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California State Senate

TRANSPORTATION AND HOUSING



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AGENDA

Tuesday, May 1, 2018
1:30 p.m. -- John L. Burton Hearing Room (4203)

MEASURES HEARD IN FILE ORDER

Consent items indicated by *

- | | | | |
|----|----------|-----------|---|
| 1. | SB 961 | Allen | Enhanced infrastructure financing districts. |
| 2. | SB 1226 | Bates | Building standards: accessory dwelling units. |
| 3. | SB 1253 | Jackson | Income taxes: low-income housing: credit.(Tax Levy) |
| 4. | SB 1269 | Hueso | Schoolbus safety: child safety alert system.(Urgency) |
| 5. | SCR 92* | McGuire | Deputy Sheriff Robert Rumpfelt Memorial Highway. |
| 6. | SCR 105* | Nielsen | CHP Officer Archie E. Nichols Memorial Highway. |
| 7. | SCR 112* | Leyva | Cesar Chavez Memorial Highway. |
| 8. | SCR 124* | McGuire | Harold Del Ponte Memorial Highway. |
| 9. | SCR 133* | Berryhill | Senator David E. Cogdill, Sr., Memorial Highway. |

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 961 **Hearing Date:** 5/1/2018
Author: Allen
Version: 3/22/2018
Urgency: No **Fiscal:** No
Consultant: Alison Hughes

SUBJECT: Enhanced infrastructure financing districts

DIGEST: This bill allows certain enhanced infrastructure financing districts (EIFDs) to issue debt for affordable housing near transit without voter approval.

ANALYSIS:

Existing law:

- 1) Allows a legislative body of a city or county to designate one or more proposed EIFDs pursuant to EIFD law, and requires the establishment of a district to be instituted by the adoption of a resolution of intention to establish the proposed district, which includes the following:
 - a) State that an EIFD is proposed and describe the boundaries of the proposed district, as specified;
 - b) State the type of public facilities and development proposed to be financed or assisted by the EIFD in accordance with existing EIFD law;
 - c) State the need for the EIFD and the goals the district proposes to achieve;
 - d) State the incremental property tax revenue from the city or county and some or all affected taxing entities within the EIFD, if approved by resolution of the affected agencies, that may be used to finance these activities; and,
 - e) Fix a time and place for a public hearing on the proposal.

- 2) Requires, after the resolution of intention to establish an EIFD, the designated official to prepare a proposed infrastructure financing plan, which shall be consistent with the general plan of the city or county within which the district is located. Requires the plan to include a financing section, containing the following information:
 - a) A specification of the maximum portion of the incremental tax revenue of the city or county and of each affected taxing entity proposed to be

- committed to the district for each year during which the district will receive incremental tax revenue, as specified;
- b) A projection of the amount of tax revenues expected to be received by the district for each year during which the district will receive incremental tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year;
 - c) A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt;
 - d) A limit on the total number of tax dollars that may be allocated in the district pursuant to the plan; and,
 - e) A date on which the district will cease to exist, by which time all tax allocation to the district will end. Requires the date to not be more than 45 years from the date on which the issuance of bonds is approved or the issuance of a loan is approved by the governing board of a local agency.
- 3) Establishes the Neighborhood Infill and Transit Improvements Act, or NIFTI, in EIFD law and allows the infrastructure financing plan to contain a provision for the receipt of any increase of the total receipts of local sales and use taxes (SUTs) and attribute those taxes to the NIFTI if the following apply:
- a) The area financed is an infill site.
 - b) The infrastructure financing plan provides for the allocation of at least 20% of the funds to be used to finance projects for the acquisition, construction, or rehabilitation of very low-, low-, and moderate-income housing.
 - c) At least 20% of the new construction in the area shall be financed with funds for affordable housing, as follows:
 - i) At least 6% of any new production is very low-income units.
 - ii) At least 9% of any new production is low-income units
 - iii) At least 5% affordable housing units for low-incomes at any income level, including but not limited to low- and very low-income units.
 - d) The use of the revenues derived from local SUTs imposed pursuant to the infrastructure financing plan is consistent with the purposes for which that tax is imposed.
 - e) The boundaries of the EIFD are coterminous with the locality that established that district.

This bill:

- 1) Allows for the formation of a NIFTI-2, which can issue bonds to finance affordable housing developments near transit stations without needing voter approval.

