Conservatorship is an important safeguard for protecting individuals incapable of managing their own affairs. The California conservatorship system is made up of two sections: (1) the Lanterman-Petris-Short (LPS) Act section, which is designated for individuals unable to care for themselves due to debilitating mental illness, and (2) probate conservatorships that are designed for individuals unable to care for themselves due to physical health issues, cognitive impairment or elder abuse.

Fiscal Impact:
City costs may be reduced by this measure. If chronically homeless individuals receive housing and wraparound services with SB 1045 in place, cities may reduce or redirect public safety resources that are currently utilized serving this vulnerable population.

Existing League Policy:
Housing and Homelessness

Housing and programs for homeless and other extremely low income populations are necessary to ensure quality of life and economic viability for all Californians.

Homelessness is a statewide problem that disproportionately impacts specific communities. The state should make funding and other resources available to help assure that local governments have the capacity to address the needs of the homeless in their communities.

Homeless housing is an issue that eludes a statewide, one-size-fits-all solution, and collaboration between local jurisdictions should be encouraged.

State and federal funding programs should be designed to reflect responsibilities imposed by state and federal law.

Comments:

League’s 2018 Strategic Goals

Strategic Goal #4 – Improve Housing Affordability and Support Additional Resources to Address the Homelessness Crisis. Increase state and federal financial support and provide additional local incentives and tools to improve housing affordability and develop more workforce and affordable housing. Support additional resources and tools to address the homelessness crisis and advance the recommendations of the CSAC-League Homelessness Task Force.

Are there funds available?

In early January 2018, the Governor released his FY 2018/19 State Budget, which contained a projected $6.1 billion surplus. Since then, the Legislature has been considering how to spend some of the surplus. The Governor has strongly advocated for allocating nearly all of it to the State’s Rainy Day Fund. Given the size of the surplus, it is likely that a portion of it will be appropriated to various priority programs.

Big Eleven Mayors Letter

On February 5, 2018, the mayors of the eleven largest cities in California submitted a letter to Senate Pro Tem Kevin de Leon and Speaker Anthony Rendon asking for immediate focus and significant assistance from the State to address the homelessness problem facing nearly every city in California. The letter identified the $6 billion State Budget surplus as a possible funding source.

Other Pending Funding Proposals

The Legislature is also considering several other homelessness funding proposals, including:

- AB 3171 (Ting) Homeless Persons Services Block Grant - Establishes the Local Homelessness Solutions Program for the purpose of providing funding to cities to create innovative and immediate solutions to the problems caused by
homelessness. AB 3171 is supported by the mayors of the eleven largest cities in California.

- Assembly Member Chiu Budget Request Letter $1 billion - $500 million for programs that target chronically homeless; and $500 million for the Multifamily Housing Program for affordable housing development.

According to the Author
The author’s fact sheet indicates that this program focuses on people who routinely end up in emergency room, psychiatric facilities, jail, or other police custody and for whom voluntary support services have repeatedly failure to have a positive long-term impact.

California faces an unprecedented housing affordability crisis, accompanied by significant untreated mental illness and drug addiction. These conditions, coupled with the limitations of our state and local social services, have left some counties searching for more tools to provide help and support to those Californians in the most need. Many of the successful programs and services across the state have still fallen short of providing meaningful rehabilitation to a small population of residents with severe mental illness and drug addiction who are deteriorating on our streets.

Some of these individuals are regularly placed on psychiatric hold, admitted to the emergency room for evaluation, or are arrested for behavior related to severe mental illness or drug addiction. By allowing greater flexibility to conserve these extremely disabled individuals, who are unable to make decisions for themselves, we can keep people out of the criminal justice system and focus on their health and well-being.

Support-Opposition: (as of 4/3/18)
Support
Mayor Mark Farrell, City and County of San Francisco (sponsor)
City of Fairfield

Opposition
Unknown

Staff Recommendation:
League staff recommends the Committee discuss SB 1045 and determine a position.

Committee Recommendation:

Board Action:
5. **SB 827 (Wiener) Transit: Rezoning**

**Bill Summary:**
This measure would effectively rezone all land within one-half mile radius of a “major transit stop” or one-quarter mile radius of a transit stop on a “high quality transit corridor” to accommodate buildings up to 10 stories tall.

**Bill Description:**
Specifically, SB 827 is a developer opt-in program that exempts eligible applicants from:

- Maximum controls on residential density.
- Maximum controls on Floor Area Ratio (FAR) lower than:
  - 2.5 FAR for lots with a maximum height limit of 45 feet
  - 3.25 FAR for lots with a maximum height limit of 55 feet
  - 4.5 FAR for lots with a maximum height limit of 85 feet
- Minimum automobile parking requirements.
- Maximum building height limits that are less than 85 feet unless restricted by street width.
- Zoning or design controls that have the effect of limiting additions onto existing structures or lots if such additions comply with the height and FAR limits.

