



**San Gabriel Valley Council of Governments**

**AGENDA AND NOTICE**

**OF THE SPECIAL MEETING OF THE SGVCOG PLANNING DIRECTORS  
TECHNICAL ADVISORY COMMITTEE (TAC)**

**Monrovia Community Center: 119 W. Palm Ave.; Monrovia, CA 91016  
Thursday, February 28, 2019 – 12:00 PM**

**Chair: Craig Hensley**  
City of Duarte

**Vice-Chair: Michael  
Huntley**  
City of Monterey Park

**Members**  
Alhambra  
Arcadia  
Claremont  
Covina  
Diamond Bar  
Duarte  
El Monte  
Glendora  
Irwindale  
La Verne  
Monrovia  
Montebello  
Monterey Park  
Rosemead  
San Dimas  
San Gabriel  
Sierra Madre  
South El Monte  
South Pasadena  
Temple City  
West Covina  
LA County DRP

Thank you for participating in today's meeting. The Planners' Technical Advisory Committee encourages public participation and invites you to share your views on agenda items.

**MEETINGS:** *Regular Meetings of the Planners' Technical Advisory Committee are held on the fourth Thursday of each month at 12 PM at Upper San Gabriel Valley Municipal Water District-602 E. Huntington Dr., Suite B, Monrovia, CA 91016.* The Planners' Technical Advisory Committee agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, [www.sgvkog.org](http://www.sgvkog.org). Copies are available via email upon request ([sgv@sgvcog.org](mailto:sgv@sgvcog.org)). Documents distributed to a majority of the Committee after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

**CITIZEN PARTICIPATION:** Your participation is welcomed and invited at all Planners' Technical Advisory Committee meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the Committee refrain from making personal, slanderous, profane, or disruptive remarks.

**TO ADDRESS THE PLANNERS' TECHNICAL ADVISORY COMMITTEE:** At a regular meeting, the public may comment on any matter within the jurisdiction of the Committee during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. If several persons wish to address the Committee on a single item, the Chair may impose a time limit on individual remarks at the beginning of discussion. **The Planners' Technical Advisory Committee may not discuss or vote on items not on the agenda.**

**AGENDA ITEMS:** The Agenda contains the regular order of business of the Planners' Technical Advisory Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Committee can be fully informed about a matter before making its decision.

**CONSENT CALENDAR:** Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Committee member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Planners' Technical Advisory Committee.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



**PRELIMINARY BUSINESS**

**3 MINUTES**

1. Call to Order
2. Roll Call
3. Public Comment (*If necessary, the Chair may place reasonable time limits on all comments*)

**CONSENT CALENDAR**

**2 MINUTES**

*(It is anticipated that the Committee may take action on the following matters)*

4. Planners TAC Meeting Minutes – 01/24/2019 -- Page 1  
*Recommended Action: Approve.*

**PRESENTATIONS**

**25 MINUTES**

5. SB 2 Planning Grants Program, Year 1 Guidelines: Presentation by Peter Duyshart, Project Assistant, SGVCOG -- Page 7  
*Recommended Action: For information only.*
6. Metro Open Streets Grant Program, FY 2020 Mini-Cycle Application and Guidelines: Presentation by Peter Duyshart, Project Assistant, SGVCOG -- Page 39  
*Recommended Action: For information only.*

**DISCUSSION ITEMS**

**15 MINUTES**

7. Follow-up: Housing, Planning, and Development Legislation for the 2019-2020 Legislative Session -- Page 47  
*Recommended Action: Discuss and provide direction to staff.*
8. Local Agency Responses to Dockless Scooters  
*Recommended Action: For discussion.*

**UPDATE ITEMS**

**10 MINUTES**

9. Recap of Metro PAC Meeting Pertaining to the “Twenty-Eight by ’28 Initiative” -- Page 61  
*Recommended Action: For information and discussion.*
10. Measure M MSP Funding Update  
*Recommended Action: For information only.*
11. ACE Capital Projects and Construction Update  
*Recommended Action: For information only.*

**ACTION ITEMS**

**EXECUTIVE DIRECTOR’S COMMENTS**

**3 MINUTES**

12. The California Natural Resources Agency’s Green Infrastructure Grant Program  
*Recommended Action: For information only.*

**CHAIR’S REPORT**

**2 MINUTES**

13. Solicitation of presentation topics.  
*Recommended Action: For discussion.*
14. Current City Projects  
*Recommended Action: Discuss the idea of a monthly presentation on city projects by TAC members.*

**ANNOUNCEMENTS**

**2 MINUTES**

**ADJOURN**



## **SGVCOG Planners TAC Meeting Minutes**

Date: January 24, 2019

Time: 12:00 P.M.

Location: Monrovia Community Center  
119 West Palm Avenue; Monrovia, CA 91016

### **PRELIMINARY BUSINESS**

1. Call to Order. The meeting was called to order at 12:00 P.M.
2. Roll Call

#### **Planners TAC Members Present**

V. Reynoso, S. Quyle; Alhambra  
L. Flores; Arcadia  
B. Johnson, A. Turner; Claremont  
B. Lee; Covina  
M. Nakajima, G. Lee; Diamond Bar  
C. Hensley, J. Golding; Duarte  
T. Bu, C. Averell; El Monte  
M. Carnahan; Glendora  
E. Scherer; La Verne  
S. Bermejo; Monrovia  
A. Lao; Rosemead  
L. Stevens, A. Garcia; San Dimas  
T. Steinkruger, M. Chang; San Gabriel  
V. Gonzalez; Sierra Madre  
S. Reimers; Temple City  
J. Anderson; West Covina  
M. Kim; LA County DRP

#### **Planners TAC Members Absent**

Irwindale  
Montebello  
Monterey Park  
South El Monte  
South Pasadena

#### **SGVCOG Staff**

P. Duyshart  
J. Cicco

#### **Guests**

B. Shevlin; Mayor Pro-Tem of the City of Monrovia  
S. Ruelas, R. Garcia; Baldwin Park  
D. Flores; Azusa  
A. Ross; LA County DPW  
H. Stratman; Principle Strategic Advisors

3. Public Comment.

No public comment.

### **CONSENT CALENDAR**

4. Planners TAC Meeting Minutes – 11/29/2018

**There was a motion made to approve the Consent Calendar (M/S: S. Reimers/L. Stevens).**

Ayes	Alhambra, Arcadia, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendora, La Verne, Monrovia, Rosemead, San Dimas, San Gabriel, Sierra Madre, Temple City, West Covina, LA County DRP
Noes	
Abstain	
Absent	Irwindale, Montebello, Monterey Park, South El Monte, South Pasadena

**PRESENTATIONS**

**5. Establishing a Regional Housing and Land Trust Fund**

Heather Stratman of Principle Strategic Advisors provided the presentation for this item. She also provided a presentation about Regional Housing Trust Funds to the SGVCOG’s Homelessness Committee this past December.

During his presentation, Ms. Stratman did the following:

- Provided background and a description of Regional Housing Trust Funds and how they function.
- Explained the primary benefits of Regional Housing Trusts
- Explained the structure of Regional Housing Trusts, and how funding for these entities are generated and distributed. She went over the funding sources for Regional Housing Trusts.
- Stressed the importance of capacity building
- Discussed different Regional Housing Trusts in California, including how most Trusts are privatized. However, she noted exceptions to this rule, including how Berkeley’s Housing Trust is a P-3 partnership, and Orange County’s Trust is a public sector JPA that was established through AB 448.
- Talked about how to develop a comprehensive plan for implementing and establishing a Regional Housing Trust. This included explanations about regionalization, finance, and funding, and “Wrap Around Services.”
- Clarified how Housing Trusts are meant to fill funding gaps for housing projects, NOT to be the only source of funding.
- Stressed the importance of finding leadership in order to usher through Regional Housing Trusts.
- Mentioned how a lot of cities will have to pitch in a work collaboratively together.

Ms. Stratman then opened it up to members of the TAC to ask her questions and engage in discussion on this matter.

Questions/Discussion: The following issues were asked about and discussed:

- A member of the TAC asked if, for the Regional Housing Trust Funds, there affordability limits?
- There were multiple questions about coalition cities and how to approach cities which are skeptical of these Trusts.
- A second TAC member asked: in terms of the funding, how much of the funding is projects-based vs. providing ongoing continuity, management, and leadership? He noted that the biggest problem with past homeless work was to get continuous funding for this type of work. How much do cities that are participating in this have to pitch in in order to keep up the continuity of the Regional Housing Trust Funds?

- Ms. Stratman referred to how SB 2 funds are a great funding source for the Trust, especially for entitlement and technical type of work. She also noted how services still have to be provided, and the County holds the purse strings for those types of funds. PPPs (Public-Private-Partnerships) are also effective, too. You have to create some sort of mental health system, as well. In Orange County, the County, hospitals, and other groups came together to fund this. You need unique financial arrangements.
- There was a question about how many units can be required to be built, and how this affects cities' RHNA requirements?
  - Ms. Stratman stated that 2,700 units over 10 years is under the requirements and thresholds. SB 35 also affects this matter, too.
- Another TAC member asked about HEAP funding, and if this is this calculated into any of this. This TAC member also asked if cities are looking to apply for HEAP funding that can be calculated into this funding mechanism.
  - Ms. Stratman said how these funds went to pay for shelter beds.

## DISCUSSION ITEMS

6. Housing, Planning, Development Legislative Preview for the 2019-2020 State of California Legislative Session

Peter Duyshart, who is a Project Assistant with the SGVCOG, provided this legislative preview legislation to the Planning TAC. Mr. Duyshart gave this presentation to the TAC since a plethora of new legislation has already been introduced in the 2019-2020 Session of the California State Legislature, and COG staff wants to notify the TAC early on in the legislative cycle about the types of legislation that are currently being introduced, and that cities might have to comply with in the future. Mr. Duyshart also shared the primary legislative goals of the League of California Cities as a reference point by which cities can assess the legislation with.

P. Duyshart explained how SGVCOG Staff is seeking direction from the Planning TAC regarding which bills the SGVCOG should monitor or even take a position on. He encouraged TAC members to share bills of concern with him either during the course of the TAC meeting, or through email after the meeting.

The 26 pieces of legislation that Mr. Duyshart provided an overview of are as follows:

- Zoning and Land Use Legislation: SB 50 (Wiener) & SB 4 (McGuire and Beall)
- Low-income and Affordable Housing Legislation: AB 10 (Chiu, Bonta, Maienschein, Reyes, and Wicks), SB 9 (Beall), ACA 1 (Curry), AB 14 (Rivas), AB 36 (Bloom), & SCA 1 (Allen & Wiener)
- Accessory Dwelling Units Legislation: AB 68 (Ting), AB 69 (Ting), & SB 13 (Wieckowski)
- Redevelopment Legislation: AB 11 (Chiu, et al.), SB 5 (Beall and McGuire), SB 15 (Portantino), & AB 180 (Gipson)
- Homelessness Legislation: AB 22 (Burke), SB 48 (Wiener), AB 58 (Rivas), SB 18 (Skinner), AB 67 (Rivas), & AB 139 (Quirk-Silva)
- General Housing-Related Legislation: SB 6 (Beall and McGuire), SB 25 (Caballero), AB 53 (Jones-Sawyer and Bonta), AB 178 (Dahle), AB 191 (Patterson)

7. AB 626: Microenterprise Home Kitchen Operation (MEHKO): Discussion of Cities' Approaches to Complying with the Law

Peter Duyshart of the SGVCOG provided a background on AB 626 to the Planning TAC, and also explained what MEHKO's are. He also gave a summary of what the most notable and pertinent restrictions on MEHKO's are, as stipulated by AB 626.

Mr. Duyshart explained that, since AB 626 permits counties and local municipalities to enact an ordinance or resolution to authorize the local enforcement entity to issue public health permits and to conduct inspections, and since local agencies will now have to consider the implications and impacts that MEHKO's could have on their communities, the purpose of this discussion is for SGV Planners to hear about possible ideas or plans pertaining to any regulations that cities might have for MEHKO's.

Members of the TAC then held a short question and discussion session on how to approach the regulation of MEHKO's at the local level.

## **EXECUTIVE DIRECTOR'S COMMENTS**

J. Cicco, who is the Regional Homelessness Coordinator for the SGVCOG, provided some comments to the TAC with regards to SB 2 compliance. She stated how, as it relates to SB 2 compliance, but also in general, the COG is stronger if we can speak in a concerted voice and a collaborative voice together. Ms. Cicco announced that she wants to set up a conference call with City planners for SB 2 compliance, with the ultimate goal of trying to help the County better understand where the cities are coming from. She asked for members of the TAC to please let SGVCOG staff know if they want to participate in this call and effort.

## **UPDATE ITEMS**

### **8. Measure M MSP Funding Update**

P. Duyshart gave the update on this item. He notified TAC members that, within the next couple of weeks, the SGVCOG will be sending the draft of its MSP 5-Year Plans to Metro for review. Metro has 60 days to review the draft plans and recommended projects for eligibility, and during this time, they hold the right to request additional project information from each of the cities or agencies which submitted a project for MSP funding. COG staff will continue to keep pertinent cities and agencies apprised of new MSP developments and timeline updates.

One TAC member expressed concern about future MSP subregional funds being taken away from the subregion for the Gold Line Phase 2B extension project. He asked the COG and the cities to watch Metro and the Gold Line Construction Authority in their efforts to possibly take this funding away. Stressed how we all need to collaboratively be vigilant about watching this.

### **9. ACE Capital Projects and Construction Update**

P. Duyshart also gave the update on this item. He reminded members of the TAC that the COG is re-opening the Capital Projects Review and solicitation process. Mr. Duyshart then announced that cities which want to submit possible capital projects that they would want the COG to take over construction management of to notify the COG, in writing, of which projects they want the COG to consider as soon as possible.

## **CHAIR'S REPORT**

### **10. Solicitation of presentation topics**

There was no discussion on this item.

### **11. Current City Projects**

There was no discussion of city projects.

**ANNOUNCEMENTS**

C. Hensley, the Chair of the Planning TAC, announced that the next Planning Directors' TAC Meeting will be on Thursday, February 28<sup>th</sup>, 2019.

**ADJOURN**

The meeting adjourned at 1:19 P.M.



DATE: February 28, 2019

TO: San Gabriel Valley Council of Governments Planning TAC

FROM: Marisa Creter, Executive Director

RE: **SB 2 Planning Grants Program: Year 1 Guidelines**

## **RECOMMENDED ACTION**

For information only.

## **BACKGROUND AND INFORMATION**

In 2017, then-Governor Jerry Brown signed a sweeping and comprehensive 15-bill housing package into law. The primary purpose of the state legislature passing, and Governor Brown signing, these pieces of legislation was to address both the State's housing shortage and very expensive housing costs. One of the most significant pieces of legislation of this 15-bill package was SB 2, also known as the "building Homes and Jobs Act of 2017. SB 2 established a \$75 recording fee on all real estate documents in order to provide a stream of funding which is ultimately meant to spur and encourage a significant increase in the supply of affordable homes in California by means of enabling local governments and related agencies to, through grant programs, draft plans, adopt plans, and implement plans.