- 2) Allows a city or county to adopt a resolution to allocate its tax revenues to a NIFTI-2, including SUTs and transactions and use taxes (TUTs), if all of the following apply:
 - a) The area to be financed with funds received pursuant to this section is within one-half mile of a rail transit station, including regional commuter rail, or within 300 feet of a transit-rich boulevard served by bus rapid transit or high-frequency bus service.
 - b) At least 40% of the total funds received by the district is used for the acquisition, construction, or rehabilitation of housing, including the costs of predevelopment and land acquisition, for lower-income households.
 - c) Half of the housing funds are used to develop affordable housing for households with incomes between 30% and 60% area median income (AMI) and the remaining half are used for either affordable housing for households with incomes below 30% AMI or permanent supportive housing to help homeless persons get off the street.
 - d) The infrastructure financing plan gives first priority for occupancy of housing funded through the plan to income-qualified households displaced from the district through no fault of their own, and secondary priority to households with a member or members employed within two miles of the district.
 - e) At least half of the ground floor area of developments are occupied by pedestrian-oriented commercial uses. Provides that the remaining ground floor area may be occupied by live-work space occupied by low- or moderate-income artists with covenants that ensure public display of their art during normal business hours.
 - f) Prior to the district's expiration, at least 20% of any new housing units constructed in the district are affordable to and occupied by lower or moderate income households, with at least 6% of the new units affordable to very low income households and at least 9% of the new units affordable to persons and families of low income.

- 3) Permits the remaining tax increment funds to be used at the discretion of the district for investments to create an attractive environment for mixed-use residential development near transit or to facilitate transit including any of the following:
 - a) Station development for rail transit or bus rapid transit service.
 - b) Urban forestry, landscaping, and greening improvements that make the district more attractive for residential development.
 - c) Detached or decoupled parking in lieu of onsite parking for proposed developments.

- d) First-last-mile access to transit for pedestrians and bicyclists, older adults, and people with disabilities.
- e) Other infrastructure as needed for residential communities, including water infrastructure or waste water infrastructure that captures rainwater or urban runoff.
- g) Requires the infrastructure financing plan to ensure that the requirements in the bill are met every 10 years, and prohibits revenues that fund the EIFD from being used for highway or highway interchange improvements.
- h) Requires an EIFD to ensure that any affordable housing units that it funds remain permanently available at housing costs affordable to, and occupied by, very low income households, persons and families of low income, or persons and families of low or moderate income for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units. A city or county cannot terminate a NIFTI-2 before the district has complied with its affordable housing obligations.

COMMENTS

- 1) *Purpose.* According to the author, this bill provides a voluntary tool for local governments that are committed to expediting transit improvements and incentivizing middle and low-income housing near transit. The legislation adds to the list of tax increment financing options available to local governments under California's enhanced infrastructure financing district law, most notably providing the option for a district to bond against future sales and property tax increments without voter approval. As the Senate Governance and Finance Committee analysis of the bill notes, this bill "incentivizes good development patterns by providing a source of funds for infrastructure and other projects that make transit-oriented development attractive to developers. In exchange for an easier path to financing, [it] demands more spending on affordable housing than other financing districts, striking an appropriate balance between public benefits and an expedited process."
- 2) *IFDs, EIFDs, and NIFTIs.* Cities and counties can create Infrastructure Financing Districts (IFDs) and issue bonds to pay for community scale public works: highways, transit, water systems, sewer projects, flood control, child care facilities, libraries, parks, and solid waste facilities. To repay the bonds, IFDs can divert property tax increment revenues. However, IFDs can't divert property tax increment revenues from schools (SB 308, Seymour, 1990). In 2014, in response to redevelopment agencies' (RDAs) dissolution, legislators enacted SB 628 (Beall) to allow local officials to create EIFDs, which augment the tax increment financing powers that are available to local government under the IFD statutes. City or county officials can create an EIFD, which is

governed by a public finance authority, to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community. Like an RDA, an EIFD may issue bonds backed by SUTs and TUTs. However, unlike RDAs, EIFDs require a 55% voter approval to do so.

Last year, the legislature passed AB 1568 (Bloom, Chapter 562), which created NIFTI districts that may be formed within EIFDs. NIFTIs finance infrastructure and affordable housing using increases in local SUTs in addition to TUTs. The NIFTI districts must be located in qualified infill locations, meeting the SB 375 definition of infill site, and 20% of the revenue is required to be spent on affordable housing.

- 3) *NIFTI v. NIFTI-2 housing provisions.* NIFTI-2s under this bill have many similar characteristics to the NIFTIs enabled by last year's AB 1568. The major differences include:
 - a) NIFTI-2s may issue debt without voter approval.
 - b) NIFTI-2s may only finance projects near transit stations and transit-rich boulevards.
 - c) NIFTI-2s must spend twice as much (40% instead of 20%) on affordable housing, and that housing must be affordable to people with lower household incomes than in NIFTIs.
 - d) NIFTI-2s require the housing to also be permanently affordable for the longest feasible time, in addition to the 45 and 55 year affordability requirements for NIFTIs.
 - e) NIFTI-2s have a narrower set of uses for the remainder of the funds.