An eligible applicant is exempt from local maximum height limits as follows:

- If the transit-rich housing project is within a one-quarter mile radius of either a major transit stop or a stop on a high-quality transit corridor, the maximum height limitation shall not be less than 85 feet, except in cases where a parcel facing a street that is less than 70 feet wide from property line to property line, in which case the maximum height shall not be less than 55 feet. If the project is exempted from the local maximum height limitation, the maximum height limitation for a transit-rich housing project shall be 85 feet or 55 feet, as provided in this paragraph.

- If the transit-rich housing project is within one-half mile of a major transit stop, but does not meet the criteria specified in paragraph (1), any maximum height limitation shall not be less than 55 feet, except in cases where a parcel facing a street that is less than 70 feet wide from property line to property line, in which case the maximum height shall not be less than 45 feet. If the project is exempted from the local maximum height limitation, the maximum height limitation for a transit-rich housing project shall be 55 feet or 45 feet, as provided in this paragraph.

“Transit-rich housing project” means a residential development project the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality transit corridor. A residential development project does not qualify as a transit-rich housing project if that project would result in the construction of housing in zoning districts that prohibit the construction of housing as a principal or conditional use, including, but not limited to, exclusively industrial or manufacturing zoning districts. A project shall be deemed to be within a one-half mile radius of a major
transit stop or a one-quarter mile radius of a stop on a high-quality transit corridor if both of the following apply:

- All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality transit corridor.
- No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality transit corridor.

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

“High-quality transit corridor stop” means a corridor with fixed route bus service that has service intervals of no more than 15 minutes during peak commute hours.

A development proponent may submit an application if the application satisfies all of the following planning standards:

- Any demolition permit that is related to an application for a transit-rich housing project is subject to all demolition permit controls, restrictions, and review processes enacted by the applicable local government.
- The development complies with any local inclusionary housing ordinances.
- The development proponent prepares and submits to the applicable local government a relocation assistance and benefits plan.
- Any locally adopted objective zoning standard that involves no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and public officials before the application is submitted, including but not limited to essential bulk and FAR requirements, except as specified in paragraph (4), codified design standards, and development fees.
- Any locally adopted minimum unit mix requirements, provided that those requirements do not have the effect of requiring more than 40 percent of all units in a transit-rich housing project to have two bedrooms or more.
- An eligible applicant who receives a transit-rich housing bonus pursuant to this section may also apply for a density bonus, incentive or concession, or waiver or reduction, pursuant to Section 65915.
- SB 35 streamlining can apply if requested by the applicant.

An eligible applicant that receives a transit-rich housing bonus shall comply with the procedures and requirements in this section in providing relocation benefits and a right to remain guarantee to any eligible displaced person.

If, on or after January 1, 2018, a local government adopts an ordinance that eliminates residential zoning designations or decreases residential zoning development capacity within an existing zoning district in which the development is located than what was
authorized on January 1, 2018, then that development shall be deemed to be consistent with any applicable requirement of this chapter if it complies with zoning designations that were authorized as of January 1, 2018.

The Department of Housing and Community Development may, at any time, review any new or revised zoning or design standards after the operative date of the act adding this section to determine if those local standards are consistent with the requirements of this section. If the department determines that those standards are inconsistent, the department shall issue, in a form and manner provided by the department, a finding of inconsistency, and those standards shall be rendered invalid and unenforceable as of the date that finding is issued.

**Background:**

*Land Use Planning and Greenhouse Gas Emission Reduction Goals*

For many years, cities have been encouraged to plan for additional density around transit to help limit vehicle miles traveled (VMT) and reduce greenhouse gas (GHG) emissions.

In 2008, the Legislature passed and Governor Schwarzenegger signed SB 375 (Steinberg), which supported the State’s climate goals (established by AB 32) through coordinated transportation and land use planning. SB 375, also known as the Sustainable Communities Act, establishes incentives to encourage local governments to implement the "sustainable communities strategy" (SCS), which contains land use, housing, and transportation strategies that, if implemented, would help the region meet its GHG emission reduction targets.

*The Housing Supply and Affordability Crisis*

Housing affordability is an urgent issue in California, where a majority of renters (over 3 million households) pay more than 30 percent of their income toward rent and nearly one-third (over 1.5 million households) spend more than 50 percent of their income on rent. In addition, California’s homeownership rates are at the lowest point since the 1940s. This has led many experts in the field to declare the current state of housing supply and affordability a crisis.