The primary, overarching goal of the SB 2 grant program is to make capital available to all local governments in the State of California to enable them to streamline housing approvals and create plans which reflect goals and zoning practices to increase housing production. On a related note, the grant program is supposed to encourage cities to advance and implement planning activities which will promote an increase in housing production across a plethora of income levels, with a focus on low-income housing. This grant funding can provide local municipalities with the funding necessary to be able to update or adopt new land use plans across their respective jurisdictions or in certain neighborhoods or corridors. In summary, grant program objectives include the following:

- Accelerate housing production
- Streamline the approval of housing development across all income levels
- Facilitate housing affordability for all income groups
- Promote development consistent with State Planning Priorities
- Ensure geographic equity in the distribution and expenditure of allocated funds

During Year 1 of the SB 2 Grant Programs, which is the year 2019, 50% of the SB 2 revenues will be allocated for State-administered homelessness programs, while the other 50% of the grant funds will be put toward the aforementioned State-Administered Planning Grants. It should be noted that 5% of the 50% of funds going toward the planning grants will be set aside for technical assistance for local governments. This technical assistance will be coordinated between HCD and the Governor's Office of Planning and Research (OPR), and the purpose of the technical assistance is

to assist local governments to prepare and implement planning activities pertaining to housing production.

Eligible applicants for this SB 2 planning grant program are limited to just local governments, which includes municipalities, townships, and counties. Local governments are permitted by the State's Department of Housing and Community Development (HCD) to partner with other forms of governments under special circumstances. In these cases, the local governments would have to enter into legally binding agreements with these partnering governmental entities, and will have to provide evidence and reasoning as to why an inter-agency partnership is necessary. In addition, eligible applicants must meet the following HCD-mandated requirements in order to apply for SB 2 grant program funding:

1. Have an HCD-compliant housing element
2. Have submitted a recent Annual Progress Report
3. Must demonstrate a nexus to accelerating housing production.
  - a. HCD also notes that applicants which are proposing planning activities in "priority policy areas" are automatically considered to be demonstrating a nexus to accelerating housing production. Details and clarity about what the definitions of "priority policy areas" are will be released by the HCD soon.
4. Must demonstrate that they are consistent with State Planning Priorities

For this grant program, local governments are able to apply for funding for a plethora of activities which are meant to allow for an increase in housing production in their respective jurisdictions. These eligible projects may include:

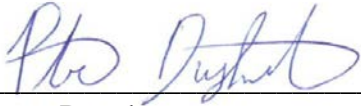
- Updates to:
  - General plans
  - Community plans
  - Specific plans
  - Local coastal plans
  - Local planning related to implementation of sustainable communities strategies
  - Zoning ordinances
- Environmental analyses that eliminate the need for project-specific review
- Local process improvements which expedite and streamline processes related to local planning and permitting


## **NEXT STEPS**

Eligible and compliant local governments are able to first apply for SB 2 planning grant funding next month, in March 2019, when HCD will issue its Notice of Funding Availability (NOFA). HCD will provide grant funding to cities through this grant program in a noncompetitive, over-the-counter manner for an eight-month period, meaning that the noncompetitive period will last until November 2019. HCD will start awarding funds in Summer 2019. Year 1 of this grant program will be the only time for eligible cities to apply for planning grants, as the SB 2 planning grants will transition to funding locally-administered affordable housing projects, state-administered middle-income rental projects, production incentives, and farmworker housing starting in 2020.

# REPORT

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Prepared by:   
Peter Duyshart  
Project Assistant

Approved by:   
Marisa Creter  
Executive Director

## ATTACHMENTS

Attachment A – HCD SB 2 Planning Grant Guidelines -- Page 10

# **Senate Bill 2 Planning Grants Program Year 1 Guidelines**



**State of California  
Governor Edmund G. Brown Jr.**

**Alexis Podesta, Secretary  
Business, Consumer Services and Housing Agency**

**Ben Metcalf, Director  
Department of Housing and Community Development**

**Zachary Olmstead, Deputy Director  
Department of Housing and Community Development  
Division of Housing Policy Development**

**2020 West El Camino Avenue, Suite 500  
Sacramento, CA 95833**

**December 2018**

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Quasi-legislative regulations ... have the dignity of statutes ... [and]... delegation of legislative authority includes the power to elaborate the meaning of key statutory terms...

*Ramirez v. Yosemite Water Co.*, 20 Cal. 4th 785, 800 (1999)

In consultation with stakeholders, the California Department of Housing and Community Development (Department) may adopt Guidelines to implement this section, including determining allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the Department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Gov. Code).

NOTE: Authority Cited: Health and Safety Code section 50470, subdivision (d).

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines, including, but not limited to, grant award amounts.

## INTRODUCTION

Chapter 354, Statutes of 2017 (SB 2, Atkins) was part of a 15 bill housing package signed by Governor Brown that was aimed at addressing the state's housing shortage and high housing costs. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on real estate transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) to use 50 percent of the revenue in the first year to establish a program that provides financial and technical assistance to local governments to update planning documents and zoning ordinances in order to streamline housing production, including, but not limited to, general plans; community plans; specific plans; implementation of sustainable communities strategies; and local coastal programs. Eligible uses also include new environmental analyses that eliminate the need for project-specific review and local process updates that improve and expedite local permitting.

Guidelines for the SB 2 Planning Grants program are organized into seven Articles as follows:

Article I. General provisions: This Article includes information on the purpose of the Guidelines, program objectives, and definitions used throughout the document.

Article II. Eligibility and threshold criteria: This Article describes the eligibility requirements for applicants and proposals in order to apply for funds under the SB 2 Planning Grants program.

Article III. Eligible activities and uses: This Article describes eligible uses for the SB 2 Planning Grants funds, including priority policy areas and ineligible uses.

Article IV. Award amounts and distribution: This Article describes award amounts and geographic distribution.

Article V. Application review: This Article describes the application review process.

Article VI. Administration: This Article describes administrative functions such as terms, non-performance remedies and reporting requirements.

Article VII. Technical assistance: This Article describes technical assistance.

## SB 2 Planning Grants Program: Year 1 Guidelines

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2 – State Planning and Other Planning Priorities Form	
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## **ARTICLE I. GENERAL PROVISIONS**

### **Section 100. Purpose and Scope**

- (a) These Guidelines (hereinafter “Guidelines”) implement, interpret, and make specific the Chapter 364, Statutes of 2017 (SB 2, Atkins) (hereinafter “SB 2”) as authorized by Health and Safety Code section 50470.
- (b) These Guidelines establish terms, conditions, and procedures for a local government to submit an application for planning grants funds to the Department.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

### **Section 101. Program Objectives**

- (a) The principal goal of this program is to make funding available to all local governments in California for the preparation, adoption and implementation of plans that streamline housing approvals and accelerate housing production.
- (b) This grant program is meant to facilitate planning activities that will foster an adequate supply of homes affordable to Californians at all income levels. It is designed to help local governments meet the challenges of preparing and adopting land use plans and integrating strategies to promote housing development.
- (c) Funded activities are intended to achieve the following program objectives:
  - Accelerate housing production
  - Streamline the approval of housing development affordable to owner and renter households at all income levels
  - Facilitate housing affordability for all income groups
  - Promote development consistent with the State Planning Priorities (Government Code section 65041.1)
  - Ensure geographic equity in the distribution and expenditure of allocated funds

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d) and Government Code section 65041.1. Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

### **Section 102. Definitions**

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in Health and Safety Code section 50470.

- (a) “Accelerating Housing Production” means improving the timing, cost, feasibility, approval and amount of development through various mechanisms such as zoning incentives (e.g., increased density and heights, reduced parking requirements), upzoning, zoning amendments to permit residential in non-residential zones, corridor planning, development standards modifications, non-discretionary review, financing strategies, sliding scale fee modifications, facilitating adequate infrastructure to support development, approval streamlining that addresses quickness and ease of entitlements, and other mechanisms that promote production or remove or mitigate regulatory barriers.
- (b) “Affordability” means a housing unit that satisfies at least one of the following criteria:
1. It is available at an “affordable rent” as that term is used and defined in Section 50053 of the Health & Safety Code;
  2. It is offered at an “affordable housing cost”, as that term is used and defined in Section 50052.5 of the Health & Safety Code; or
  3. It is available at an “affordable rent” or an “affordable housing cost” according to the alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to Department regulations adopted under Health and Safety Code section 50462(f).
- (c) “Annual Progress Report” (APR) means the housing element Annual Progress Report required by Government Code section 65400 on the prior year’s activities and due to the Department April 1 of each year.
- (d) “Department” means the California Department of Housing and Community Development.
- (e) “Disaster Recovery Area” means a locality experiencing a state or federally declared disaster in the last five years, where proposed planning activities will significantly address the present and future housing needs of the disaster, including climate adaptation.
- (f) “Fund” means the Building Homes and Jobs Trust Fund pursuant to Health and Safety Code section 50470.
- (g) “High-quality transit corridor” means an existing corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours. An existing stop along a high-quality transit corridor may include a stop currently in service or a planned and funded stop that is included in an adopted regional transportation improvement program.
- (h) “Housing” means any development that satisfies both of the following criteria:

1. At least two-thirds of the square footage of the development must be designated for residential use; and
2. Includes a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied as separate living quarters, or, if vacant, is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have a direct access from the outside of the building or through a common hall.

Note: accessory dwelling units (ADU) and junior accessory dwelling units (JADU) pursuant to Gov. Code sections 65852.2 and 65852.22 meet the definition above.

- (i) “Local government” or “Locality” means any city, including a charter city, county, including a charter county or city and county, including a charter city and county.
- (j) “Location Efficient” means either of the following definitions (1) within one half of a mile of a major transit stop or high-quality transit corridor, or (2) where the household per capita vehicle miles traveled is below the regional average per capita vehicle miles travelled, as determined by a regional travel demand model.
- (k) “Lower-Income” means households whose incomes are less than 80 percent of area median income pursuant to Health and Safety Code section 50079.5.
- (l) “Lower-income Community” means a locality with a median household income at or below 80 percent of the state median income.
- (m) “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 frequencies of service intervals of 15 minutes or less during the morning and afternoon peak-commute periods. An existing “Major Transit Stop” may include a planned and funded stop that is included in an adopted regional transportation improvement program.
- (n) “Moderate-Income” means households whose income is above 80 percent of area median income but does not exceed 120 percent of area median income pursuant to Health and Safety Code section 50093.
- (o) “Objective zoning standard”, “objective subdivision standard”, and “objective design review standard” means standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. “Objective design review standards” means only objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submission of a development application, which are broadly applicable to development within the jurisdiction.

- (p) “Other Planning Priorities” means planning, policies, programs or investments to promote housing choices and affordability to lower and moderate income households, the encouragement of conservation of the existing affordable housing stock and efforts to take into account current and future impacts of climate change, including hazard mitigation.
- (q) “Priority Policy Areas” means any of the following:
1. Rezone to Permit By-right: Rezoning for additional housing capacity without or lesser discretionary review or establishing zoning to permit residential development by-right, particularly multifamily, without discretionary action pursuant to Government Code Section 65583.2(h) and (i).
  2. Objective design and development standards: Developing objective design standards or pre-approved site and architectural plans that facilitate non-discretionary permitting.
  3. Specific plans or Form Codes coupled with CEQA streamlining: Designating and rezoning for additional housing capacity or preparing specific plans or form codes that include zoning and development standards and plan-level environmental analysis that can be used to streamline future housing projects and facilitate affordability.
  4. Accessory Dwelling Units and other innovative building strategies: Encouraging ADUs and other innovative building types through ordinances, outreach, fee waivers, pre-approved plans, website zoning clearance assistance, and other homeowner tools or finance tools.
  5. Expedited processing: Speeding up approvals and permit processing, including instituting programs that streamline or consolidate the review process or create a separate process for expedited review of housing projects.

NOTE: Priority policy areas are subject to change and will be defined in the Notice of Funding Availability (NOFA).

- (r) “Program” means the program developed to implement the first year of the Fund pursuant to Health and Safety Code section 50470(b)(1)(A).
- (s) “State Planning Priorities” means priorities which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities pursuant to Gov. Code Section 65041.1.
- (t) “Streamlined Housing Production” means improving the entitlement process through actions such as removing, mitigating or minimizing local regulatory requirements, reforming the local approval process to reduce processing times, the number of local discretionary approvals and permits needed for projects, improving

approval certainty, establishing non-discretionary processes, modifying development standards such as reducing parking requirement and increasing height limits or other efforts such as taking the fullest advantage of existing streamlining mechanisms provided in state law.

(u) “Under-resourced Localities” means

1. Lower-income community that meets either of the following criteria: (1) a population less than 25,000 (2018 Department of Finance (DOF) population estimate, report E-5) and two or less planners (as reported to the Office of Planning and Research (OPR) in 2018) or (2) a population less than 50,000 and three or less planners.

or

2. A locality demonstrating to the Department a significant lack of planning capacity based on population size, poverty levels, median household incomes relative to the state median incomes, unemployment rates, number of planners, and budget size.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470.5 and 50470, subdivision (b)(1)(A).

## **ARTICLE II. ELIGIBILITY AND THRESHOLD CRITERIA**

The Program does not use a competitive process to award funds. All localities that meet the eligibility requirements outlined below will be funded as provided in these Guidelines.

### **Section 200. Eligible Applicants**

- (a) Eligible applicants are limited to local governments.
- (b) Local governments may partner through legally binding agreements with other forms of governments or entities where the proposal will have a direct effect on land-use or development within the locality. This includes, but is not limited to, partnerships with other localities, regional governments, housing authorities, school districts, special districts, community based organizations, or any duly constituted governing body of an Indian Reservation or Rancheria. Multi-jurisdictional partnerships between local governments are encouraged to coordinate with regional governments, leverage regional and state investment, promote consistency with the sustainable communities strategy, and affirmatively further fair housing.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

## Section 201. Threshold Criteria

Applicants must meet all the following threshold requirements for participation in the Program:

- (a) **Housing element compliance:** The applicant must have a housing element that has been adopted by the jurisdiction's governing body by the deadline specified in the NOFA and subsequently determined to be in substantial compliance with state housing element law pursuant to Gov. Code Section 65585.
1. The jurisdiction's adopted housing element will be deemed to have met this requirement if the adopted element is received by the Department on or prior to the date specified in the NOFA and the Department subsequently determines the adopted housing element to be in substantial compliance pursuant to Gov. Code Section 65585 without further amendment.
  2. However, applicants not meeting housing element requirements may be considered to meet this threshold requirement at the discretion of the Department and based on factors such as significant progress in meeting housing element requirements (e.g., a draft found to meet statute, rezoning near completion), proposing activities to meet housing element requirements (e.g., rezoning to accommodate housing needs pursuant to Gov. Code Section 65583(c)(1)) and adoption of a compliant element prior to the award of funds.
  3. No documentation is necessary to meet this threshold requirement if an adopted housing element has been found in substantial compliance by the Department.