This bill would allow for the creation of NIFTI-2 districts, the goal of which is to incentivize more deeply targeted affordable housing construction near transit by removing the voter approval requirement for NIFTIs.

The author's intent is for the bill to require half of the funds available for housing to be split evenly between families earning less than 30% area median income (AMI) and families earning 31% - 60% AMI, but there was an error in drafting the language. Additionally, the language in the bill carries over the affordable housing provisions from AB 1568, which would be significantly higher in this bill and therefore overridden. *The committee may wish to clarify the intended split in affordable housing financing and remove the unnecessary affordable housing provisions from AB 1568.*

- 5) *Providing greater certainty around transit.* This bill allows for specified tax revenues to be used investments to encourage housing near transit, including

near a transit-rich boulevard serviced by bus rapid transit or high frequency bus service. Unlike ferry terminals and rail stations, however, bus service is not found in fixed locations and due to varying circumstances is more likely to move around. Most transit agencies adjust their route schedules fairly regularly. The frequency of service on some routes may change every year, while others may change every five to ten years. These changes depend primarily on funding, which in some cases is regular and predictable and in other cases, irregular and unpredictable and dependent on the overall economy. Bus service may also be impacted by local demographics, both socioeconomic and geographical.

Given the potential for unpredictable bus service, the committee may wish to consider removing bus service from the bill and instead focus on ferry terminals and rail stations, which include stations on intercity, urban, and commuter rail lines. The bill could instead require the Office of Planning and Research to conduct a study of the impacts of extending NIFTI-2 to apply to areas around bus stops, including segregated bus rapid transit, and make recommendations to the Legislature.

- 6) *Housing near transit.* Research has shown that encouraging more dense housing near transit serves not only as a means of increasing ridership of public transportation to reduce greenhouse gases (GHGs), but also a solution to our state's housing crisis. As part of California's overall strategy to combat climate change, the Legislature began the process of encouraging more transit oriented development with the passage of SB 375 (Steinberg, Chapter 728, Statutes of 2008). SB 375 is aimed at reducing the amount that people drive and associated GHGs by requiring the coordination of transportation, housing, and land use planning. The Legislature subsequently allocated 20% of the ongoing Cap and Trade Program funds to the Affordable Housing and Sustainable Communities (AHSC) Program, which funds land use, housing, transportation, and land preservation projects to support infill and compact development that reduce GHGs. At least half of the funds allocated to the AHSC program must support affordable housing projects.

Research has also demonstrated the positive relationship between income and vehicle miles traveled (VMT). A study by the Center for Neighborhood Technology, entitled *Income, Location Efficiency, and VMT: Affordable housing as a Climate Strategy*, created a model to isolate the relationship of income on VMT. This model found that lower-income families living near transit were likely to drive less than their wealthier neighbors. More specifically, in Metro Regions, home to two-thirds of California's population, identically-composed and located low-income households were predicted to

drive 10% less than the median, very low-income households 25% less, and extremely low-income households 33% less. This research demonstrates the value of encouraging lower-income people near transit who are more likely to increase transit ridership.

7) *Double-referred.* This bill was heard in the Senate Governance and Finance Committee on April 25th, where it passed on a 7-0 vote. ***The author agreed to take amendments in that committee, and due to time constraints, was not able to process them. The amendments agreed to in the Senate Governance and Finance committee, which will be made should the bill pass out of this committee, do the following:***

- a) Allow NIFTI-2 funds not allocated for housing to be used to facilitate access to transit similar to those permitted under the AHSC Program, which funds infill and compact development near transit. These uses include: multifamily affordable housing projects or mixed-use projects with affordable housing; transit capital projects and programs supporting transit ridership, including water-borne transit; active transportation capital projects; transit-oriented development projects, including affordable housing and infrastructure at or near transit stations or connecting those developments to transit stations; capital costs of parks and urban forestry, and permanent greening in public areas; capital projects that implement local complete streets programs; and other projects or programs designed to reduce greenhouse gas emissions and other criteria air pollutants by reducing automobile trips and vehicle miles traveled within a community.
- b) Require a NIFTI-2, like a NIFTI, to have boundaries coterminous with the cities or counties contributing the SUTs dedicated to the NIFTI-2.
- c) Direct the Office of Planning and Research to evaluate the effectiveness of the various tax increment financing authorities that have sprung up in the wake of the RDAs dissolution.
- d) Remove the requirement that at least half of the ground floor area of developments are occupied by pedestrian-oriented commercial uses and that the remaining ground floor area may be occupied by live-work space occupied by low- or moderate-income artists with covenants that ensure public display of their art during normal business hours.
- e) Provide a cross-reference that deems projects to be public works projects, consistent with NIFTIs.
- f) Add a similar public process to community revitalization investment authorities.