Local governments are just one piece of the complex scenario that comprises the housing development process. Cities don’t build homes — the private sector does. California’s local governments must zone enough land in their General Plans to meet the state’s projected housing need; however, cities don’t control local market realities or the availability of state and federal funding needed to support the development of affordable housing. This is true not just in California but nationwide.

Significant barriers and disincentives constrain the production of affordable housing. These include: lack of funding and subsidies needed to support housing that low- and moderate-income families can afford; local and national economic and job market conditions; and challenges for developers.
Fiscal Impact:
The direct fiscal impact of SB 827 is difficult to determine since it is opt-in for developers. However, generally speaking, SB 827 does not alter the process through which cities recover development costs, so direct costs to cities are limited.

Existing League Policy:

General Plans
The League supports the use of the general plan as a guide to meeting community planning needs. A city’s general plan should guide the individual city’s land use planning and strategic decision-making. A city’s general plan should not be subject to mandatory review by regional or state agencies. General plan requirements should be flexible and provide guidance to local communities without requiring inappropriate levels of detail or mandating new topics or elements. The League supports guidance by expert state agencies in a consultation format but opposes granting mandatory review, certification or other approval authority to another level of government.

Zoning
The League believes local zoning is a primary function of cities and is an essential component of home rule. The process of adoption, implementation and enforcement of zoning ordinances should be open and fair to the public and enhance the responsiveness of local decision-makers. State policy should leave local siting and use decisions to the city and not interfere with local prerogative beyond providing a constitutionally valid procedure for adopting local regulations. State agency siting of facilities, including campuses and office buildings, should be subject to local notice and hearing requirements in order to meet concerns of the local community. The League opposes legislation that seeks to limit local authority over parking requirements.

Support Vibrant City Centers
Give preference to the redevelopment and reuse of city centers and existing transportation corridors by supporting and encouraging:
- Mixed use development;
- Housing opportunities for all income levels;
- Safe, reliable and efficient multi-modal transportation systems; and
- Retaining existing businesses and promoting new business opportunities that produce quality local jobs.

Build Strong Communities
Support and embrace the development of strong families and socially and ethnically diverse communities, by:
- Working to provide a balance of jobs and housing within the community;
- Avoiding the displacement of existing residents;
- Reducing commute times;
- Promoting community involvement;
- Enhancing public safety; and,
• Providing and supporting educational, mentoring and recreational opportunities

Comments:
The League is already opposed to SB 827, based on extensive existing policy, and has been actively working on the measure since January. The League objects to SB 827 for the following reasons:

• **Granting housing developers land use authority likely violates the State Constitution.** SB 827 would allow developers to determine building height (up to 10 stories), housing densities, parking requirements, and design review standards within specified transit areas. Land use regulation is a Constitutionally-bestowed local government function. Delegating to a developer the authority to regulate density and height takes this essential local government function out of the hands of the public and puts it into the hands of the private sector. Bestowing land use power onto profit driven developers that are unaccountable to community members is contrary to existing law and may violate Article XI, section 11 of the State Constitution.

• **Empowers transit agencies to upzone communities without local approval.** SB 827 upzoning within one-quarter mile radius of a transit stop is predicated on a transit agency providing bus service at fifteen minute intervals or less during peak commute periods. By simply shifting a bus route or increasing service to four times per hour, developers would be able to dictate building height (up to 105 ft.), density, parking requirements, and design review standards without regard to community impacts.

• **Completely upends and undermines required planning documents.** Local governments are required by state law to adopt General Plans and Housing Elements (which are certified by the Department of Housing and Community Development) and are required to make sure that development is consistent with their general plans and housing elements. Local governments are also encouraged to follow the lead of Sustainable Community Strategies (SCS) that seek to integrate housing and transportation policies. These documents represent months, or even years, of community involvement and engagement, and act as a blueprint for future development. SB 827 ignores these critical planning documents.

• **Doubles down on CEQA exemption for SB 35 sites.** SB 827 allows developers to take advantage of SB 35 streamlining and avoid CEQA and its required public engagement process on sites that meet SB 35 criteria. A major component of SB 35 is that projects must be consistent with locally adopted plans in order to be eligible for streamlining. SB 827 applies the same streamlining as SB 35 on qualified sites, but it also allows for height and density at levels never considered or mitigated for by an Environmental Impact Report (EIR).