A jurisdiction's current housing element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element/index.shtml> or by contacting Paul McDougall at [paul.mcdougall@hcd.ca.gov](mailto:paul.mcdougall@hcd.ca.gov).

- (b) **Annual Progress Report (APR) on the housing element:** The applicant must submit the APR to the Department as required by Gov. Code section 65400 for the current or prior year by the date established in the NOFA.
1. Charter cities are not exempt from this specific Program requirement and must submit an APR to be eligible for the Program.
  2. Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a jurisdiction, please contact the Department for more information.
  3. The proposed use of the planning grant shall be included in the locality's funding plan and annual progress reports pursuant to Gov. Code section 50470(b)(2)(B)(ii)(II) and (III).

4. No documentation is necessary to meet this threshold requirement.

- (c) **Nexus to accelerating housing production:** The applicant must propose and document plans or processes that accelerate housing production. The application must demonstrate a significant positive effect on accelerating housing production through timing, cost, approval certainty, entitlement streamlining, feasibility, infrastructure capacity, or impact on housing supply and affordability. An application not utilizing priority policy areas must include an explanation and documentation of the nexus plans or processes impact on accelerating housing production based on a reasonable and verifiable methodology and must utilize the Department's form (see Attachment 1). A verifiable methodology may include a statement of support from a non-profit or for-profit developer that is active in the locality.

Applicants proposing priority policy areas do not require a nexus demonstration and are automatically deemed to accelerate housing production without any documentation.

- (d) **State Planning and Other Planning Priorities:** Applicants must demonstrate that the locality is consistent with State Planning or Other Planning Priorities. Consistency may be demonstrated through activities (not necessarily proposed for SB 2 funding) that were completed within the last five years. Applicants must self-certify utilizing the Department's form (see Attachment 2).

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

### **ARTICLE III. ELIGIBLE ACTIVITIES AND USES**

#### **Section 300. Eligible Activities**

- (a) Eligible activities must demonstrate a nexus to accelerating housing production.
- (b) Eligible activities may include:
1. Updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, or local coastal plans;
  2. Updates to zoning ordinances;
  3. Environmental analyses that eliminate the need for project-specific review; and
  4. Local process improvements that improve and expedite local planning.

Applicants proposing priority policy areas are automatically deemed to accelerate housing production without any documentation or demonstration to the Department.

- (c) Eligible activities are not necessarily jurisdiction-wide and may include a smaller geography with a significant impact on housing production. For example, eligible activities may include a housing development-related project with a significant community level impact or planning or process improvement for a project with an ongoing community impact beyond the project. Eligible activities also include an overlay district, project level specific plan or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas.
- (d) Eligible activities may include the creation or enhancement of a housing sustainability district pursuant to AB 73 (Chapter 371, Statutes of 2017), workforce housing opportunity zone pursuant to SB 540 (Chapter 369, Statutes of 2017), zoning for by-right supportive housing, pursuant to Government Code section 65651 (Chapter 753, Statutes of 2018), zoning incentives for housing for persons with special needs, including persons with developmental disabilities, rezoning to meet requirements pursuant to Government Code Section 65583.2(c) and other rezoning efforts to facilitate supply and affordability, rezoning for multifamily housing in high resource areas (according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps), pre-approved architectural and site plans, regional housing trust fund plans, SB 2 funding plans, and infrastructure financing plans.
- (e) Eligible activities may include environmental hazard assessments, data collection on permit tracking, feasibility studies, site analysis, or other background studies that are ancillary and part of the proposed activity.
- (f) Eligible activities may be part of a larger planning effort (e.g., a comprehensive zoning code update) if proposed activities have not been completed prior to the NOFA date, are distinct, and demonstrate a nexus to accelerating housing production.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

### **Section 301. Ineligible Activities**

- (a) Activities unrelated to housing production.
- (b) Activities that obstruct or hinder housing production, e.g. moratoriums, downzoning, planning documents with conditional use permits that significantly impact approval certainty and timing, planned development, or other similarly constraining processes.
- (c) The Department may consider proposals that include activities under subdivisions (a) and (b) if a significant housing component is also present and the net effect on accelerating housing production is positive. For example, an applicant may propose combining an open-space designation, downzoning, or anti-displacement measures with by-right upzoning that has a significant net gain in housing capacity.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

### **Section 302. Eligible Uses**

- (a) Grant funds shall be used for the costs of preparing and adopting the proposed activity.
- (b) Program grant funds may not be used for administrative costs of persons employed by the grantee for activities not directly related to the preparation and adoption of the proposed activity.
- (c) A jurisdiction that receives funds under this Program may use a subcontractor. The subcontract shall provide for compliance with all the requirements of the Program. The subcontract shall not relieve the jurisdiction of its responsibilities under the Program.
- (d) Applicants will enter into a State Standard Agreement (Standard Agreement) for distribution of funds. Program grant funds must be spent by the anticipated end of the grant term (June 30, 2022).
- (e) Unless otherwise noted, no costs incurred prior to the execution date of the Standard Agreement may be charged to Program funds. After the contract has been executed by the state, eligible expenditures may be incurred and expended for the project(s) subject to the terms and conditions of the Standard Agreement.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

## **ARTICLE IV. AWARD AMOUNTS AND DISTRIBUTION**

### **Section 400. Award Amounts**

- (a) The minimum award is \$25,000.
- (b) The maximum award amount is a sliding scale based on population estimates from the Department of Finance (DOF) (2018 DOF Population Estimates, E-5), as follows:
  - 1. \$500,000 for large localities (greater than 200,000 people)
  - 2. \$250,000 for medium localities (60,000 to 200,000 people)
  - 3. \$125,000 for small localities (less than 60,000 people)

For a link to the 2018 DOF Population Estimates, E-5, see <http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/>.

- (c) Applicants seeking partnerships with other local governments will be additive. For example, two large localities could submit a proposal for up to \$1,000,000.
- (d) The maximum or minimum award amounts may be adjusted based on the amount collected in the Fund.
- (e) The maximum or minimum awards may be adjusted in the event the Department considers a supplemental round of funding.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

#### **Section 401. Geographic Distribution**

- (a) The Department will ensure geographic equity in the distribution and expenditure of funds through marketing, outreach and technical assistance to potential applicants.
- (b) In the event of a supplemental round of funding, the Department will ensure geographic equity through criteria such as minimum set-asides, under-resourced localities, disaster recovery, and location efficient communities (e.g., access to transportation).

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(C).

### **ARTICLE V. APPLICATION REVIEW AND AWARD**

#### **Section 500. Application Review**

- (a) The Program will not initially utilize a competitive process to award funds. Funds will be available to eligible applicants upon request (“over the counter”).
- (b) Funds will be available for an eight-month over-the-counter period, commencing from the date of the NOFA.
- (c) The Department may extend the over-the-counter period.
- (d) Applicants must submit an application to be eligible for funding. An application form will be available upon release of the NOFA and will include forms to demonstrate meeting threshold requirements, a proposed budget and timeline, and a request for letters of support from key stakeholders and decision-makers in the adoption process.
- (e) The Department may request additional information to complete the initial application for funding.

- (f) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.
- (g) If funds are not fully awarded at the conclusion of the over-the-counter period, the Department may consider a supplemental funding round.
  - 1. The supplemental funding round will be available to prior applicants and localities that have not submitted a request for funding. The supplemental funding round will either use the initial complete application for funding, a new application where localities have not submitted a request for funding, or a new application and NOFA.
  - 2. Localities that have not submitted a previous request for funding will receive top priority in the supplemental funding round, subject to the minimum and maximum award amounts described in Section 400. All other applicants for the supplemental funding round will be subject to scoring criteria. Scoring criteria will include priority policy areas, under-resourced localities, disaster recovery, and location efficient. A tiebreaker will use factors such as impact on housing supply and affordability, level of housing need, and affirmatively furthering fair housing.
  - 3. The Department may adjust scoring criteria to accommodate changes in conditions and circumstances, such as the results of the initial funding round and equitable geographic distribution.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

## **ARTICLE VI. ADMINISTRATION**

### **Section 600. Grant Execution and Term**

- (a) The Department will notify the grantee if they have been selected for a grant award.
- (b) After the Standard Agreement and attachments have been finalized, the grantee will be provided instructions for signing all required documents. The grantee must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions or risk forfeiting the grant award.
- (c) The grant term begins on the day the Department and the grantee have both signed the completed Standard Agreement. The Department will notify the grantee and partners when work may proceed.
- (d) The end of the grant term will be determined by the state based on the availability of grant funds and the administrative requirements for liquidation. The anticipated grant term runs through June 30, 2022.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

### **Section 601. Payment and Accounting of Grant Funds**

- (a) Grant funds cannot be disbursed until the Standard Agreement has been fully executed.
- (b) The grantee will be responsible for compiling and submitting all invoices and reporting documents. Grantees will submit for reimbursements to the Department based on actual cost incurred.
- (c) The grantee must bill the state based on clear deliverables outlined in the Standard Agreement. Only approved and eligible costs incurred for work after the NOFA date, continued past the date of the Standard Agreement and completed during the grant term will be reimbursable. Approved and eligible costs incurred prior to the NOFA date are ineligible.
- (d) Work must be completed prior to requesting reimbursement.
- (e) Grant fund payment will be made on a reimbursement basis; advance payments are not allowed. The grantee and partners must have adequate cash flow to pay all grant-related expenses prior to requesting reimbursement from the Department. Project invoices will be submitted to the Department by the grantee on a quarterly basis.
- (f) In unusual circumstances, the Department may consider alternative arrangements to reimbursement and payment methods based on documentation demonstrating cost burdens, including the inability to pay for work.
- (g) Supporting documentation may include, but is not limited to: purchase orders, receipts, progress payments, subcontractor invoices, time cards, etc.
- (h) Invoices must be accompanied by reporting materials where appropriate. Invoices without the appropriate reporting materials will not be paid. The Department may withhold 10 percent of the grant until grant terms have been fulfilled.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

### **Section 602. Accounting Records and Audits**

- (a) The grantee must establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the attached Work Plan and Budget. Separate bank accounts are not required.

- (b) The grantee shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred during the course of the project in accordance with generally accepted accounting principles.
- (c) The grantee agrees that the state or designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Standard Agreement.
- (d) The grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated.
- (e) Subcontractors employed by the grantee and paid with moneys under the terms of this Standard Agreement shall be responsible for maintaining accounting records as specified above.
- (f) At any time during the term of the Standard Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the award. At the Department's request, the awardee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during project implementation and over the project life.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

### **Section 603. Remedies of Non-performance**

- (a) In the event that it is determined, at the sole discretion of the state, that the grantee is not meeting the terms and conditions of the Standard Agreement, immediately upon receiving a written notice from the Department to stop work, the grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine that the grantee meets the terms and conditions after a stop work order, and to deliver a written notice to the grantee to resume work under the Standard Agreement.
- (b) Both the grantee and the Department have the right to terminate the Standard Agreement at any time upon 30 days written notice. The notice shall specify the reason for early termination and may permit the grantee or the Department to rectify any deficiency(ies) prior to the early termination date. The grantee will submit any requested documents to the Department within 30 days of the early termination notice.
- (c) There must be a strong implementation component for the funded activity through this Program, including, where appropriate, agreement by the locality to formally adopt the completed planning document. Localities that do not formally adopt the funded activity could be subject to repayment of the grant.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

#### **Section 604. Reporting**

- (a) During the term of the Standard Agreement, and according to the annual deadline identified in the Standard Agreement, the awardee shall submit, upon request of the Department, a performance report that demonstrates satisfaction of all requirements identified in the Standard Agreement.
- (b) Upon completion of all deliverables within the Standard Agreement, the awardee shall submit a close out report. See Attachment 3.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b).

### **ARTICLE VII. TECHNICAL ASSISTANCE**

#### **Section 700. Method**

- (a) Five percent of the SB 2 planning funds will be available for the Department and the Governor's Office of Planning and Research (OPR) to provide technical assistance to localities requesting grant funds to update planning documents, zoning ordinances, environmental analyses, or local processes to meet the objectives of the Program.
- (b) Technical assistance provided by the Department and OPR to localities will include at least three phases, including assistance in meeting threshold requirements, providing tools, models and best practices to supplement proposed activities related to accelerating housing production, and direct assistance to applicants.
- (c) The Department will coordinate with OPR on technical assistance related to the SB 2 planning funds.
- (d) With minor exceptions and accounting for equitable geographic distribution, technical assistance will be used on priority policy areas.
- (e) Technical assistance will incorporate the Department's responsibility to affirmatively further fair housing.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

**Section 701. Geographic Distribution**

(a) The Department will prioritize geographic distribution in the provision of technical assistance to potential applicants.

(b) Geographic distribution considerations include minimum set-asides, under-resourced localities, disaster recovery, or location efficiency (e.g., access to jobs and a variety of transportation modes).

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Attachment 1  
Nexus to Accelerating Housing Production  
Form  
(Only for proposals not using the priority policy  
areas)

Locality: \_\_\_\_\_  
 Planned Activity: \_\_\_\_\_

Applicants shall demonstrate how the application includes a nexus to accelerating housing production. Applicants selecting priority policy areas are automatically deemed to demonstrate a nexus to accelerating housing production and do not need to complete this form. Please complete the following chart by providing information about the current conditions and expected outcomes with respect to the planned activity and housing production.

<b>Application Nexus to Accelerating Housing Production</b>				
Type (Select At least One)	Baseline*	Projected**	Difference***	Additional notes
Timing (e.g., reduced number of days of processing)				
Development cost (e.g., land, fees, financing, construction costs per unit)				
Approval certainty and reduction in discretionary review (e.g., prior versus proposed standard and level of discretion)				
Entitlement streamlining (e.g., number of approvals)				
Feasibility of development				
Infrastructure Capacity (e.g, number of units)				
Impact on housing supply and affordability (e.g., number of units)				
Other				
* Baseline – Current conditions in the jurisdiction (e.g. 6-month development application review) **Projected – Expected conditions in the jurisdiction because of the planning grant actions (e.g. 2-month development application review) ***Difference – Potential change resulting from the planning grant actions (e.g., 4-month acceleration in permitting, creating a more expedient development process)				

# Attachment 2 State Planning and Other Planning Priorities Form

Locality: \_\_\_\_\_

Applicants shall report on meeting state objectives by showing activities completed prior to application submittal in one or more of the State Planning Priorities (i.e., Infill and Equity, Resource Protection, Efficient Development Patterns) or Other Planning Priorities (i.e., Affordability, Conservation, Climate Change)

Please select one or more of the areas in the following chart by marking X in the completed box and describe the action and completion date.

<b>STATE PLANNING PRIORITIES</b>		
<b>(Select one or more)</b>		
<b>Action</b>	<b>Completed</b>	<b>Describe Action and Completion Date</b>
<b>Promote Infill and Equity</b>		
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, streets, water, sewer, and other essential services, particularly in underserved areas.		
Seek or utilize funding or support strategies to facilitate opportunities for infill development.		
Other (describe how this meets subarea objective)		
<b>Promote Resource Protection</b>		
Protecting, preserving, and enhancing the state’s most valuable natural resources, including working landscapes such as farm, range, and forest lands; natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands; recreation lands such as parks, trails, greenbelts, and other open space; and landscapes with locally unique features and areas identified by the state as deserving special protection.		