RELATED LEGISLATION:

AB 1568 (Bloom, Chapter 562, Statutes of 2017) — allowed an EIFD to allocate sales taxes for affordable housing on infill sites.

SB 628 (Beall, Chapter 785, Statutes of 2014) — allowed local agencies to create EIFDs to finance specified infrastructure projects and facilities.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

MoveLA (sponsor)
California Association of Realtors

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 1226 **Hearing Date:** 5/1/2018
Author: Bates
Version: 4/24/2018 Amended
Urgency: No **Fiscal:** No
Consultant: Alison Hughes

SUBJECT: Building standards: accessory dwelling units

DIGEST: This bill provides that when a building permit for an ADU does not exist, the appropriate enforcement official may make a determination of when the ADU was constructed and then apply the California Building Standards Code and other specified rules and regulations in effect when the ADU was determined to be constructed for purposes of issuing a building permit for that ADU. It also provides that this is declaratory of existing law.

ANALYSIS:

Existing law:

- 1) Authorizes a local agency to adopt an ordinance providing for the creation of ADUs.
- 2) Establishes the State Housing Law, which sets forth construction and occupancy standards for buildings used for human habitation.
- 3) Requires the Department of Housing and Community Development (HCD) to propose the adoption, amendment, or repeal of building standards to the Building Standards Commission (BSC) and to adopt, amend, and repeal other rules and regulations to protect the health, safety, and welfare of occupants and to the public. These regulations become part of the California Building Standards Code.
- 4) Authorizes local governments to modify building standards based on findings of local climatic, geological, or topographical conditions. The local government must first make an express finding that the change or modification is necessary and must be filed with the BSC.

- 5) Authorizes a building department of any local government to approve an alternate material, appliance, installation, device, arrangement, method, or work on a case-by-case basis if it finds that the proposed design is satisfactory and the alternative used is the equivalent of that prescribed in the Building Standards Code or in the State Housing Law in performance and safety.
- 6) Authorizes, under the Building Standards Code, a building official, as part of his or her enforcement authority to render interpretations of the code and to adopt policies and procedures to clarify the application of its provisions. Such interpretations, policies and procedures shall be in compliance with the intent and purpose of the code and shall not have the effect of waiving requirements in the code.
- 7) Authorizes, under the Building Standards Code, a building official, where there are practical difficulties involved in carrying out the provisions of the building standards code, to grant modifications for individual cases provided the building official first find that special individual reasons makes the strict letter of the law impractical, the modification is in compliance with the intent of the code, and that the modification does not lessen health, accessibility, life, and fire safety or structural requirements.

This bill:

- 1) Provides that when a building permit for an ADU does not exist, the appropriate enforcement official may make a determination of when the ADU was constructed and then apply the California Building Standards Code and other specified rules and regulations in effect when the ADU was determined to be constructed for purposes of issuing a building permit for that ADU.
- 2) Provides that this is declaratory of existing law.

COMMENTS

- 1) *Purpose.* According to the author, "sometimes called 'in-law quarters' or 'granny flats,' accessory dwelling units are often considered a second small dwelling on the same grounds as another house. Located on the same property as the main home, these two units are tied together and cannot be bought or sold separately. As a result, ADUs provide a creative and flexible option for allowing additional residents to live with or near family or caregivers. However, not all accessory dwelling units have been permitted. In the City of Encinitas, there have been multiple programs initiated over the years to try and bring these units into compliance, but these programs were not successful.

[This bill] seeks to bring these unpermitted accessory dwelling units out from the shadows. These units need to be inspected for basic life safety standards to ensure protection for those individuals who live there. [This bill] would allow a local government to regulate this process and provide them with flexibility to bring these ADUs into compliance. [This bill] is needed to find out where these unpermitted existing ADUs are and to bring them up to a suitable level in the code, ensuring basic health and safety standards.”