The reason SB 827 is before the committee is to discuss possible alternatives to the bill. Prior to the committee meeting, please consider other strategies to increase density around certain transit stops, while maintaining as much local land use authority as possible.
Support-Opposition: (as of 4/3/2018)

Support
Includes:
California YIMBY (Sponsor)
California Association of Realtors
California Apartment Association
California Building Industry Association
Los Angeles Chamber of Commerce
Bay Area Council

Opposition:
Includes:
League of California Cities
101 Cities in California
Sierra Club California
Alliance for Community Transit – LA (ACT-LA), an organization comprised of 37 community based groups

Staff Recommendation:
Staff recommends the committee discuss possible alternatives to SB 827.

Committee Recommendation:

Board Action:

6. SB 946 (Lara) Street Vending

Bill Summary:
This measure would prohibit a local authority from adopting rules or regulations, by ordinance or resolution, that regulate or prohibit sidewalk vendors unless it first adopts a sidewalk vending licensing program that requires a sidewalk vendor to obtain a license from the local authority before selling food or merchandise.

Bill Description:
Specifically, SB 946 allows a local authority to adopt a sidewalk vending licensing program that requires a sidewalk vendor to obtain a license from the local authority before he or she is authorized to sell food or merchandise.

The local authority’s licensing system shall comply with all of the following standards:
• A local authority shall not restrict the location of a licensed sidewalk vendor unless the restriction is directly related to objective health, safety, or welfare concerns.
• A local authority shall not prohibit a licensed sidewalk vendor from selling food or merchandise in a park.
• A local authority shall not require a licensed sidewalk vendor to first obtain the consent or approval of any nongovernmental entity or individual before he or she can sell food or merchandise.
• A local authority shall not unreasonably restrict sidewalk vendors to operate only in a designated neighborhood or area.
• A local authority shall not restrict the overall number of sidewalk vendor licenses issued unless the restriction is directly related to objective health, safety, or welfare concerns.
• A local authority may, by ordinance or resolution, adopt additional requirements regulating the time, place, and manner of sidewalk vending.

Only local authorities that have a sidewalk vending licensing program authorized by this bill may impose the following penalties for violating the terms of the sidewalk licensing program. The penalties are as follows:
• An administrative fine not exceeding one hundred dollars ($100) for a first violation.
• An administrative fine not exceeding two hundred dollars ($200) for a second violation within one year of the first violation.
• An administrative fine not exceeding five hundred dollars ($500) for each additional violation within one year of the first violation.

“Sidewalk vendor” is a person who sells food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance upon a public sidewalk or other pedestrian path.

**Background:**
According to Senator Lara:
Across the state, tens of thousands of people work as sidewalk vendors, selling food and merchandise on the public sidewalk or in public parks. Studies show that sidewalk vendors are overwhelmingly women and seniors, and vending provides a means to put food on the table, pay rent, buy school supplies, and otherwise survive in the face of extreme poverty.

Sidewalk vending can also be an opportunity to build and grow a business – a first step on the economic ladder. Many vendors hope to one day turn their food cart business into a restaurant. Studies have demonstrated that vending generates millions in local and state tax revenue. Sidewalk vending can be an opportunity to take those first steps to realize that dream. Often vendors may sell culturally significant goods and healthy foods not otherwise available in traditional retail. Vendors also activate commercial corridors, increasing pedestrian foot traffic.

Despite the importance to individual families and the immense community benefits, many local jurisdictions impose an outright prohibition on all vending,
while others impose onerous restrictions that severely limit vending and relegate vendors to the underground economy. Permits are often impossible to obtain, and vending without a permit is prosecuted as a crime.

The criminalization of vending has significant and devastating consequences, especially in low income and immigrant communities. Vendors charged with a misdemeanor can face penalties of up to six months in jail and $1,000 in fines. Court fees and assessments can significantly increase the financial penalties. Additionally, many vendors report their equipment and other property have been confiscated during enforcement encounters creating significant financial and emotional stress.

A criminal prosecution for street vending can also carry severe consequences for undocumented immigrant vendors. A conviction may increase an undocumented resident’s priority for removal under the Department of Homeland Security (DHS) Priority Enforcement Program. A misdemeanor conviction can also potentially jeopardize a vendor’s eligibility for certain immigration benefits for which they must demonstrate “good moral character.” If a vendor is disqualified from—or dissuaded from seeking—such immigration benefits based on a misdemeanor conviction, he or she may be denied work authorization and employment in the formal economy. Undocumented vendors may be at heightened risk for deportation even if they are not ultimately charged or convicted. Under a new executive order on immigration enforcement from the Trump administration, immigration officials are instructed to prioritize for deportation those who have merely “committed acts that constitute a chargeable criminal offense.