<p>Actively seek a variety of funding opportunities to promote resource protection in underserved communities.</p>		
<p>Other (describe how this meets subarea objective)</p>		
<p><b>Encourage Efficient Development Patterns</b></p>		
<p>Ensuring that any infrastructure associated with development, other than infill development, supports new development that does the following:</p> <ul style="list-style-type: none"> <li>(1) Uses land efficiently.</li> <li>(2) Is built adjacent to existing developed areas to the extent consistent with environmental protection.</li> <li>(3) Is located in an area appropriately planned for growth.</li> <li>(4) Is served by adequate transportation and other essential utilities and services.</li> <li>(5) Minimizes ongoing costs to taxpayers.</li> </ul>		
<p>Other (describe how this meets subarea objective)</p>		

**OTHER PLANNING PRIORITIES**  
**(Select one or more)**

Action	Completed	Describe Action and Completion Date
<b>Affordability and Housing Choices</b>		
Incentives and other mechanisms beyond State Density Bonus Law to encourage housing with affordability terms.		
Efforts beyond state law to promote accessory dwelling units or other strategies to intensify single-family neighborhoods with more housing choices and affordability.		
Upzoning or other zoning modifications to promote a variety of housing choices and densities.		
Utilizing surplus lands to promote affordable housing choices.		
Efforts to address infrastructure deficiencies in disadvantaged communities pursuant to Government Code Section 65302.10.		
Other (describe how this meets subarea objective)		
<b>Conservation of Existing Affordable Housing Stock</b>		
Policies, programs or ordinances to conserve stock such as an at-risk preservation ordinance, mobilehome park overlay zone, condominium conversion ordinance and acquisition and rehabilitation of market rate housing programs.		
Policies, programs and ordinances to protect and support tenants such as rent stabilization, anti-displacement strategies, first right of refusal policies, resources to assist tenant organization and education and "just cause" eviction policies.		
Other (describe how this meets subarea objective)		

<b>Climate Adaptation</b>		
Building standards, zoning and site planning requirements that address flood and fire safety, climate adaptation and hazard mitigation.		
Long-term planning that addresses wildfire, land use for disadvantaged communities, and flood and local hazard mitigation.		
Community engagement that provides information and consultation through a variety of methods such as meetings, workshops, and surveys and that focuses on vulnerable populations (e.g., seniors, people with disabilities, homeless, etc.).		
Other (describe how this meets subarea objective)		

I certify under penalty of perjury that all of the information contained in this SB 2 Planning Grants State Planning and Other Planning Priorities Form is true and correct.

**Certifying official's name:** \_\_\_\_\_

**Certifying official's title:** \_\_\_\_\_

**Certification date:** \_\_\_\_\_

**Certifying official's signature:** \_\_\_\_\_

# Attachment 3 Close Out Reporting Form

# SB 2 Planning Close Out Reporting Template

## Brief Summary

- Overview of the project
- Project start date and duration
- Project goals and relevance to SB 2 Planning Grants Program goals
- Outcomes

## Lead Agency and Partnerships

- List lead agency and partnerships (including names, titles, organizations, and roles and responsibilities of each)
- What did those collaborative relationships and processes look like?

## Drivers

- Did any local, state, or federal legislation or mandates drive the project? (SB 35, AB 1397, etc.)
- Was it a community driven effort?
- Were there additional funding opportunities present?

## Engagement Process

- Who were your stakeholders?
- What did the engagement process look like?
- What role did stakeholders play in the process? (Keep in mind: training, education, council formation, technical assistance, etc.)
- What were the outcomes of the engagement process?

## Challenges

- What challenges were encountered?
- What solutions were encountered or created?
- Are there areas for improvement of policy alignment at the state or federal level to help achieve this project more easily?

## Outcomes

- What are the current or projected outcomes? Benefits?
- Were outcomes as anticipated?
- Have new opportunities arisen as a result of this project?
- What are the next steps?

# SB 2 Planning Close Out Reporting Template

## Replicability

- What aspects of the project could be replicated in other communities?
- Useful resources and tools? For a specific region or sector?

## Additional Resources

- Links to the project itself
- Links to resources used throughout and any other relevant resources

## Further Information

- Who can be reached to ask more questions about this project?
  - o Name
  - o Number and/or email

DATE: February 28, 2019

TO: San Gabriel Valley Council of Governments Planning TAC

FROM: Marisa Creter, Executive Director

RE: **Metro Open Streets Grant Program FY 2020 Mini-cycle**

## **RECOMMENDED ACTION**

For information only.

## **BACKGROUND AND INFORMATION**

In April 2018, LA Metro released its application and guidelines for Cycle Three of its Metro Open Street Grant Program. Metro's funding for Open Streets programs enable jurisdictions from across LA County to organize and hold open streets and active transportation events, which provide residents the opportunity to walk, ride transit, or bike in an urban environment, and enables people to experience their City in a completely safe and new manner. These events also encourage sustainable and clean modes of transportation, provide an opportunity to take transit for the first time, and provide the opportunity for unique and enriching civic engagement. Open Streets events are considered to be among the most innovative and unique advancements and developments in the livable cities movement, and they also highlight the importance of sustainable, clean, green, and healthy movement and transportation.

Through the Open Streets Cycle Three program, the SGVCOG, some of its member cities, and ActiveSGV were able to secure funding to initiate and put on four open streets events throughout the course of 2019 and 2020. These diverse and engaging community events will enable residents of the SGV to get outdoors, hop on their bicycles, explore and view their neighborhoods through a unique lens, and will build community camaraderie. These four events right here in the SGV are as follows:

- 626 Golden Streets: Mission to Mission / South Pasadena, Alhambra, San Gabriel / May 19, 2019
- 626 Golden Streets: SGV Streets and Treats / El Monte & South El Monte / October 26, 2019
- Heart of the Foothills / San Dimas, La Verne, Pomona / April 19, 2020
- 626 Golden Streets: ArroyoFest / South Pasadena, Pasadena, Los Angeles / November 15, 2020

Fortunately, there is now another funding opportunity through Metro to fund potential open streets events throughout Los Angeles County. In September 2018, the Metro Board of Directors direct Metro staff to develop and implement a Metro Open Streets Mini-cycle for FY 2020. While the \$1,071,688 that will be available for grants during this mini-cycle is less than Cycle Three's \$4,000,000, this mini-cycle still presents an excellent funding opportunity for San Gabriel cities and agencies to apply for the capital that is needed to fund planning, outreach, and implementation

costs for an open streets event. Cities and local agencies may apply for a maximum funding award of \$500,000 per project application.

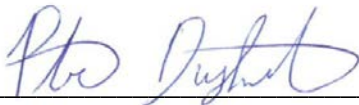
For the FY 2020 Mini-cycle, Metro is putting an emphasis on regional equity; all city and county agencies are eligible to submit applications during this cycle. In fact, agencies are permitted to submit more than one application during this cycle. However, agencies which received funding through the Cycle Three program are ineligible to submit applications for this upcoming cycle: this includes the cities of South Pasadena, San Dimas, and the SGVCOG.

All projects will be analyzed and evaluated on specific criteria and through a 100-point scoring system. Events must receive a minimum of 70 points to be further considered for funding. Projects will be assessed based on project feasibility, route setting, and transit and community connectivity. Cities or agencies which are awarded funding during this cycle must stage their respective events in between July 2019 and December 31, 2020.

## **NEXT STEPS**

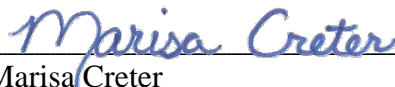
FY 2020 Mini-cycle applications are due online to Metro by **March 8, 2019**. For the Open Streets Grant Program Mini-cycle, Metro wants to ensure that cities which have disadvantaged communities and are short on resources are able to submit competitive open streets event applications. Thus, Metro will offer writing assistance to smaller, resource-challenged jurisdictions with the SGVCOG subregion. Last week, Brett Atencio Thomas, who is a Senior Transportation Planner with LA Metro, provided the SGVCOG Transportation Committee with a presentation during which he gave an overview of the mini-cycle guidelines and application. At today's Planning TAC meeting, Peter Duyshart, who is a Project Assistant for the SGVCOG, will give a similar overview presentation on the FY 2020 Mini-cycle to the Planning TAC. SGVCOG staff also delivered this presentation to the Public Works TAC on Monday, February 25. Additionally, the SGVCOG can be a resource to member cities during the application process.

Prepared by:



Peter Duyshart  
Project Assistant

Approved by:



Marisa Creter  
Executive Director

## **ATTACHMENTS**

Attachment A – Open Streets Grant Program FY 2020 Mini-cycle Presentation Slides -- Page 41  
Attachment B – FY 2020 Mini-cycle Guidelines (provided separately from packet)



## Metro Open Street Grant Program

### What are Open Streets?

One-day car-free events that OPEN the streets up to people walking, riding a bike, and using other forms of non-automobile transport



# Goals of Metro's Open Street Grant Program

- Provide opportunity to walk, ride transit, bike in urban environment
- Encourage sustainable transportation mode share
- Encourage cities to further develop their multi-modal policies



## Cycle One and Two Open Street Implementation

- 28 Events Funded in 32 Jurisdictions (25 completed)
- Additional points granted to multijurisdictional events and disadvantaged communities
- Metro funded Evaluation Study
  - 8% ridership increase systemwide
  - 11% increase in TAP card sales
  - 10% increase in event day retail sales



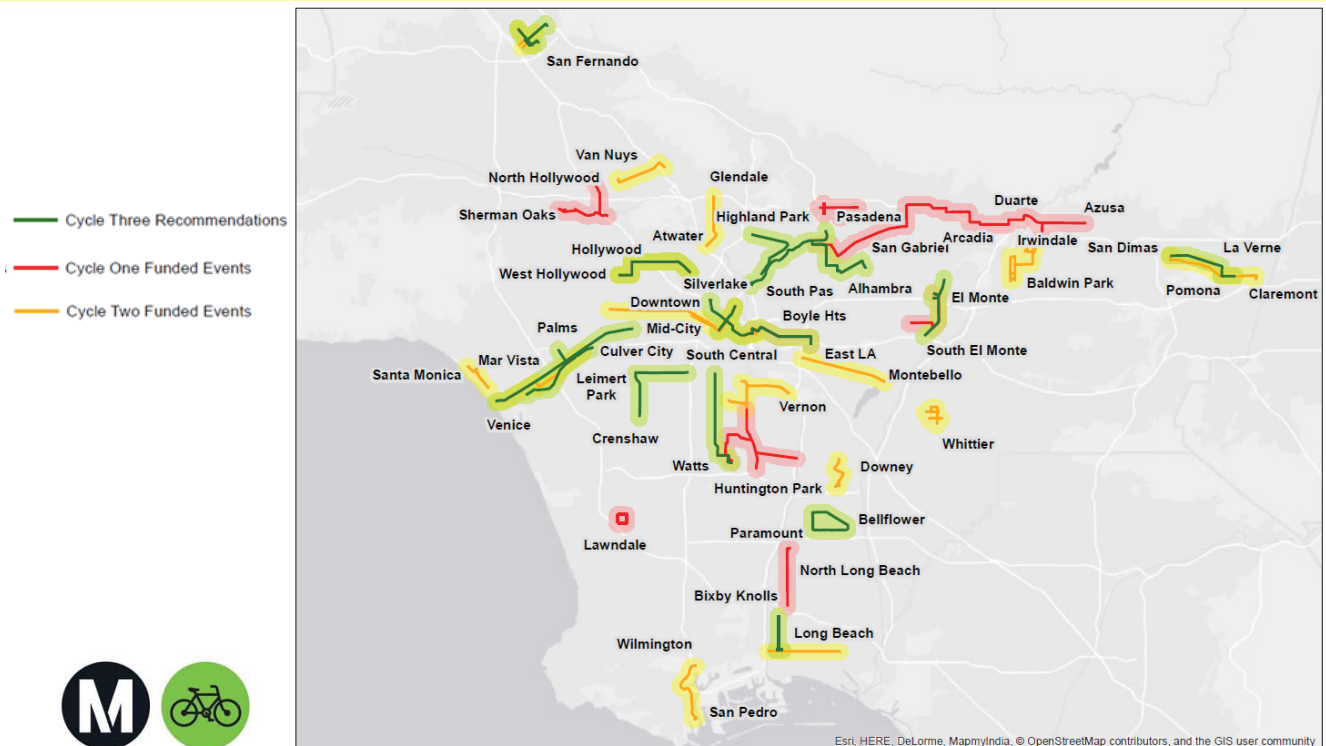
# Cycle Three Funding Recommendations

Date	Event Title	Applicant	Grant Request	Award Amount	Length Miles	Average Score	Disadvantaged	Multijurisdictional
1	November 8, 2020	626 Golden Streets   ArroyoFest	South Pasadena	\$420,000	\$420,000	7	90.5	X
2	May 19, 2019	626 Golden Streets   Mission to Mission	South Pasadena	\$332,000	\$332,000	5	88.3	X
3	August 11, 2019	CicLAvia: Meet the Hollywoods	West Hollywood	\$500,000	\$500,000	6.5	84.5	X
4	March 3, 2019	CicLAvia: Culver City and Palms	Culver City	\$300,000	\$300,000	5.5	82.5	X
5	October 11, 2020	CicLAvia: Heart of LA 2020	Los Angeles	\$300,000	\$300,000	8.25	80.8	X
6	October 26, 2019	626 Golden Streets   SGV Streets and Treats	SGVCOG	\$170,000	\$170,000	4.5	80.8	X
7	February 23, 2020	CicLAvia: South LA - Space Shuttle Endeavour Route	Los Angeles	\$335,000	\$335,000	5.5	80.3	X
8	November 2, 2019	San Fernando Street Festival - Nocturnal Ride	San Fernando	\$144,000	\$144,000	4.01	80.3	X
9	April 5, 2020	CicLAvia to the Sea	Los Angeles	\$300,000	\$300,000	9	79.3	
10	October 6, 2019	CicLAvia: Heart of LA 2019	Los Angeles	\$300,000	\$300,000	6	79.0	X
11	December 2, 2020	CicLAvia: South LA/Watts	Los Angeles	\$335,000	\$335,000	5.8	78.8	X
12	April 19, 2020	Heart of the Foothills	San Dimas	\$350,000	\$350,000	4.7	78.3	X
13	March 30, 2019	Beach Streets West	Long Beach	\$200,000	\$200,000	2.2	78.0	X
14	August 16, 2020	CicLAvia: Northeast LA	Los Angeles	\$300,000	\$300,000	5.5	78.0	
15	June 1, 2019	Paramount & Bellflower Open Streets Neighborhood Connectivity Event	Paramount	\$242,000	\$161,000	5.5	78.0	X
16	October 13, 2019	Downey Ride & Stride	Downey	\$129,361	\$0	4.96	76.8	X
17	April 21, 2019	CicLAvia: Glendale Meets Atwater Village	Glendale	\$264,800	\$0	3.5	76.8	X
18	March 21, 2020	Beach Streets Downtown	Long Beach	\$216,000	\$0	4	76.3	
19	December 2, 2019	CicLAvia: West Valley	Los Angeles	\$335,000	\$0	8	76.3	
20	May 2, 2020	NorWALK, Run, Bike and Play Open Streets Event	Norwalk	\$152,640	\$0	4.24	76.3	X
21	June 14, 2020	CicLAvia: Iconic Wilshire Blvd	Los Angeles	\$300,000	\$0	3.5	74.8	X
22	September 29, 2019	COAST - City of Santa Monica's Open Streets Event 2019	Santa Monica	\$300,000	\$0	2.06	72.0	
23	September 27, 2020	COAST - City of Santa Monica's Open Streets Event 2020	Santa Monica	\$300,000	\$0	2.06	71.8	
24	September 15, 2019	Beach Streets University	Long Beach	\$216,000	\$0	4.1	71.0	
25	May 30, 2020	Beach Streets Midtown	Long Beach	\$200,000	\$0	2.5	70.0	
26	June 30, 2019	CicLAvia: Wilmington	Los Angeles	\$255,000	\$0	2.5	70.0	X

- 15 events in 18 cities
- 67% disadvantaged communities
- 53% multijurisdictional



## Approved Events in All Cycles



# Cycle Three Board Motion 16.1

## September, 2018 Board Motion 16.1 directed staff to:

- Report back to the Board in 120 days with potential strategies and methods to ensure resources are spread across a wider geographical area;
- Create a “mini-cycle” in FY2020 of Open Street Grant applications for communities that have not received funding from the Cycle 3 Grants; and
- Identify potential funding sources of up to \$1 million for the “mini-cycle” Open Street event applications.