- 2) *Unpermitted ADUs.* According to a 2016 report by McKinsey and Company entitled *A Took Kit to Close California’s Housing Gap: 3.5 Million Homes by 2025*, one way to encourage homeowners to add ADUs is to create an amnesty path for ADUs that are not property permitted. According to the report, as many as 8% of the ADUs in San Francisco are illegal. The report concludes that legitimizing these units would boost building compliance and raise property tax revenue.
- 3) *Existing authority for building officials.* Last year, Senator Bates introduced SB 431, which sought to assist with bringing unpermitted ADUs out of the shadows. That bill would have permitted a locality to waive, for five years following the enactment of an ordinance, some or all requirements of an applicable building code for the purpose of issuing a building permit for an otherwise unauthorized accessory dwelling unit (ADU) that was constructed prior to 2008. Out of a concern for public safety, the author opted to hold the bill to continue a longer discussion for how to address the issue.

Over the last year, the author and sponsor learned that building officials — through provisions in the California Health and Safety Code and the California Building Code — have broad authority as part of his or her enforcement authority to render interpretations of the code and to adopt policies and procedures to clarify the application of its provisions. While generally, the building standards in place at the time a permit is issued apply, a building official may, at their discretion, apply the building standards that were in effect at the time a residential unit was constructed. This is permissible under authority to grant modifications on a case-by-case basis and that a building department may approve a material, appliance, installation, device, arrangement, or method if it finds that the design is satisfactory and equivalent to the building standards code. The sponsor was not aware of this authority, and learned that other jurisdictions, including Poway, Santee, Lemon Grove, Del Mar, Solana Beach, Oceanside, and Pismo Beach, were similarly unaware.

This bill would clarify, in statute, that when a building permit for an ADU does not exist, the appropriate enforcement official may make a determination of

when the ADU was constructed and then apply the California Building Standards Code and other specified rules and regulations in effect when the ADU was determined to be constructed for purposes of issuing a building permit for that ADU.

As noted above, this authority is not limited to ADUs but rather all residential construction. *The committee may wish to consider expanding this bill to apply to all residential construction, to maintain consistency with existing law.*

- 4) *Need for a bill?* The committee did not receive a letter in time, but it is aware that the California Building Officials Association has concerns about this bill. Building officials have long believed that this authority exists without necessitating explicit authority in statute; the problem here is a lack of education about existing authority rather than a need for a bill. Further, building officials do not look to statute for direction for their authority, but rather to the building code. *The committee may wish to consider whether there is a need for this bill, or if it could be addressed by providing additional educational opportunities to building officials unfamiliar with existing law. The committee may also wish to consider instead directing HCD to propose regulations to the BSC.*

RELATED LEGISLATION:

SB 831 (Wieckowski, 2018) — makes several changes to the law governing accessory dwelling units (ADUs) and creates a 10-year amnesty program for substandard ADUs. *This bill is pending in the Senate Appropriations Committee.*

SB 1469 (Skinner, 2018) — makes several changes to the law governing accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) and requires HCD to create small home building standards to apply to ADUs, which shall be drafted to achieve the most cost-efficient construction standards possible, similar or more cost-effective than standards in the 2007 edition of the California Building Standards Code. These small building standards shall be submitted to the Building Standards Commission for consideration on or before January 1, 2020. *This bill is pending in the Senate Appropriations Committee.*

AB 494 (Bloom, Chapter 602, Statutes of 2017) — made technical, clarifying changes to ADU law.

SB 229 (Wieckowski, Chapter 594, Statutes of 2017) — made several changes to ADU law.

SB 431 (Bates, 2017) — would have permitted a locality to waive, for five years following the enactment of an ordinance, some or all requirements of an applicable building code for the purpose of issuing a building permit for an otherwise unauthorized accessory dwelling unit (ADU) that was constructed prior to 2008. *This bill was not taken up in the Senate Transportation and Housing Committee.*

AB 2299 (Bloom, Chapter 735, Statutes of 2016) — made several changes to the ADU law.

SB 1069 (Wieckowski, chapter 720, Statutes of 2016) — made several changes to ADU law.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

City of Encinitas (sponsor)

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 1253 **Hearing Date:** 5/1/2018
Author: Jackson
Version: 3/22/2018 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Alison Hughes

SUBJECT: Income taxes: low-income housing: credit

DIGEST: This bill increases the total funding for the state low-income housing tax credit by 100%, as specified, and provides that a tax credit may also be awarded to a project that is in a qualified opportunity zone, without the receipt of a federal tax credit.

ANALYSIS:

Existing law:

- 1) Creates the state low income housing tax credit program within the Tax Credit Allocation Committee (TCAC) in the State Treasurer's Office. TCAC administers the state low income housing tax credits to augment federal low-income housing tax credits.
- 2) Requires the amount of the credit allocated to a recipient to be based on a projects need. The project shall be located in California and meet either of the following requirements:
 - a) The projects housing sponsor has been allocated a federal 9% low income housing tax credit; or
 - b) The project qualifies for a federal 4% low-income housing tax credit.
- 3) Provides that the total annual amount for the state low-income housing tax credit is \$70 million, and may be increased as determined by the consumer price index.