As reported in the Los Angeles Daily News on February 2, 2018 (https://www.dailynews.com/2018/02/02/legal-street-vending-in-la-a-new-state-bill-could-serve-up-that-reality/), State Sen. Ricardo Lara, D-Bell Gardens, said his bill, SB 946, was prompted by slow action by local cities, including Los Angeles. Speaking during a news conference on the steps of Los Angeles City Hall, Lara said the city is now “moving in the right direction” toward legalizing vending.

“I want to make sure they continue to actually create a process for permitting,” he said. “We’re still waiting to see that to happen.”

Lara and activists also say that vending in L.A.’s parks could still result in a criminal citation, because while the City Council signed off recently on decriminalizing the ban, it has not yet voted on the ordinance language.

The situation in cities like Los Angeles have left vendors in a “limbo,” according to Lara.

“We’ve given time for cities to act and to create a licensing program and permitting process, but we’re seeing that cities continue to lag,” said Lara, who was joined Friday
by members of the LA Street Vendor Campaign. “And I question the will of the actual cities to actually do something about this issue.”

Lara added that “this lag has really created an unfortunate situation for our sidewalk vendors, where now they are not only being harassed, but now they’re being deported under this new Trump reality that we live in,” he said.

**Fiscal Impact:**
Under SB 946, cities maintain authority to charge business licensing fees, permit fees, inspection fees, and other fees necessary to recover costs associated with implementing and enforcing a sidewalk vending licensing program.

**Existing League Policy:**

**Zoning**
The League believes local zoning is a primary function of cities and is an essential component of home rule. The process of adoption, implementation and enforcement of zoning ordinances should be open and fair to the public and enhance the responsiveness of local decision-makers. State policy should leave local siting and use decisions to the city and not interfere with local prerogative beyond providing a constitutionally valid procedure for adopting local regulations. State agency siting of facilities, including campuses and office buildings, should be subject to local notice and hearing requirements in order to meet concerns of the local community. The League opposes legislation that seeks to limit local authority over parking requirements.

**Comments:**
While SB 946 is well intended, the measure contains several elements that may be of concern to some jurisdictions, including:
- Prohibits a jurisdiction from banning or regulating street vending unless the ordinance is consistent with the provisions of SB 946.
- Requires a jurisdiction to allow street vending in all parks.
- Limits a jurisdiction’s ability to restrict the total number of street vending permits.

**Support-Opposition:** (as of 4/2/18)

**Support**
None on file

**Opposition:**
None on file

**Staff Recommendation:**
Staff recommends the committee discuss SB 946 and determine a position.

**Committee Recommendation:**

**Board Action:**
February 5, 2018

The Honorable Kevin de Leon
President Pro Tem
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker
California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

Dear Senator de León and Speaker Rendon:

As the mayors of the eleven largest cities in California, we write to you about a crisis that has grown to epic proportions in the last two years. Our communities, and those of our smaller sister cities throughout the state, have been ravaged by the societal and fiscal effects of exploding homelessness. Sadly, the latest U.S. Department of Housing and Urban Development report shows California has experienced year-to-year increases in our homeless population by 13 percent in 2016, and nearly 14 percent in 2017. The overall statewide count has ballooned to 134,278 as of 2017.

Your leadership has resulted in the passage of legislation and budget allocations that will undoubtedly lay the groundwork for long-term, systematic solutions to the underlying problems of homelessness – from the historic housing package last year, most notably SB 2 (Atkins) and SB 3 (Beall) which will provide a permanent source of housing funding in future years, to the No Place Like Home initiative to increase permanent supportive housing for people with mental illness. However, the problems our cities face today are dramatic and we need immediate intervention to stem the tide.

As city leaders we have invested significant local resources to addressing the homeless crisis in our jurisdictions. These new resources are bridging the gap in service needs and focus on preventing chronic homelessness and positioning those in need on the path to a permanent housing solution. City and county voters have seen the need and also stepped up, with voters in metropolitan areas across California passing revenue measures devoted to homelessness services in 2016 and there will likely be additional measures in 2018 elections.
Despite our local efforts and the creation of long-term solutions, city leaders need immediate, focused and significant assistance from the State to address the magnitude and complexity of the homeless problem we all face. Governor Brown’s recent budget proposal identified a $6.1 billion surplus. We believe that addressing the epic homelessness crisis with a portion of those funds is not only a fiscal imperative, but a moral one. Such an appropriation should be guided by three basic principles:

1. Significant – The explosion of homelessness in such a short timeframe requires a significant percentage of the surplus. We believe that 25 percent of the surplus, with a matching requirement from recipient cities, would be the appropriate allocation to address the crisis.