## FY 2020 Mini-cycle Eligibility

- Event cannot be in the same community as awarded Cycle Three event
- Max Funding of \$500,000 per an application
- Cities must detail what methods will be used to encourage mode shift post event and detail any plans for new pedestrian and bicycle infrastructure
- Application writing assistance available for smaller resource-challenged cities



## FY 2020 Mini-cycle Scoring

- Additional scoring criteria awarded to multijurisdictional events and events in disadvantaged communities
- Separate criteria for new and existing applicants
- Additional Scoring Criteria to encourage innovative events
- Additional points for clear plan to satisfy data collection requirements



## FY 2020 Mini-cycle Next Steps

February, 2019 – Mini Cycle Application and Guidelines released

February 22, 2019 – Applicant Workshop at Metro headquarters (10:00AM Henry Huntington Room, 3rd Floor)

March 8, 2019 – Online application due to Metro

Summer 2019 – Award Cycle Three grants pending Board approval

Events must be implemented by December 31, 2020



# Questions & Answers

Brett Atencio Thomas  
Sr. Transportation Planner  
Countywide Planning  
ThomasBJ@Metro.net

Dolores Roybal-Saltarelli  
Sr. Director  
Countywide Planning  
RoybalD@Metro.net



DATE: February 28, 2019

TO: Planning Directors' Technical Advisory Committee

FROM: Marisa Creter, Executive Director

RE: **FOLLOW-UP: HOUSING, PLANNING, & DEVELOPMENT  
LEGISLATIVE PREVIEW FOR THE 2019-2020 LEGISLATIVE SESSION**

## **RECOMMENDED ACTION**

Discuss and provide direction to staff.

## **BACKGROUND:**

Due to housing shortages across the State of California, the California Legislature has taken aggressive action in the last few years to try to address the housing shortage and to increase the housing inventory across the state, including for affordable units. Last year, in September 2017, Governor Brown signed a 15-bill housing package into law. Soon after, by March of 2018, the Legislature had already proposed 19 prominent new pieces of housing legislation which pertain to planning and zoning, parking, density bonus, and accessory dwelling units. 14 of these pieces of legislation were signed into law by Governor Jerry Brown in September 2018. With a wide variety new laws only recently chaptered by the Secretary of State, the legislature is continuing to look to add more laws in an effort to try to make housing more affordable and to increase the production and stock of housing throughout the State. Many of these laws affect local governments and cities, specifically related to local control, and as a result, cities are having to dedicate resources and time to ensuring compliance with new State laws, and any proper implementation.

The 2019-2020 session of the California State Legislature convened on December 3, 2018. Beginning on that date, and in the weeks after, state legislators have been introducing a plethora of legislation, many of which pertain to housing, planning, and development. In order to stay on top of the most the most significant and consequential bills of this new legislative cycle, the SGVCOG has prepared a legislative update report for bills which pertain to homelessness and low-income housing, zoning and planning, land-use, housing in general, etc. This will enable the SGVCOG Planning TAC to be apprised and informed of germane legislation which can have a significant impact policy-wise on these aforementioned public policy issues. The following bills which are apposite to housing, community, and economic development, and thus are of importance to local and City planners, are as follows:

## **Zoning and Land Use Legislation:**

- **SB 50 (Wiener)** – This bill was introduced on December 3, 2018 by Senator Scott Wiener, has been unofficially called the “More Housing, Opportunity, Mobility, Equity, and Stability Act,” or the “More HOMES Act.” This piece of legislation currently has four co-sponsors in the Senate and seven more co-sponsors in the Assembly. SB 50 is a follow-up

bill to SB 827, which failed in a policy committee last year, and was formally opposed by the SGVCOG. This bill, while less stringent and firm than SB 827, would reform zoning law in the State of California. SB 50 would create an “equitable communities incentive” which can supersede local restrictions on a case-by-case basis. The legislation also contains provisions to protect tenants from displacement and communities from gentrification.

- **SB 4 (McGuire and Beall)** – This piece of legislation is an intent bill. The bill would state the intent of the California State Legislature to enact legislation which would limit restrictive local land use policies. The bill would also declare the intent of the Legislature to pass bills which would encourage increased housing development near transit and job centers in an equitable manner.

### Low-income and Affordable Housing Legislation:

- **AB 10 (Chiu, Bonta, Maienschein, Reyes, and Wicks)** – This bill would increase the aggregate housing credit dollar amount that may be allocated toward the Low-Income Housing Tax Credit (LIHTC) Program by \$500 million, and would also allocate \$25 million per year toward farmworker housing projects. This bill would take effect immediately as a tax levy. In addition to the primary authors of this bill, there are currently 15 co-sponsors for this bill from the Assembly, and four co-sponsors for this bill from the Senate.
- **SB 9 (Beall)** – Existing law, beginning on January 1, 2016, allows a taxpayer that is allowed a low-income housing tax credit to elect to sell a portion of that credit to other parties. The sale of these low-income housing tax credits is only permitted until January 1, 2020 under existing law; however, SB 9 would allow the sale of these tax credits to continue indefinitely past January 1, 2020. This, in theory, could increase the value of the low-income housing tax credits.
- **ACA 1 (Curry)** – This proposed Assembly Constitutional Amendment would lower the threshold from two-thirds to 55% for sales and use taxes and bonds which are meant to fund affordable housing. If ACA 1 is passed by both chambers of the State Legislature, then it would require approval from two-thirds of the voting electorate.
- **AB 14 (Rivas)** – This bill would appropriate an unspecified sum from the General Fund into the existing Housing Rehabilitation Loan Fund of the California Housing Rehabilitation Program. These funds would be expended under the Multifamily Housing Program in order to fund housing for homeless youths and homeless families. Loans must be prioritized to funding housing projects in disadvantaged communities.
- **AB 36 (Bloom)** – This is an intent bill. This piece of legislation would express the Legislature’s intent to enact legislation in order to stabilize rental prices and increase the availability of affordable rental housing.
- **SCA 1 (Allen & Wiener)** – This Senate Constitutional Amendment would repeal the provision of Article XXXIV, which currently prohibits the development, construction, or acquisition of “low rent” housing facilities unless approved by a majority of qualified electors of the jurisdiction during an election.

## Accessory Dwelling Units Legislation:

- **AB 68 (Ting)** – The piece of legislation would reform policy and law pertaining to accessory dwelling units, and would, in theory, make it easier and quicker for residential property owners to construct new accessory dwelling units. The bill would prohibit local governments from adopting ordinances on minimum lot size, lot coverage, or floor area ratio, among other components, and would require a more streamlined approval process for accessory dwelling unit applications and permits.
- **AB 69 (Ting)** – This bill also relates to accessory dwelling units, and requires the California Department of Housing and Community Development to propose building standards which govern accessory dwelling units and homes smaller than 800 square feet. These standards would have to be submitted to the Building Standards Commission for adoption by January 1, 2021.
- **SB 13 (Wieckowski)** – If SB 13 is adopted and signed into law, it would simply express the intent of the State Legislature to enact legislation in the future which would limit the barriers for homeowners who seek to build accessory dwelling units on their properties.

## Redevelopment Legislation:

- **AB 11 (Chiu, et al.)** – This bill is titled the Community Redevelopment Law of 2019. If Governor Gavin Newsom signs this bill into law at some point, then Redevelopment would be re-established in some form. The law would enable local governments to potentially establish the formation of an affordable housing and infrastructure agency; these agencies would utilize redevelopment-style tax increments to fund housing and infrastructure projects. 30% of all of the taxes which are allocated to these agencies would be required to be used to build affordable housing.
- **SB 5 (Beall and McGuire)** – This piece of legislation would establish the “Local-State Sustainable Investment Incentive Program,” which would be a redevelopment style-program. The bill would authorize local government entities, EIFDs, or certain authorities to participate in this program. The bill would allocate \$200 million to \$250 million per year from 2020-2029 for local governments to construct workforce and affordable housing, transit-oriented development, and other similar projects. At least 50% of the funds which would be sent to localities must be used for the development of affordable housing.
- **SB 15 (Portantino)** – This is an intent bill: this bill would state the intent of the California Legislature to enact legislation relating to redevelopment.
- **AB 180 (Gipson)** – This bill would require that references to redevelopment agencies in local housing elements be referred to as housing successor agencies instead.

## Homelessness Legislation:

- **AB 22 (Burke)** – This piece of legislation would declare that it will be State of California policy, by 2025, that every child in the state has the right to safe and clean shelter and that no child should lack safe and clean shelter.
- **SB 48 (Wiener)** – This is an intent bill. SB 48 would state the intent of the Legislature to enact legislation at some point which creates a right to shelter for unhoused residents

throughout the State of California. The bill would ensure that every person that is homeless has the ability and right to quickly and easily secure shelter that is both safe and supportive.

- **AB 58 (Rivas)** – This legislation would require that the Governor appoint a representative from the State Department of Education to be a member of the Homeless Coordinating and Financing Council.
- **SB 18 (Skinner)** – SB 18 is co-sponsored by two additional senators and two assembly members. The bill, if chaptered into law, would appropriate an unspecified amount of money from the General Fund to the Department of Housing and Community Development for the purpose of providing statewide competitive grants for rental assistance through the California Emergency Solutions and Housing Program. The bill would also establish the Homelessness Prevention and Legal Aid Fund.
- **AB 67 (Rivas)** – AB 67 would mandate the state’s Homeless Coordinating and Financing Council to develop a working and standard definition of “homeless” and “at risk of homelessness,” the purpose of which would be to better implement programs which provide services to individuals and families who are homeless or who are at risk of being so.
- **AB 139 (Quirk-Silva)** – This is a comprehensive and multi-faceted bill which is titled the “Emergency and Transitional Housing Act of 2019.” The bill contains many provisions which are related to addressing emergency and transitional housing, including how local agencies’ housing elements address this type of housing.

### Housing-related Legislation:

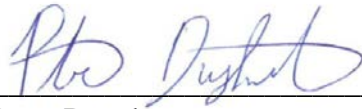
- **SB 6 (Beall and McGuire)** – This is an intent bill. The piece of legislation would state the intent of the State Legislature to enact legislation that would help encourage housing production throughout the state, including streamlining approval processes, identifying sufficient and adequate sites for housing construction, and penalizing local planning which restricts housing production.
- **SB 25 (Caballero)** – This legislation would streamline projects built in federally-designated opportunity zones, as well as for projects receiving funds through the Greenhouse Gas Reduction Fund. SB 25 would establish specified procedures for the administrative and judicial review of the environmental review and approvals processes for these qualifying projects.
- **AB 53 (Jones-Sawyer and Bonta)** – This legislation would make it unlawful for the owner of any rental housing dwelling unit or accommodation to inquire about a criminal record during the initial application assessment phase, except for certain circumstances in which state or federal law mandates it.
- **AB 178 (Dahle)** – This bill would specify that residential construction of low-rise residential buildings or houses which are meant to repair, restore, or replace a building which was destroyed in a natural disaster will not be subject to the State’s new photovoltaic energy requirements. Instead, these rebuilds will only need to comply with the photovoltaic requirements that were in effect at the time that the natural disaster took place.
- **AB 191 (Patterson)** – This legislation would exempt homes which are rebuilt due to natural disasters which occurred after January 1, 2017 to not have to meet current building standards related to energy conservation and fire prevention. This bill would apply up until January 1, 2030.

Please refer to Attachment A for a League of California Cities list of each housing, community, and economic development bill and each bill's respective status. Also, Attachment B consists of the presentation slides for this agenda item, which are not part of the agenda packet and are instead provided as a separate handout.

## **NEXT STEPS**

At the January 2019 Planning TAC meeting, staff presented these pieces of legislation to the members of the Planning TAC for discussion. Planning TAC members agreed that this item could be discussed and deliberated on again in the near future. Thus, this item is appearing on the February 2019 agenda as a follow-up matter. SGVCOG Staff is seeking direction from the Planning TAC regarding which State bills the SGVCOG should monitor or even take a certain position on. Depending on direction and input from the TAC, the COG could decide to take future legislative action on any of these bills pertaining to planning, zoning, and development.

Prepared by:



\_\_\_\_\_  
Peter Duyshart  
Project Assistant

Approved by:



\_\_\_\_\_  
Marisa Creter  
Executive Director

## **ATTACHMENTS:**

Attachment A – Legislation Presentation Slides -- Page 52



# CALIFORNIA PLANNING, HOUSING, ZONING, & DEVELOPMENT LEGISLATION: 2019-2020 LEGISLATIVE SESSION

Preview of current pertinent legislative items

## Broad Overview



- Currently, there is a shortage of housing units relative to the State's total population, as well as an inadequate supply of affordable/low-income housing.
- Homelessness is also a pervasive issue which has widespread consequences across the state.
- Additionally, housing shortages along with a surging demand for new housing across the State of California have led the California Legislature taking aggressive action in recent years to address the housing shortages.
- The new legislative session of 2019-2020 has already seen a plethora of new legislation related to housing, planning, and development.