This bill:

- 1) Increases the total funding for the state low-income housing tax credit by 100%, rounded up to the next \$10 million, from calendar years 2020 – 2030. This increase shall be subject to increases based upon the consumer price index.
- 2) Provides that a tax credit may also be awarded to a project that is in a qualified opportunity zone, without the receipt of a federal tax credit. A low-income housing project eligible for state funds in an opportunity zone may only be able to access credits from the increased funding provided by (1) above and not the existing tax credit funds.
- 3) Terminates the provisions in this bill on December 31, 2030.
- 4) Takes effect immediately as a tax levy.

COMMENTS

- 1) *Purpose.* According to the author, “housing is essential to the quality of life and economic future of this state, and finding affordable housing remains a top concern for Californians. While the state continues to seek solutions across the board, we must not forget our obligation to first invest in accessible, affordable housing. This bill achieves that priority by doubling the amount of funds available for our successful state housing tax credit program. These tax credits are instrumental to developers in securing financing for new housing development—in no small part because they can be combined with equally critical matching federal credits. Additionally, this bill will allow the state Tax Credit Allocation Committee to use these credits in concert with recent changes in federal tax law that incentivizes development in low-income opportunity zones. By funding our credits to levels needed by today’s standards, but by also taking advantage of opportunities to leverage credits strategically with other available public financing, we can continue to make progress in providing housing for all Californians.”
- 2) *Background of the federal LIHTC program.* The LIHTC is an indirect federal subsidy developed in 1986 to incentivize the private development of affordable rental housing for low-income households. The federal LIHTC program enables low-income housing sponsors and developers to raise project equity through the allocation of tax benefits to investors. TCAC administers the program and awards credits to qualified developers who can then sell those credits to private investors who use the credits to reduce their federal tax

liability. The developer in turn invests the capital into the affordable housing project.

Two types of federal tax credits are available: the 9% and 4% credits. These terms refer to the approximate percentage of a project's "eligible basis" a taxpayer may deduct from his/her annual federal tax liability in each of 10 years. "Eligible basis" means the cost of development excluding land, transaction costs, and costs incurred for work outside the property boundary. For projects that are not financed with a federal subsidy, the applicable rate is 9%. For projects that are federally subsidized (including projects financed more than 50% with tax-exempt bonds), the applicable rate is 4%. Although the credits are known as the "9% and 4% credits," the actual tax rates fluctuate every month, based on the determination made by the Internal Revenue Service. Generally, the 9% tax credit amounts to 70% of a taxpayer's eligible basis and the 4% tax credit amounts to 30% of a taxpayer's eligible basis, spread over a 10-year period.

Each state receives an annual ceiling of 9% federal tax credits, and in California they are oversubscribed by a 2:1 ratio. Unlike 9% LIHTC, federal 4% tax credits are not capped, however, they must be used in conjunction with tax-exempt private activity mortgage revenue bonds which are capped and are administered by the California Debt Limit Allocation Committee. In 2015, the state ceiling for private activity bonds was set at \$5.61 billion. The value of the 4% tax credits is less than half of the 9% tax credits and, as a result, 4% federal credits are generally used in conjunction with another funding source, like state housing bonds or local funding sources.

- 3) *Background of the state LIHTC program.* In 1987, the Legislature authorized a state LIHTC program to augment the federal tax credit program. State tax credits can only be awarded to projects that have also received, or are concurrently receiving, an allocation of the federal LIHTCs. The amount of state LIHTC that may be annually allocated by TCAC is limited to \$70 million, adjusted for inflation. This year, the total credit amount available for allocation was about \$99 million plus. Current state tax law generally conforms to federal law with respect to the LIHTC, except that it is limited to projects located in California.

While the state LIHTC program is patterned after the federal LIHTC program, there are several differences. First, investors may claim the state LIHTC over four years rather than the 10-year federal allocation period. Second, the rates used to determine the total amount of the state tax credit (representing all four years of allocation) are 30% of the eligible basis of a project that is not federally

subsidized and 13% of the eligible basis of a project that is federally subsidized, in contrast to 70% and 30% (representing all 10 years of allocation on a present-value basis), respectively, for purposes of the federal LIHTCs. Combining federal 9% credits (which amounts to roughly 70%) with state credits (which amounts to 30%) generally equals 100% of a project's eligible basis. Combining federal 4% credits (which amounts to roughly 30%) with state credits (which amounts to 13%) only results in 43% of a project's eligible basis.