2. Simple – By not creating an overly-bureaucratic state program, funds can be disbursed and immediately put to work to improve the lives of thousands of Californians this year. Modeled after proposals which allocate one-time funds directly to recipient local agencies based on clearly defined formulas, we can ensure a fair, broad-based and swift solution.

3. Subsidiarity – Funds should be allocated directly to cities – the level of government which is closest to the people suffering from the crisis and which do not currently receive any direct subvention of resources to address homelessness.

We stand ready to partner with you, the entire Legislature and the Governor to bring this critically important proposal to fruition this year. The homeless crisis is severely impacting thousands of families and children; it is costing lives and livelihoods. It is also impacting our local businesses – from local storefronts to the greater tourism industry. The crisis and the solution we seek has no geographic boundaries, as it is felt in nearly every corner of California, nor is it a partisan issue. Given the relative strength of our state budget, coupled with the local resources we are committing to the crisis, we implore you to consider this historic request made by all eleven Big City Mayors as you grapple with the many issues before this year.

Sincerely,

Darrell Steinberg  
Mayor, City of Sacramento

Kevin L. Faulconer  
Mayor, San Diego

Eric Garcetti  
Mayor, City of Los Angeles

Sam T. Liccardo  
Mayor, City of San José
Mark Farrell
Mayor, City of San Francisco

Karen Goh
Mayor, City of Bakersfield

Lee Brand
Mayor, City of Fresno

Tom Tait
Mayor, City of Anaheim

Robert Garcia
Mayor, City of Long Beach

Miguel Pulido
Mayor, City of Santa Ana

Libby Schaaf
Mayor, City of Oakland
From: Assembly Member Phil Ting
To: Members of the Legislature
Subject: Co-Author Request for New Bill for Homelessness Matching Grant Program

I respectfully invite you to co-author new legislation to combat the crisis of homelessness impacting all of our communities. In partnership with mayors and cities, this new bill would establish a matching grant program for the state to encourage innovative and immediate solutions being pursued on the local government level.

Our communities, both large and small cities throughout the state, have been ravaged by the societal and fiscal effects of homelessness. The latest U.S. Department of Housing and Urban Development report shows California has experienced year-to-year increases in our homeless population by 13 percent in 2016, and nearly 14 percent in 2017. The overall statewide count has increased to 134,278 as of 2017.

Many cities have invested significant local resources to address the homeless crisis. These new resources are bridging the gap in service needs, and focus on preventing chronic homelessness and positioning those in need on the path to a permanent housing solution. City and county voters have seen the need and also stepped up, with voters in metropolitan areas across California passing revenue measures devoted to homelessness services in 2016 and there will likely be additional measures in 2018 elections. On the state level, we have enacted efforts regarding affordable housing and homelessness, including SB 2 (Atkins), SB 3 (Beall), and the No Place Like Home Initiative. However, the problems our cities face today are dramatic and we need immediate intervention to stem the tide.

Despite local efforts and the creation of long-term solutions, city leaders need immediate, focused and significant assistance from the State to address the magnitude and complexity of the homeless problem we all face. We believe that addressing the epic homelessness crisis with a matching grant program is an imperative.

Thank you for considering joining this important legislation. Please return this form to Room 6026, or by email to andrew.white@asm.ca.gov and if you have any questions please call Andrew White at 916-319-2019.
Sacramento, CA — Today, the mayors of the eleven largest cities in California and a bi-partisan group of state lawmakers announced the introduction of AB 3171, which allocates $1.5 billion from the state budget to help address the growing homeless crisis. Assemblyman Phil Ting (D-San Francisco) and State Senator Ricardo Lara (D-Bell Gardens) will champion the effort in their respective houses.

"Homelessness is first and foremost a humanitarian crisis, but it is also the single greatest threat to the economic prosperity, opportunity and growth our cities are fighting for," said Sacramento Mayor Darrell Steinberg, who leads the Big 11. "We are on the front lines of providing compassionate and effective solutions to this issue, and we request that our state partners make alleviating homelessness in our cities an even greater priority."

According to 2017 statewide counts, California’s homeless population has ballooned to 134,278. In response to the surge, cities across the state have utilized their general fund resources and local voter-passed revenue measures to provide housing, shelter, supportive services and outreach to people experiencing homelessness. Despite these efforts, substantial assistance from the State is needed to address the magnitude and complexity of the statewide homelessness issue.

AB 3171 calls for one-time funds to be allocated to cities on a matching basis, resulting in over $3 billion in collective State and local funds to meaningfully address one of the most intractable issues facing cities.