## Main League of CA Cities Legislative Goals

- Ensure that legislation provides cities with additional funding and tools to address housing production, affordability, and homelessness challenges.
  - *Provide additional funding and preserve local mitigation fee authority*
  - *Restore a robust form of tax increment financing in order to advance and build affordable and workplace housing and transit-oriented development*
  - *Provide CEQA streamlining to expedite housing construction*
  - *Dedicate funding specifically for affordable housing and supportive housing.*



## Zoning and Land Use Legislation SB 50 (Wiener)

- “More Housing, Opportunity, Mobility, Equity, and Stability Act” (More HOMES Act)
- This bill is a new attempt at passing legislation which is similar in concept to SB 827 from last year, legislation which this TAC opposed last year.
- Would create an “equitable communities incentive” which can supersede local restrictions on a case-by-case basis.
- Qualifying projects proposed for either “job-rich” or “transit rich” development zones would be exempt from local limits on housing density and requirements to build a certain number of parking spots per new unit.
- This bill also contains provisions to protect tenants from displacement, and communities from gentrification.



## Zoning and Land Use Legislation SB 4 (McGuire and Beall)

- This is an intent bill.
- This bill pertains to limiting restrictive local land use policies.



## Low-Income and Affordable Housing Legislation AB 10 (Chiu, Bonta, Maienschein, Reyes, and Wicks)

- This bill would increase the aggregate housing credit dollar amount that may be allocated toward the Low-Income Housing Tax Credit (LIHTC) Program by about \$500 million.
- An additional \$25 million would also be allocated toward farmworker housing projects.
- Currently 19 co-sponsors of this bill already: 15 from the State Assembly and 4 from the Senate.

## Low-Income and Affordable Housing Legislation



### SB 9 (Beall) & AB 14 (Rivas)

- **SB 9 (Beall):** Would allow for the sale of low-income housing tax credits to continue indefinitely past January 1, 2020.
- **AB 14 (Rivas):** This legislation proposes to increase the funding available for the Housing Rehabilitation Loan Fund, which is under the California Housing Rehabilitation Program.
  - *The purpose of AB 14 is to fund more housing for homeless youths and homeless families.*

## Low-Income and Affordable Housing Legislation



### ACA 1 (Curry), SCA 1 (Allen & Wiener), & AB 36 (Bloom)

- **ACA 1 (Curry):** This constitutional amendment would lower the voting threshold for taxes and bonds which are meant to fund affordable housing from 66.7% to 55%.
- **SCA 1 (Allen & Wiener):** This constitutional amendment would repeal Article XXXIV (34).
- **AB 36 (Bloom):** This is an intent bill which would express the Legislature's intent to enact legislation in order to stabilize rental prices and increase the supply of affordable housing.



## Accessory Dwelling Units Legislation

### AB 68 (Ting)

- This bill would reform policy and law pertaining to accessory dwelling units.
- AB 68 would prohibit local governments from adopting ordinances on minimum lot size, lot coverage, or floor area ratio, as it pertains to ADUs.
- Would prohibit an ordinance from establishing size requirements for accessory dwelling units that do not permit at least an 800 square feet unit of at least 16 feet in height to be constructed.
- The legislation would require a more streamlined approval process for accessory dwelling unit applications and permits.



## Accessory Dwelling Units Legislation

### AB 69 (Ting) & SB 13 (Wieckowski)

- **AB 69 (Ting):**
  - *Requires the California Department of Housing and Community Development to propose building standards which govern accessory dwelling units and homes smaller than 800 square feet.*
  - *The bill would also authorize DHCD to submit written findings to a local agency as to whether a local ACU ordinance complies with state law.*
- **SB 13 (Wieckowski):** This is an intent bill. If passed, it would express the intent of the Legislature to enact future legislation which would limit the barriers for homeowners who attempt to construct accessory dwelling units on their properties.



## Redevelopment Legislation

### AB 11 (Chiu, et al.)

- The “Community Redevelopment Law of 2019.”
- Would bring back a “lighter” version of Redevelopment, but with certain reforms.
- If signed into law, AB 11 would allow cities and counties to create redevelopment-type agencies which could use tax increment financing to fund affordable housing and infrastructure projects.
- AB 11 puts new reforms and safeguards in place to prevent displacement in redevelopment zones. Other safeguards include stringent record-keeping requirements, independent annual audits, and harsh financial penalties for record-keeping or audit violations.



## Redevelopment Legislation

### SB 5 (Beall and McGuire)

- “The Affordable Housing and Neighborhood Revitalization Act”
- This piece of legislation would establish the “Local-State Sustainable Investment Incentive Program,” which would be a redevelopment style-program. Local governments, EIFDs, and other governmental authorities could participate in this program
- The bill is intended to support affordable housing, transit-oriented development, and strong neighborhoods.
- The Sustainable Investment Incentive Program would provide \$1 billion in funds beginning on July 1, 2025, would provide \$2 billion beginning on July 1, 2029.
- One funding mechanism of this new program would include reductions in annual Educational Revenue Augmentation Fund (ERAF) for project applicants.



## Redevelopment Legislation

### SB 15 (Portantino) & AB 180 (Gipson)

- **SB 15 (Portantino):** This is an intent bill: this piece of legislation would state the intent of the State Legislature to enact legislation relating to redevelopment.
- **AB 180 (Gipson):** This bill would require that references to redevelopment agencies in local housing elements be referred to as housing successor agencies instead.



## Homelessness Legislation

### SB 18 (Skinner)

- The “Keep Californians Housed Act.”
- Would update requirements on landlords’ rights and tenants’ rights.
- The bill would appropriate an unspecified sum from the General Fund to the Department of Housing and Community Development. These funds would be used to provide grants for rental assistance under the Emergency Solutions and Housing Program
- Would also establish the Homelessness Prevention and Legal Aid Fund.



## Homelessness Legislation

### AB 139 (Quirk-Silva)

- The “Emergency and Transitional Housing Act of 2019.”
- Updates California Housing Element law to address homelessness issues.
- Contains many provisions related to addressing emergency and transitional housing, including how local agencies’ housing elements address this type of housing.
- Requires local governments and communities to more thoroughly assess and consider the number of individuals and families who are facing homelessness, and craft and implement better transition strategies to permanent housing.

## Homelessness Legislation

### AB 22 (Burke), SB 48 (Wiener), AB 58 (Rivas), & AB 67 (Rivas)



- **AB 22 (Burke):** This bill would declare that it will be State of California policy, by 2025, that every child in the state has the right to safe and clean shelter, and that no child should lack safe and clean shelter.
- **SB 48 (Wiener):** This is an intent bill that would state that it will be the intent of the State Legislature to enact legislation at some point which creates a right to shelter for unhoused residents of the State.
- **AB 58 (Rivas):** This legislation would require that the Governor appoint a representative from the State Department of Education to be a member of the State’s Homeless Coordinating and Financing Council.
- **AB 67 (Rivas):** This would require the State of California to produce a unified and consistent definition of “homeless.”

## General Housing Legislation



SB 6 (Beall and McGuire), SB 25 (Caballero), and AB 53 (Jones-Sawyer and Bonta)

- **SB 6 (Beall and McGuire):** This is an intent bill that would state the intention of the State Legislature to enact legislation that would help encourage housing production throughout the state.
- **SB 25 (Caballero):** This bill would streamline projects built in federally-designated opportunity zones and for projects which receive GGRF funds.
- **AB 53 (Jones-Sawyer and Bonta):** “Ban the box” type legislation. If signed into law, this bill would make it unlawful for the owner of any rental housing unit to inquire about a criminal record of a prospective renter during the initial application phase.

## General Housing Legislation



AB 178 (Dahle) & AB 191 (Patterson)

- **AB 178 (Dahle):** This bill stipulates that that the construction or repair of low-rise residential buildings which were destroyed in a natural disaster will not be subject to the State’s new photovoltaic energy requirements.
- **AB 191 (Patterson):** This piece of legislation would exempt homes which are rebuilt due to natural disasters to not have to meet current building standards related to energy conservation and fire prevention.

DATE: February 28, 2019

TO: San Gabriel Valley Council of Governments Planning TAC

FROM: Marisa Creter, Executive Director

RE: **LA Metro’s “Twenty-Eight by ‘28” Initiative & Re-Imagining of LA County**

## **RECOMMENDED ACTION**

For information and discussion.

## **BACKGROUND AND INFORMATION**

In November 2016, Los Angeles County voters approved the Measure M ½-cent sales tax measure with a 71% supermajority of the vote. The Measure M ordinance provides a new consistent source of revenue and funding for LA Metro to be able to fund a plethora of transportation projects, ranging from rail and rapid transit projects, to bus and bus system improvement projects, to highway and roadway safety and capacity projects. Measure M also provides both local and subregional return funding, too, enabling local governments to fund priority municipal repair or enhancement projects, and enabling both local governments and COGs to be able to fund active transportation and first-last mile projects, among other project types.

A sizable portion of Measure M funds are to be allocated to significant and key rail and transit projects, as well as the construction of more freeway ExpressLanes and freeway interchange improvements. Through Measure M, over the next 40 years, Metro will allocate sales tax revenue dollars to fund these projects, which were identified as part of Metro’s Long-Range Transportation Plan. Since the Measure M funding plan is spread out over a 40-year period, projects would be funded and implemented in a gradual manner.

On July 31, 2017, the International Olympic Committee (IOC) announced that the City of Los Angeles would be hosting the 2028 Summer Olympic Games. In order to significantly improve mobility, connectivity, and transit throughout both the City of LA and Los Angeles County, LA Metro leadership began plans to identify and draft a list of priority projects that would help Metro meet its mobility and connectivity goals by Summer 2028. In January 2018, the Metro Board officially approved the “Twenty-Eight by ‘28” Initiative list of projects. This list includes 28 highway and transit projects which total about \$42.9 billion in construction costs, and Metro’s overarching goal would be to complete and implement these identified projects by Summer 2028.

Furthermore, in September 2018, the Metro Board passed a motion which stipulated that the Metro CEO shall develop a funding plan in order to try to devise ways by which to fund all Twenty-Eight by ‘28 projects. This motion was made because of the fact that eight of the 28 projects are not scheduled to be completed until after 2028 under the Measure M funding schedule. In December 2018, Metro CEO Phillip Washington provided a follow-up report to the September Motion in which he discussed rules and parameters for project acceleration and the initial framework for a

possible financing plan for Twenty-Eight by '28. Metro would need to find and secure a projected \$26.2 billion for the planning, design, construction, operations, and maintenance of the eight projects which are currently scheduled to not fall within the 2028 timeline. This will require Metro Staff to be very creative and innovative in identifying and devising possible funding and financing strategies in order to fund these eight projects. However, as part of this new funding plan, CEO Washington identified several items and projects, known as “sacred items,” which are not to be compromised for any future funding to accelerate the eight projects. These “sacred items” include:

- The implementation of the Metro NextGen Bus Plan
- Completion of State of Good Repair projects
- Maintaining current debt limits on Propositions A & C
- Honoring covenants with bondholders
- The Division 20 project
- A combined rail/bus operations center
- A new M3 system
- A new train radio for the subway system
- The I-210 Barrier Replacement Project

In late-January 2019, Metro Staff, through the Twenty-Eight by '28 Program Financing/Funding White Paper, introduced possible strategies and mechanisms which could be addressed and implemented in order to close the financing gap for the eight unfunded projects. Metro Staff pointed out how Metro could continue to pursue its standard financial toolkit, which includes advertising and corporate sponsorships, toll revenue from existing and expanded ExpressLanes network, MSP and Local Return, Federal and State funding assumptions, PPP opportunities, and value capture. Metro Staff also asked the Board to receive and file three new transformational financing initiatives, and they are as follows:

- Congestion Pricing
- Levy fee on Shared Devices
- Levy fee on Transportation Network Companies (TNCs)

Metro’s plan to implement and try to fund the Twenty-Eight by '28 Initiative has now been titled the “Re-Imagining LA County: Mobility, Equity, and the Environment” Initiative (Re-Imagining LA County). Metro Staff states that Re-Imagining LA County goes far beyond the Twenty-Eight by '28 Initiative, and positions Metro to be able to significantly and remarkably improve equity and mobility throughout Los Angeles County. Metro also states that Re-Imagining LA County will increase transit frequency and capacity throughout the county, and will reduce the county’s carbon footprint and combat climate change.

## **NEXT STEPS**

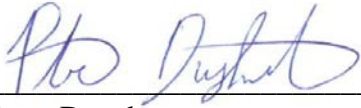
In late-February 2019, Metro Staff will go back to the Metro Board to request that the Board take action on the staff recommendations pertaining to possible implementation of the Re-Imagining of LA County. Additionally, Metro’s Policy Advisory Council (PAC) recently held a special committee meeting to discuss, deliberate, and analyze Metro’s Re-Imagining LA County financial proposals. The Metro PAC provides thorough feedback and input to the Metro Board on the Measure M Guidelines, the LRTP, and other policy areas and projects such as Re-Imagining LA County. The PAC consists of 30 representatives from transportation providers, different


# REPORT

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community constituency groups (such as business, labor, disabled individuals, social and environmental equity advocates, students, and senior residents), and government jurisdictions such as COGs.

The Planning TAC is hearing this item today as an Update Item so that Planning TAC members can be apprised of the most recent developments pertaining to Twenty-Eight by '28 and the Re-Imagining of LA County. Planning TAC members will also be able to provide input and thoughts as this item is being discussed.

Prepared by:   
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Project Assistant

Approved by:   
Marisa Creter  
Executive Director

## **ATTACHMENTS**

- Attachment A – Re-Imagining of LA County Metro Board Report -- Page 64
- Attachment B – Re-Imagining of LA County Metro Board Presentation (separate)
- Attachment C – Re-Imagining of LA County Funding Plan and Mechanism Options -- Pg. 70
- Attachment D – LA Metro New Mobility Service Fee Plan -- Page 72
- Attachment E – Metro Twenty-Eight by '28 Project List -- Page 79

# Metro



## Board Report

File #: 2019-0105, File Type: Policy

Agenda Number: 32.

**REVISED**  
**REGULAR BOARD MEETING**  
**FEBRUARY 28, 2019**

**SUBJECT: THE RE-IMAGINING OF LA COUNTY: MOBILITY, EQUITY, AND THE ENVIRONMENT**

**ACTION: APPROVE RECOMMENDATIONS**

### **RECOMMENDATIONS**

APPROVE the staff recommendations to:

- A. PURSUE the Transformational Initiatives that are central to “The Re-Imagining of LA County;”
- B. CONTINUE work on the Twenty-Eight by '28 goal and accelerate the delivery of the remaining eight projects in every feasible way, and report progress to the Board on the acceleration efforts on a quarterly basis; and
- C. DEVELOP proposed funding and financing plans for the accelerated projects, and report back to the Board in September 2019.

### **ISSUE**

Metro staff proposes the pursuit of solutions to eradicate congestion in LA County, drastically reducing the region’s carbon footprint and combatting climate change, increasing transit frequency and capacity, dramatically improving transportation equity, and putting the County in a position to be the first major region in the world that could offer free transit services. This proposal has been branded as “The Re-imagining of LA County: Mobility, Equity, and the Environment.” This item asks the Board to approve staff recommendation to pursue the Transformational Initiatives to achieve “The Re-imagining of LA County.”