- 4) *Need for additional state funding.* Historically, the state has funded housing programs through the sale of general obligation bonds, which have been nearly expended. Most recently, the voters approved a \$2.1 billion bond through Proposition 46 in 2002 and then a \$2.85 billion bond through Proposition 1C in 2006. These funds financed the construction, rehabilitation, and preservation of 183,000 units, including shelter spaces and permanent supportive housing for the homeless.

Until 2011, the Community Redevelopment Law required redevelopment agencies to set aside 20% of all property tax increment revenue to increase, improve, and preserve the community's supply of low- and moderate-income housing available at an affordable housing cost. In fiscal year 2009-10, redevelopment agencies deposited \$1.075 billion of property tax increment revenues into their Low- and Moderate-Income Housing Funds. With the elimination of redevelopment agencies, this source of funding for affordable housing is no longer available.

California also receives federal funds for the following housing programs: HOME Investment Partnerships Program (HOME), Emergency Solutions Grants Program, and Community Development Block Grant Program. Over the last ten years, however, the funding for these programs has been reduced by 34%. California will also experience an additional loss of \$540 million due to the reduced value of the low-income housing tax credit as a result of the federal tax proposal passed last fall; this means California stands to lose 4,000-5,000 units per year.

Despite monumental efforts by the legislature over the last two years to increase housing funding — namely through the No Place Like Home Initiative and the passage of SB 2 (Atkins, Chapter 364, Statutes of 2017) and SB 3 (Beall, Chapter 365, Statutes of 2017) — California has not been able to make up the gaps in funding from the loss of existing state housing bonds and the loss of funding for housing from redevelopment.

This bill increases the amount available for the state low-income housing tax credit program by 100%, rounded up to the next \$10 million, for ten years. Currently, TCAC is allocated about \$99 million per year, so this bill would provide an additional \$100 million per year, with the possibility of an increase due to inflation. This new investment would come from the general fund, similar to other housing funding proposals being contemplated this year.

- 5) *A new funding structure.* The federal tax proposal passed last year authorizes the Governor of each state to designate certain census tracts as Opportunity Zones. Investments made by individuals through special funds in these zones would be allowed to defer or eliminate federal taxes on capital gains with the intent of spurring private investment in distressed communities throughout the country. Opportunity Zones are distressed census tracts (*i.e.* lower-income neighborhoods) that meet eligibility requirements to concentrations of poverty, and funds are limited to business, real estate, and business assets. The IRS is currently drafting the regulations for this program, and it is not clear what kinds of investments will be eligible. This bill would permit a developer to receive a state credit without a federal credit if the project resides in a federal opportunity zone. The author's intent is to encourage out-of-state investments in affordable housing in California.

Under existing state law, to receive a state credit, a developer must first receive a federal 9% or 4% tax credit. The federal tax credits provide significantly more funding than the state investment (See Comment 3 above). Given the expense and complexity of financing an affordable housing project, it is not likely that a developer would be able to make a project financially feasible without the receipt of a federal tax credit even with the tax incentives offered by investing in an opportunity zone. Further, as noted above, the state tax credit program is already oversubscribed; additional funds to the program would likely be awarded quickly without requiring additional out-of-state investors.

The committee may also wish to consider the policy implications of encouraging more affordable housing in distressed neighborhoods as this runs counter to fair housing principals and incentivizes less inclusive neighborhoods by further concentrating poverty. Projects that receive tax credits tend to be 100% affordable housing projects; to foster more inclusively, TCAC recently amended its regulations to encourage the development of tax credit projects in high opportunity areas (*i.e.* near good schools, job centers, transit, *etc.*). In other words, these regulatory changes seek to discourage further segregating lower-income neighborhoods. Creating a new incentive for 100% affordable projects in already distressed neighborhoods would run counter to those policy changes. *The committee may wish to consider removing the ability for*

projects to be awarded state credit in opportunity zones without the receipt of a federal credit.

- 6) *Double-referred.* This bill is double-referred to the Governance and Finance Committee.

RELATED LEGISLATION:

SB 912 (Beall, Skinner, 2018) — appropriates \$2 billion from the General Fund to housing and homelessness programs, as specified. *This bill is pending in the Senate Appropriations Committee.*

SB 2 (Atkins, Chapter 364, Statutes of 2017) — establishes the Building Homes and Jobs Act and imposes a \$75 fee on real estate transaction documents, excluding commercial and residential real estate sales, to provide funding for affordable housing.

SB 3 (Beall, Chapter 365, Statutes of 2017) — enacts the Veterans and Affordable Housing Bond Act of 2018 and authorizes the issuance of \$4 billion in general obligation bonds for affordable housing programs and a veterans' homeownership program, subject to approval by the voters in the November 6, 2018 election.