"Last year, I fought to get millions appropriated in our state budget to fight homelessness across California, but we have so much more work to do," said Assemblyman Phil Ting (D-San Francisco), who is also Chairman of the Assembly Budget Committee. "Homelessness is a statewide crisis, but we cannot do it alone. This year, we need to identify resources to partner with cities to build more shelters and augment additional services so we can get people off our streets and into shelter as fast as possible."

"The Legislature has confronted the crisis of homelessness with new funding for supportive housing and by helping people overcome their barriers to finding homes," said Senator Ricardo Lara (D-Bell Gardens). "Despite all of our efforts, homelessness is on the rise, and we need to partner with local leaders who are coming up with humane and creative solutions."

The mayors sent a letter to legislative leaders earlier this month, urging them to set aside part of the $6.1 billion budget surplus, or 25%, to help boost services to the homeless. The group of mayors is planning to lobby lawmakers next month to ensure the passage of AB 3171.

"Cities across California are struggling with a homelessness crisis that requires an extraordinary statewide response," said Los Angeles Mayor Eric Garcetti. "This critical funding will help cities like L.A. provide emergency bridge housing and services that help people with the most desperate needs — so that they can begin rebuilding their lives safely and with dignity."

"Homelessness is not just an issue. It is the most pressing issue facing California cities today," said San Diego Mayor Kevin L. Faulconer. "Cities are responding to this crisis with more local resources and programs, and we need support from our partners in the Capitol too. We are asking State leaders to help us make a real difference on our streets."

"Cities across the state must continually grapple with the human, economic and social toll being caused by the growing homelessness crisis," said San Jose Mayor Sam Liccardo. "This funding will go a long way to support some of the innovative measures being taken at the local level to house more of our homeless neighbors and confront this crisis head-on."
"While we are exploring every solution possible to address our homelessness crisis, cities alone cannot solve this challenge," said San Francisco Mayor Mark Farrell. "Additional funding support from the state will help San Francisco expand homelessness initiatives proven to be successful, including our Navigation Centers, which have become a nationally recognized model."

"I am glad to join with my fellow Mayors in a bipartisan effort to address this crisis," said Fresno Mayor Lee Brand. "The problems and issues are different for every city in California and this proposal will help give our cities the resources they need to develop comprehensive, compassionate solutions."

"Long Beach, like most large cities in California, is facing a housing affordability crisis," said Long Beach Mayor Robert Garcia. "Cities need the state's help to finance affordable housing developments and this proposal to use surplus funds to match cities' housing investments will help California build its way out of this crisis."

"Oakland stands united with California's largest cities to call upon the Legislature and Governor to address the homelessness crisis now," said Oakland Mayor Libby Schaaf. "Although we are investing in innovative strategies, cities cannot sufficiently contend with the rapid increase in people living on our streets simply because they cannot afford to pay skyrocketing rent. As one of the wealthiest and most innovative places in the world, California can and must do better. We need a substantial investment from the State, one that acknowledges the severity and the human costs of this crisis."

"Limited resources have impacted the ability for many municipalities to effectively address homelessness," said City of Santa Ana Mayor Miguel A. Pulido. "This legislation, if approved, will provide an opportunity to leverage our resources and result in long-standing positive impacts for the communities we serve."

The Big 11 also strongly encourage the Governor and the Legislature to get out funds from the No Place Like Home initiative passed in 2016. Those resources are an important compliment to AB 3171.

The California Big 11 Mayors is a bipartisan group comprised of the most populous cities in the state. Member cities include: Los Angeles, San Diego, San Jose, San Francisco, Fresno, Long Beach, Sacramento, Oakland, Bakersfield, Anaheim and Santa Ana.

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League Efforts to Develop New Tax-Increment Financing Tools: A Brief Overview

When redevelopment was eliminated, developing new tools that cities could use for infrastructure and economic development became a top League priority. The League formed a Task Force on the Next Generation of Economic Development Tools in spring 2012, chaired by then-League President Bill Bogaard. The city officials serving on the task force provided key direction for the League to work on giving cities more options going forward. For the past six years, the League has focused on creating these options.

The League’s initial effort concentrated on making Infrastructure Financing District (IFD) law a useful tool. IFD law had many problems. It had been in place for 22 years and was rarely used. A major impediment was the requirement for two separate two-thirds public votes: one to establish a district, the other to issue debt. These vote requirements were sufficient to deter most agencies from considering further action. The League’s attorneys determined that these statutory vote requirements were not constitutionally required and identified other proposed changes to the law. Working in partnership with the California Building Industry Association, the League supported a series of amendments to SB 214 (Wolk), which passed in the Legislature. Regrettably, Gov. Jerry Brown vetoed this measure along with several others, including SB 1156 (Steinberg), which would have reauthorized redevelopment in a more limited form. The governor’s veto messages stressed his desire to keep cities focused on dissolving redevelopment.