### **BACKGROUND**

LA County is currently home to more than 10 million people and its population is projected to grow to 10.75 million by 2028. This means that an increasing volume of people and goods will need to travel on a transportation network that is already inadequately serving their needs. Overall consumption in the region is expected to intensify the conflicts between passenger and goods movement. Optimizing system capacity to accommodate new growth will be necessary to ensure that the region can meet

these new demands and remain economically competitive in the global marketplace. Significant investments are needed, both to shore up an aging system of roadway and transit infrastructure, as well as to expand and fully utilize available capacity to ensure continued delivery of safe and reliable transportation services.

Historically, transportation policies and investments in LA County have prioritized single-occupancy travel in private passenger vehicles at the expense of providing other high-quality travel alternatives. The result is an inequitable transportation system that exacerbates the divide between those who have the access and means to drive and those who do not, while providing inadequate options for both groups. This system is not sustainable from an economic or environmental perspective. As more people turn to driving alone for speed and convenience, mobility and air quality for all citizens suffers due to the inefficient use of existing roadway space. Changing this paradigm and raising the quality of multiple transportation options is essential to delivering a system that provides better mobility for everyone. This means investing in high-quality transit options that can carry more people in less space, creating incentives to reduce solo driving, and removing incentives that further exacerbate transportation inequities. Moving forward we must align Metro's policies and investments across its portfolio of programs and services to provide more high-quality transportation options for people and, equally important, effectively manage demand from all users.

Metro is considering several "Transformational Initiatives" that demonstrate significant potential to address the widely shared desire to eradicate congestion, improve mobility and air quality, realize equity, and ultimately provide a more sustainable and resilient LA County for all.

## **DISCUSSION**

Metro is currently meeting or exceeding the Measure M schedule on all projects. However, as we complete construction on the first decade of Measure M projects, it is imperative to make concurrent efforts to improve mobility and equity by identifying ways to improve congestion throughout the County. The Transformational Initiatives described below represent bold and progressive ways to achieve a number of our public policy goals as we anticipate new projects coming on line.

### **Transformational Initiatives**

#### **Congestion Pricing**

The Congestion Pricing strategy proposes to investigate the feasibility and framework for conducting congestion pricing pilots with the intent to expand the program in the most traffic-clogged parts of LA County. Congestion pricing offers a compelling mobility solution that, when implemented thoughtfully, can significantly improve equity and reduce emissions by providing cleaner, more frequent and more reliable mobility options for the most vulnerable populations in LA County.

At the January 24, 2019 Board meeting, Motions 43.1 (Butts) and 43.2 (Solis, Garcetti, Dupont-Walker, Butts and Hahn) were presented and approved. Motion 43.1 asked Metro staff to respond to several questions, mostly related to scope and framework of a proposed Congestion Pricing Feasibility Study. Staff have prepared responses to the various parts of Motion 43.1 in a separate Board Receive and File report (File ID 2019-0083). The response includes a detailed plan for the feasibility study, should the Board approve pursuing this recommended strategy as part of the Re-Imagining LA County Plan. The contents of Motion 43.1 and the related response are provided in

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Attachment A to this report.

Motion 43.2 focused attention on equity as it relates to the proposed Congestion Pricing Feasibility Study. The motion was comprised of five parts that asked staff to develop an Equity Strategy for the study, engage a variety of experts and stakeholders, and defer congestion pricing implementation until the feasibility study, including the Equity Strategy, is complete. The responses to Motion 43.2 are provided in a separate Board Receive and File report (File ID 2019-0055). The contents of Motion 43.2 and the related response are provided in Attachment B to this report.

Three different pricing models would be explored as part of the study: cordon, corridor, and vehicle miles traveled (VMT). The study will include extensive, comprehensive, and genuine community and public engagement throughout the feasibility study, as promised through the Equity Platform that the Board adopted nearly a year ago. As part of the engagement and technical support to the study, Metro intends to create an Advisory Council to inform the study, including subject matter experts in Equity. Staff will work with the Board to identify candidates for the Advisory Council.

The anticipated schedule to complete this feasibility study is 12-24 months. Staff expects to conduct this study through a consultant contract led by Metro. Staff anticipates addressing the following scope elements in the feasibility study:

- Equity strategy to address potential impacts to historically underserved populations (see Equity Strategy below)
- Research and analysis of three models: cordon, VMT, and corridor pricing
- Analysis of potential revenues
- Analysis of policy implications
- Selection criteria and process to identify potential pilot locations.
- Performance measures and desired outcomes of congestion pricing pilot
- Identification of transit service and improvements needed to provide mobility options in congestion pricing pilot area
- Review of research done to date, and determination of any key gaps in that research that bear on Equity issues.
- An assessment of the potential negative and positive impacts of a congestion pricing strategy on historically underserved populations, including low-income drivers and transit users, as it affects their mobility access to jobs, housing, and other opportunities.

A more detailed plan for a Congestion Pricing Feasibility Study is provided as part of the response to Motion 43.1, referenced as Attachment A to this report.

### *Equity Strategy for a Congestion Pricing Feasibility Study*

Congestion pricing as a comprehensive transportation policy has both challenge and promise. Implementing congestion pricing at a scale that would be effective, even for a portion of Los Angeles County, would exert tremendous change on the transportation network and the people who use it. Thus, staff is very clear that a comprehensive and thorough feasibility study must be undertaken before any actions would be considered for implementation.

Equity must be front and center in a congestion pricing evaluation. The Board's adopted Equity

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Platform provides a valuable framework to design an Equity Strategy integral to the Congestion Pricing Feasibility Study.

An equity-driven policy objective for any congestion pricing evaluation would be to improve such access for underserved populations. Data and metrics to evaluate that potential must be incorporated into the Equity Strategy scope of work within the CPFS. More details on an Equity Strategy for a Congestion Pricing Feasibility Study are provided in the response to Motion 43.2, referenced as Attachment B to this report.

### **New Mobility Fees**

Staff proposes to explore the levying of fees for Transportation Networking Company (TNC) trips in Los Angeles County as a mechanism for managing demand on our streets and highways. The shared mobility device strategy also proposes looking at imposing fees on shared devices, such as scooters and bicycles, for the use of public rights-of-way.

Both of these proposals would require building support throughout the state for transferring regulatory and taxation authority from the California Public Utilities Commission (CPUC) to Metro. They would also require building support among cities within LA County for the regulatory authority to be with Metro.

Metro staff has developed a proposed plan to provide more detailed information regarding the timeline and key activities to pursue New Mobility service fees in LA County, if the Board approves these Transformational Initiatives for the Re-Imagining LA County Plan. The proposed plan is provided in Attachment C to this report.

### **DETERMINATION OF SAFETY IMPACT**

This motion response has no direct impact on safety at this time. However, the approval of the Transformational Initiatives will support safe and reliable operations of the transportation system in the long-term.

### **FINANCIAL IMPACT**

If approved to pursue the recommended Transformational Initiatives, funding will be identified to conduct the study and will be the responsibility of the lead department, in partnership with the Office of Management and Budget.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The proposed actions are fully consistent with Initiative 1.3 of Metro Vision 2028 plan to test and implement pricing strategies to reduce traffic congestion. Also, Initiative 1.3 commits to exploring opportunities for expanding access to shared, demand-responsive transportation options for everyone.

### **IMPLEMENTATION OF EQUITY PLATFORM**

The Transformational Initiatives explicitly address approaches and priorities that would advance the

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mobility needs of the County's most vulnerable populations. Managing congestion, particularly to ensure reliable operations for LA County's transit system, upon which many of our most underserved community members depend, enables economic mobility that can help those populations overcome historic disadvantages and disparities. In addition, strategies such as congestion pricing can enable benefits, such as free transit, to these same underserved communities in ways that are unimaginable with traditional approaches. The Metro staff and Board must remain committed to Equity as a key evaluative lens as we consider these progressive strategies for improving mobility, equity, and the environment.

### **ALTERNATIVES CONSIDERED**

The Metro Board of Directors may decide not to approve the pursuit of the Transformational Initiatives to achieve The Re-imagining of LA County. This is not recommended, as this would take the LA region on a similar path followed in the past, without effectively addressing the problems we face even today.

### **NEXT STEPS**

If the recommended actions are approved, Metro staff will return to Board to report on progress as follows:

April 2019 - Review scope for Congestion Pricing Feasibility Study

June 2019 - Award professional services contract to conduct Congestion Pricing Feasibility Study

September 2019 - Report on financing/funding plans for the accelerated projects

Quarterly - Progress reports on efforts to accelerate the eight remaining projects of Twenty-Eight by '28.

### **ATTACHMENTS**

Attachment A - Motion 43.1 and Response to Motion 43.1 (File ID 2019-0083)

Attachment B - Motion 43.2 and Response to Motion 43.2 (File ID 2019-0055)

Attachment C - LA Metro New Mobility Service Fee Plan

Prepared by:

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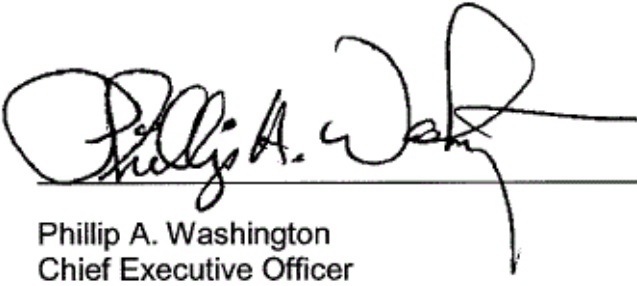
Reviewed by:

Phillip A. Washington, Chief Executive Officer, (213) 922-7555

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Phillip A. Washington  
Chief Executive Officer

Description	10-yr Estimate	Earliest Revenue Realization	Staff Recommendation
<b>Debt</b>			
<b>Change debt policy</b>	\$10,800,000,000	6 months	<b>Not Recommended</b> – This is not recommended as Twenty-Eight by '28 faces a funding issue, not a financing issue. Issuing additional debt for Twenty-Eight by '28 will encumber future revenue sources to service that debt. This will prohibit Metro from delivering remaining projects in Measure M on schedule, as mandated by statute. Metro should continue to issue debt on a project-by-project basis, when dedicated funding sources are available for the project and when actual projects costs are to be incurred (during construction). Issuing debt too far in advance of construction can violate IRS rules, putting Metro's tax-exempt status in jeopardy and potentially incurring substantial costs for non-compliance.
<b>Increase Revenue from Existing Sources</b>			
<b>Increase fares</b>	\$756,535,000	6-12 months	<b>Not Recommended</b> - This is not recommended as a funding mechanism for the 8 accelerated projects. Currently engaged in study to simplify and right-size our fare media. Will return to the board in June 2019.
<b>Expand advertising and corporate sponsorship</b>	\$1,000,000,000	12-24 months	<b>Recommend Pursuing</b>
<b>Toll revenue from existing ExpressLanes</b>	\$200,000,000	12-24 months	<b>Recommend Pursuing</b>
<b>Toll revenue from new ExpressLanes</b>	\$300,000,000-500,000,000	5 years	<b>Recommend Pursuing</b>
<b>Multi-Year Subregional Funds by impacted subregions on 8 accelerated projects</b>	\$846,400,000	12-18 months	<b>Recommend Pursuing</b>
<b>Local Return funds by impacted cities on 8 accelerated projects</b>	\$2,689,427,629	12-18 months	<b>Recommend Pursuing</b>
<b>Require 3% of accelerated costs to be funded by cities' Local Return</b>	\$711,000,000	12-18 months	<b>Not Recommended</b>
<b>Increase Federal funding assumptions</b>	\$1,965,700,000	24-36 months	<b>Recommend Pursuing</b>
<b>Increase State funding assumptions</b>	\$1,695,500,000	24-36 months	<b>Recommend Pursuing</b>

The Re-Imagining of LA County: Mobility, Equity, and the Environment

Description	10-yr Estimate	Earliest Revenue Realization	Staff Recommendation
<b>Reduce Expenditures</b>			
<b>Electric bus - conform with state mandate of 2040 rather than 2030</b>	\$350,000,000	2 years	<b>Not Recommended</b> – Staff recommends retaining the original 2030 conversion time frame and moving this item to the baseline assumptions and priorities (proposed sacred items)
<b>Bikeshare Program</b>	\$87,500,000	18 months	<b>Not Recommended</b> – Staff considered transferring the management, oversight, and expansion of the BikeShare program to the City of LA to free up cash flow for accelerating the Twenty-Eight by '28 projects. Transferring this program to LADOT would not necessarily eliminate the cost to Metro.
<b>Explore P3 opportunities</b>	\$5,100,000,000	N/A	<b>Recommend Pursuing</b> - These estimates are based on long-term savings, not revenues. The savings would materialize over ten years of Measure M spending.
<b>Generate Revenue from New Sources</b>			
<b>Seek to back the creation of a White House Task Force on the 2028 Olympic and Paralympic Summer Games</b>	\$2,000,000,000	6-12 months	<b>Recommend Pursuing</b>
<b>Value Capture financings (Variety of locations)</b>	\$370,000,000	3 - 9 years	<b>Recommend Pursuing</b>
<b>Congestion Pricing - Cordon Pricing</b>	\$9,600,000,000	12-24 months	<b>Recommend Pursuing</b>
<b>Congestion Pricing - VMT Pricing</b>	\$83,000,000,000	12-24 months	<b>Recommend Pursuing</b>
<b>Congestion Pricing - Corridor Pricing (10 corridors)</b>	\$42,000,000,000	12-24 months	<b>Recommend Pursuing</b>
<b>Shared Devices - Fee at \$1 per device per day</b>	\$464,000,000	12-24 months	<b>Recommend Pursuing</b>
<b>Levy a fee on TNC</b>	\$4,400,000,000	12-24 months	<b>Recommend Pursuing</b>

LA Metro New Mobility Service Fee Plan**Executive Summary**

New Mobility fees and regulations, if implemented effectively, can be used to improve **equity, mobility, and environmental** outcomes immediately, while also providing revenues for long-term capital projects. Anticipated public policy benefits include:

## Ensure equity and fairness:

- New Mobility fees can improve transportation equity by influencing behavior. Fees can be applied to services, products and programs with goals such as ensuring geographic equity of service coverage, ensuring service is provided to the County’s most vulnerable populations, and including customers who need extra assistance or wheelchair accessible service.<sup>1</sup> Revenues can also be used for these purposes.
- New Mobility service fees and regulations can level the playing field for private sector competition by setting standards for compliance across private companies and operations County-wide. This will create better and more stable mobility outcomes for LA County, and can potentially improve working conditions for drivers.

## Improve mobility:

- New Mobility service fees and regulations can be used to manage congestion by discouraging single-use Transportation Network Company (TNC) rides and, instead, encouraging pooled rides and mode shift to transit services. This reduction of solo driving trips in turn reduces congestion.<sup>2</sup>
- Revenues can be re-invested to improve the quality, reliability, safety, and convenience of transit services and walking and biking access.<sup>3</sup>

## Preserve the environment:

- New Mobility service fees can be used to reduce deadheading (circling empty TNC vehicles). Fees can be increased when vehicles fail to meet efficiency standards.

With these public policy benefits in mind, we propose the following timeline and key activities to develop and implement a New Mobility service fee in LA County. Note that these steps are not meant to be sequential as some of them will need to be undertaken simultaneously.