In 2014, the League’s work on SB 214 resurfaced as part of a tool called the Enhanced Infrastructure Finance District (EIFD) proposed by the Brown administration. Rather than amending IFD law, as SB 214 had proposed, the administration opted to craft an entirely new statute that mirrored many of IFD’s elements. In the ensuing negotiations, the League succeeded in eliminating a requirement to have a public vote prior to establishing a district. Though a 55 percent voter approval requirement to issue bonds remains in the law, other ways to secure financing have been identified. EIFD law was enacted by SB 628 (Beall, Chapter 785, Statutes of 2014). The League sponsored a cleanup bill to EIFD law in 2015 — AB 313 (Atkins, Chapter 320, Statutes of 2015).

In addition, the League sponsored legislation to bring back the tools and powers of redevelopment through a three-year partnership with Assembly Member Luis Alejo (D-Watsonville) to craft the Community Revitalization Investment Authority (CRIA) law. The first effort, AB 1080 (Alejo) in 2013, stalled in the Appropriations Committee after the administration made it clear that no new economic development legislation would be signed that year. The following year, Gov. Brown vetoed AB 2280 (Alejo), with a veto message that sought drafting changes. In 2015, Gov. Brown signed AB 2 (Alejo and E. Garcia, Chapter 319, Statutes of 2015) into law. And in 2016, the League sponsored a cleanup bill, AB 2492 (Alejo and E. Garcia, Chapter 524, Statutes of 2016).

Keeping in mind the “give us options” direction from its Task Force on the Next Generation of Economic Development Tools, the League also took advantage of growing legislative and administration interest in addressing the challenges faced by disadvantaged unincorporated communities. The League drafted and sponsored amendments to SB 614 (Wolk) to craft a simple tax-increment financing tool that cities and counties could use — as part of a city annexation of a
disadvantaged unincorporated community — to repair and upgrade infrastructure. Gov. Brown signed it into law (Chapter 784, Statutes of 2014).

In 2017, the League drafted and sponsored SB 711 (Hill), which would authorize the use of the school share of property taxes to be invested as part of local tax-increment financing projects using EIFD, CRIA or other tools — if approved through a process using the state’s Strategic Growth Council — for projects that advance important state goals such as reducing greenhouse gas emissions reductions and vehicle miles traveled and supporting affordable housing production and transit-oriented development. The bill included requirements for program oversight, reporting, criteria, and caps for the state’s financial exposure. Although that effort did not gain momentum, it is likely that such a concept will be revisited as discussions evolve over a redevelopment 2.0 mechanism.

The League and its attorneys also provided significant technical assistance in 2017 with drafting AB 1598 (Mullin, Chapter 764, Statutes of 2017), which used existing CRIA law as a model for adopting a new financing tool for affordable housing production.

As these new tools were developed, the League produced various white papers, hosted webinars, participated in workshops and collaborated with the California Association for Local Economic Development in the formation of a Tax-Increment Financing Technical Committee that has issued additional guides to the uses of these new tools (available at https://caled.org/tif-technical-committee).

In recent months, League representatives have also met with gubernatorial candidates, legislators and their staff on how to restore and further enhance local community economic development tools. Several bills have been introduced in 2018, intended to refine discussions in anticipation that the next Governor would be willing to approve a revised tool.

**Summary of New Tax-Increment Tools**

The **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 increment 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, other financing alternatives exist.

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. Though an individual 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 legislation, AB 1568 (Bloom, Chapter 562, Statutes of 2017), authorizes EIFDs to access sales tax in instances when the boundaries are
“coterminous” with the boundaries of the underlying city or county and 20 percent of the revenue is spent on affordable housing on infill sites.

Community Revitalization and Investment Authorities (CRIAs) law (beginning with Section 62000 of the California Government Code) have all the former powers of redevelopment agencies. A CRIA focuses on assisting with the revitalization of poorer neighborhoods and former military bases. While similar to redevelopment, a CRIA is more streamlined. Accountability measures are included to ensure that the use of the CRIA remains consistent with community priorities, and 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 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 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.

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 California Revenue and Tax Code) authorizes consenting local agencies (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) establishes a financing tool for seaport infrastructure based on a modified form of the EIFD law.

Military Base Infrastructure and Revitalization Financing Districts (MIRFDs) 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.