Immediate & Ongoing	2019 - 2020	2020	Late 2020
Build and grow a regional coalition to support fees	Study effects of New Mobility services	Pursue legislative authority	Pilot New Mobility service fees

## Next steps for exploring New Mobility service fee in LA County:

<sup>1</sup> Editorial Board. Washington Post. “D.C. is raising taxes on Uber and Lyft. Good.” July 20, 2018

<sup>2</sup> Ibid

<sup>3</sup> Kim, So Jung and Robert Puentes. Eno Center for Transportation. “Eno Brief: Taxing New Mobility Services. What’s Right? What’s Next?” July 2018.

- Conduct a study to better understand the effects and impacts of New Mobility services (private companies/operations) in LA County
- Build and grow a regional coalition to support New Mobility service fees
- Pursue legislative authority to institute New Mobility service fees
- Pilot New Mobility service fees in tandem with congestion pricing

### Background and Justification

New Mobility companies, such as Uber, Lyft, Bird, and Lime, have been able to grow market share and value from unchecked consumption of public investments in roads and infrastructure. Across the Country, private companies have put shared bicycles, scooters, and cars on the streets with the expectation of using public rights of way to generate private benefit.

This approach has resulted in numerous mobility benefits, but also many negative externalities. In terms of improved mobility, TNCs have become the emergency ride home for regular transit customers, and shared e-scooters and e-bikes have become a popular, efficient form of first and last mile access to transit stations and stops. However, some net negatives include additional congestion on our roadways and curbside, space taken from pedestrians on sidewalks, increased emissions, and labor market disruption due to inconsistencies in regulatory practices. In some markets, TNC services may have also contributed to ridership declines on transit and jeopardized the sustainability of current services for all.<sup>4</sup>

In response, some jurisdictions (cities and states) have begun to institute fees on TNCs to raise revenue for public goods and services, manage demand, and address the impact of private companies, thus minimizing externalities. The table below illustrates the various taxes and fees that jurisdictions have levied on private companies.<sup>5</sup>

Location	TNC Tax/Fee	Disposition of Funds	Estimated Revenues
Chicago, IL	\$0.67 per trip	\$0.02 to Business Affairs and Consumer Protection \$0.10 to Vehicle Accessibility Fund \$0.55 to City General Fund	\$16M in 2018 \$30M in 2019
New York, NY	8.875% of total fare  \$2.75 per trip or \$0.75 if pooled	51% to City General Fund 45% to State General Fund 4% to Metropolitan Transportation Authority  100% to Metropolitan Transportation Authority	\$400M per year
Washington, D.C.	6% of total fare	17% to Department For-Hire Vehicles 83% to WMATA	\$23M per year
California	0.33% of total TNC revenue	100% to CPUC Transportation Reimbursement Account	Estimates show \$67M since 2013
Rhode Island	7% of total fare	General Fund	N/A

While these taxes and fees are raising revenue for the jurisdiction, they are not necessarily improving the public's mobility. For example, some fees above have been earmarked towards cities' general funds. This amounts to little more than a sales tax, and does not allow revenues to be re-invested to improve the quality, reliability, safety, and convenience of transit services

<sup>4</sup> [https://www.scag.ca.gov/Documents/ITS\\_SCAG\\_Transit\\_Ridership.pdf](https://www.scag.ca.gov/Documents/ITS_SCAG_Transit_Ridership.pdf)

<sup>5</sup> Kim, So Jung and Robert Puentes. Eno Center for Transportation. "Eno Brief: Taxing New Mobility Services. What's Right? What's Next?" July 2018.

and walking and biking access. Even where revenue is dedicated to transportation, how a tax is collected can be just as important as how the money is spent. When taxes from New Mobility providers are simple flat fees, they might suppress demand but accomplish little else from a mobility perspective.

On the other hand, innovative approaches, such as a tiered tax or a dynamic tax, can be used to encourage preferred travel behaviors such as shared rides.<sup>6</sup> Reduced or waived fees could be used as a mechanism to encourage services to be deployed in underserved areas of the County, such as low-income neighborhoods, which are not the top choice of operations for private companies. Fees could be increased at times of high congestion or poor air quality. Instituting service fees offer revenue generation; however, this is also an opportunity for Metro to be deliberate and lead with the desired public policy outcomes and avoid a patchwork approach.<sup>7</sup>

### **Detailed Plan**

The following outlines the recommended timeline and key activities for developing and implementing a New Mobility service fee in LA County. Note that these activities are not meant to be sequential as many of them will need to be undertaken simultaneously.

#### **Immediate and Ongoing: Build and Grow a Regional Coalition to support New Mobility service fees**

Despite their profound impact on mobility in LA County, Metro lacks regulatory oversight authority for ride-hail, scooter-share, and other new mobility services.<sup>8</sup> The California Public Utilities Commission (CPUC) currently regulates TNCs in California, but their approach has been relatively hands-off and not at all focused on mobility, equity, or environmental outcomes. Some jurisdictions within LA County have begun to develop their own regulatory structures for shared devices, which includes piloting permit programs. Other jurisdictions have decided to ban private sector mobility devices altogether. This piecemeal approach creates a poor transportation experience, since users who cross city boundaries can be subject to different regulations. This approach also impacts equity in the distribution of these services and limits Metro's ability to improve access to our transit stations. Ensuring that 89 jurisdictions and their different regulatory policies are being followed surely creates a headache for private companies as well. As the county transportation authority and congestion management agency, Metro is best positioned to take on this oversight role.

Metro will need to begin by developing regional support from its city and local transit partners and other relevant stakeholders in advance of stepping into this role. Securing city buy-in will be critical, given that certain cities such as Santa Monica and the City of Los Angeles have already begun pilot programs that include revenue collection. Extensive communication and coalition building with our local government partners and other stakeholders will help to ensure success. In line with the values articulated in Goal 4.1 of Vision 2028, Metro plans to

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<sup>6</sup> Adams, Sam. City Lab. "Don't Enact a 'Lazy' Ride-Hailing Tax," July 2018.

<sup>7</sup> SFCTA. "The TNC Regulatory Landscape: An Overview of Current TNC Regulation in California and Across the Country." December 2017.

<sup>8</sup> SFCTA. "The TNC Regulatory Landscape: An Overview of Current TNC Regulation in California and Across the Country." December 2017.

establish multiple forums and methods for meaningfully engaging with stakeholders to establish a consistent line of communication, build trust, and foster transparent, inclusive decision-making. This will include engaging the various private companies to provide input on the agency's approach.

### **2019-2020: Study effects of New Mobility services (private companies/operations) in LA County**

To be effective at achieving the above-referenced public policy goals, and to help Metro fulfill its role as the congestion management agency for LA County, Metro needs to better understand the impacts of New Mobility services (private companies/operations).

The extent and impact of these private companies on the transportation system in LA County is not yet fully understood. This is in part because service providers are reluctant to share their data with public transit agencies and departments of transportation and will not do so willingly. Although TNCs in California are regulated at the state level by the CPUC, which does require TNCs to report an extensive amount of data to them, the CPUC does not share this information publicly. In contrast, non-TNC New Mobility companies, such as Bird and Lime, are not regulated at the state level, and regulation is generally managed by cities that regulate sidewalks and streets rather than transit agencies. Over the past year, some cities within LA County have developed their own regulatory structures that include data sharing requirements. However, these programs are still in their infancy.

Despite this lack of data sharing, the City and County of San Francisco were able to produce reliable estimates on TNC ridership. They worked with researchers from Northeastern University who were able to acquire data on TNC activity that was gathered through Uber's and Lyft's public-facing application program interface (API).

Metro would commission reports that analyze and evaluate the current state of New Mobility in LA County. The report would 1) provide an inventory of emerging mobility services and technologies in the region and should include a profile of usage in LA County, 2) include an evaluation of the near-term impacts on publicly operated services and systems and 3) identify and articulate potential longer-term effects on core transit operations, congestion, equity and mobility. An additional report should provide an overview of existing state and local regulatory frameworks within California and globally. These reports would inform the Metro Board on potential near term policy and legislative options. Reports should build upon findings and operational insights collected and produced from the research project (Mobility on Demand) and Metro's direct operations of the MicroTransit Pilot Project.

### **2020: Pursue legislative authority**

For Metro to be able to institute New Mobility service fees, the state of California needs to affirm the County's authority to dedicate a tax on privately operated services.<sup>9</sup> San Francisco

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<sup>9</sup> Norman, Hannah. San Francisco Business Times. "Uber, Lyft agree to proposed ridehail tax in San Francisco." August 1, 2018.

recently successfully went through this process under three years, and their experience serves as a framework and precedent for Metro. See appendix for more detailed information.

**Late 2020: Pilot New Mobility service fees in tandem with congestion pricing pilot**

Once Metro receives the support of the state and local jurisdictions and secures legislative authority, Metro can launch a pilot program to test regulating private companies. Metro should pilot this program in parallel with any congestion pricing pilot and in alignment with other New Mobility pilots throughout the County. Criticism against TNC fees is that they are penalizing TNCs while single occupancy vehicle (SOV) driving still makes up most of traffic congestion and other negative externalities. Ideally, TNC fees should be part of the overall mobility, equity, and environmental solution along with congestion pricing.

Once the pilot begins, revenues will be realized immediately. There will likely be modest costs associated with setting up a regulatory program. As part of the permitting program, Metro should require private companies to share data, which will enable Metro to understand how these services are being used and allow for appropriate monitoring of the services in conjunction with transit and other transportation services.

**Conclusion**

Goal 1.3 of Metro's 10-year strategic plan, Vision 2028, sets forth our agency's intentions to manage transportation demand in a fair and equitable manner. It identifies pursuing regulatory strategies of New Mobility services as a way to 1) level the playing field to ensure access to a variety of transportation options for everyone, 2) preserve competition, and 3) reduce negative impacts. The initiation of a study of the effects new mobility providers, the pursuit of legislative authority, and an analysis of how to pilot new mobility fees and regulations, are the first steps in delivering on this goal.

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Wray, Sarah. Smart Cities World, ["San Francisco reaches ride-sharing tax agreement with Uber and Lyft."](#) August 6, 2018.

Appendix: San Francisco’s Legislative Experience Regulating TNCs

Between June 2017 and October 2018, San Francisco County Transportation Authority (SFCTA) published three reports on the status of TNCs in San Francisco. Findings included how many trips TNCs make on a typical weekday, where in the city TNC trips are concentrated, the amount of vehicle miles driven daily, and how TNCs contribute to the rise of congestion in the San Francisco area.<sup>10</sup>

In response to these findings, in April of 2018, San Francisco County Supervisor and chair of SFCTA Aaron Peskin introduced a ballot measure that would put a gross receipts tax levied on ride-hailing companies on the November 2018 ballot. By end of July 2018, San Francisco’s Mayor’s Office, Supervisor Peskin, Uber, and Lyft had all reached agreement to allow San Francisco to levy a tax on a per-ride basis instead. A tax on gross receipts would have included taxes on drivers’ tips, tolls, and other accumulated fees. After the City, County and private mobility partners were in alignment, Assembly member Phil Ting and State Senator Scott Wiener then authored state legislation to confirm San Francisco’s authority to levy a local tax on TNC and future autonomous vehicle trips and have the dedicated funding be remitted to the SFCTA. Governor Brown signed this bill in September of 2018.<sup>11</sup>

AB1184 allows the City and County of San Francisco to impose a tax on each ride originating in the City and County of San Francisco provided by a TNC or autonomous vehicle. The tax is tiered in that shared rides are taxed at 1.5 percent per-ride, while single-seat rides are taxed at 3.25 percent per-ride. Late-night trips, trips made in hybrid vehicles, and trips that originate from low income neighborhoods and communities of color will have a reduced per-ride tax. Paratransit trips and fully electric vehicles will not be taxed. Revenues go to SFCTA. The bill will require voter approval at the November 2019 ballot, and it is expected to go into implementation in 2020, and will bring in \$30M in the first few years.<sup>12</sup>

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<sup>10</sup> SFCTA. “The TNC Regulatory Landscape: An Overview of Current TNC Regulation in California and Across the Country.” December 2017.

SFCTA. “TNCs and Congestion.” October 2018.

SFCTA. “TNCs Today: A Profile of San Francisco Transportation Network Company Activity.” June 2017.

<sup>11</sup> Wray, Sarah. Smart Cities World, “San Francisco reaches ride-sharing tax agreement with Uber and Lyft.” August 6, 2018.

<sup>12</sup> Norman, Hannah. San Francisco Business Times. “Uber, Lyft agree to proposed ridehail tax in San Francisco.” August 1, 2018.

Wray, Sarah. Smart Cities World, “San Francisco reaches ride-sharing tax agreement with Uber and Lyft.” August 6, 2018.

**ATTACHMENT A: TWENTY-EIGHT BY '28 PROJECT LIST**

<b>Project</b>	<b>Target Completion Date</b>	<b>Current Completion Date</b>	<b>Sub-region</b>
1. Crenshaw/LAX Line	2019	2019	cc, sb
2. MicroTransit **	2019	2019	TBD
3. Regional Connector	2021	2021	cc
4. New Bus Rapid Transit Corridors (Phase 1)	2022	2022	TBD
5. Orange and Red Lines to Gold Line Transit Connector (North Hollywood to Pasadena)	2022	2022	sf, av
6. Airport Metro Connector Station	2023	2023	sb
7. I-5 North County Capacity Enhancements	2023	2023	nc
8. North San Fernando Valley	2023	2023	sf
9. Purple Line Extension Section 1	2023	2023	cc
10. Gold Line Foothill Extension to Claremont (with ability to extend to Montclair)	2025	2025	sg
11. LA River Waterway & System Bike Path	2025	2025	cc, gc
12. LA River Bike Path (plus Mobility Hub**) – San Fernando Valley	2025	2025	sf
13. Orange Line Travel Time and Safety Improvements	2025	2025	sf
14. Purple Line Extension Section 2	2025	2025	cc, w
15. Purple Line Extension Section 3	2026	2026	w
16. Sepulveda Pass ExpressLanes	2026	2026	sf, w
17. East San Fernando Valley	2027	2027	sf
18. I-105 ExpressLanes*	2027	2029	cc, gc, sb
19. I-710 South Corridor Early Action*	2027	2032	gc
20. Green Line Light Rail Extension to Torrance*	2027	2030	sb
21. Blue Line Signal and Washington/Flower Junction Improvements**	2028	2028	cc
22. I-10 ExpressLanes I-605 to San Bernardino Line**	2027	2027	gc, sg
23. SR-57/60 Interchange Improvements*	2028	2031	sg
24. Vermont Transit Corridor	2028	2028	cc
25. Sepulveda Transit Corridor*	2028	2033	sf, w
26. Gold Line Eastside Extension to Whittier or South El Monte*	2028	2035	gc, sg
27. West Santa Ana Branch*	2028	2041	cc, gc
28. I-405 South Bay Curve Improvements*	2028	2047	sb

\* accelerated project

\*\* non-Measure R nor Measure M project