AB 1618 (Committee on Budget, Chapter 43, Statutes of 2016) — establishes the No Place Like Home Program to further the development of permanent supportive housing for persons who are in need of mental health services and are homeless, chronically homeless, or at risk of homelessness.

AB 2817 (Chiu, 2016) – would have increased annual authorization amounts for low-income housing tax credits, and increased the value of the credits for specified projects. *This bill was held under submission in the Senate Appropriations Committee.*

AB 35 (Chiu, 2015) – would have increased annual authorization amounts for low-income housing tax credits, and increased the value of the credits for specified projects. *This bill was vetoed by the Governor with the following comments:*

“Despite strong revenue performance over the past few years, the state's budget has remained precariously balanced due to unexpected costs and the provision of new services. Now, without the extension of the managed care organization tax that I called for in special session, next year's budget faces the prospect of over \$1 billion in cuts.”

“Given these financial uncertainties, I cannot support providing additional tax credits that will make balancing the state's budget even more difficult. Tax credits, like new spending on programs, need to be considered comprehensively as part of the budget deliberations.”

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

None received.

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 1269 **Hearing Date:** 5/1/2018
Author: Hueso
Version: 4/16/2018
Urgency: Yes **Fiscal:** No
Consultant: Manny Leon

SUBJECT: Schoolbus safety: child safety alert system

DIGEST: This bill postpones the enactment date for certain school bus safety requirements for one year.

ANALYSIS:

Existing law:

- 1) Requires school officials to develop transportation safety plans.
- 2) Requires enhanced certification to become a school bus driver.
- 3) Authorizes the Department of Motor Vehicles (DMV) to refuse to issue or renew such certification if certain specified crimes or misconduct has occurred.
- 4) Requires specialized equipment in school buses such as seat belts and external lighting systems.
- 5) Requires all school buses to be equipped with certain safety features, as specified.
- 6) Requires, on or before the beginning of the 2018–19 school year, school buses, school pupil activity buses, except as provided, youth buses, and child care motor vehicles to be equipped with a “child safety alert system,” as defined.
- 7) Specifies that a child safety alert system is a device located at the interior rear of a vehicle that requires the driver to either manually contact or scan the device before exiting the vehicle.

This bill:

- 1) Extends the implementation date that all school buses, school pupil activity bus, as specified, youth bus, and child care motor vehicle are to be equipped with an operational child safety alert system from the school year beginning in 2018 to the 2019 school year.

COMMENTS

- 1) *Purpose.* According to the author, “Last year, Senate Bill 1072 (Mendoza) enacted the Paul Lee School Bus Safety Law, which requires, on or before the beginning of the 2018–19 school year, school buses to be equipped with a “child safety alert system.” A variety of reasons has made strict compliance of SB 1072’s requirements difficult to meet for many school districts across California. One major issue that prevents the speedy implementation of SB 1072’s requirements is that over 24,000 buses are competing for child safety alert systems which have only recently been developed and are currently sold out. Schools districts have reported being placed on waiting lists by the manufacturers of these devices that extend months out. In order to prevent the disruption of transportation services school districts offer California students this bill provides school districts with an additional year to install the Child Safety Alert System devices necessary to comply with SB 1072.”
- 2) *Prior legislation.* In 2016, SB 1072 (Chapter 721, Statutes of 2016) was introduced to implement additional safety measures for pupils riding school buses. At that time, the author of SB 1072 identified eight incidents in 2012 where a student was left alone on a school bus. SB 1072 aimed to remedy this issue by requiring a school bus driver to walk to the back of the bus to deactivate an alert system before exiting the bus. The bill required all school buses to install these child safety alert systems prior to the beginning of the 2018-2019 school year. SB 1072 ultimately passed out of the Senate on a 39-0 vote.
- 3) *Implementation.* Since bill’s enactment, a number of stakeholder groups have indicated that the 2018 timeline will be difficult to meet due to a variety of implementation issues. Several of these issues include:
 - a) Lack of supply — many districts are on a waiting list for child alert safety devices.
 - b) Lack of time to install — the installation time for each alert device is approximately 10 hours. Additionally, school bus fleets are made up of a

variety of bus makes and models; preventing a one installation plan fits all approach. Lastly, for larger school districts, the cost of the installation requires the district to go to bid, which further extends the completion times.

- c) Lack of installers — according to the author, the largest manufacturer of the alert devices does not have any in-house installers and is in turn referring districts to a number of other installers. The author notes there are only three other installers in the state, leaving many districts to rely on in-house mechanics.

On the other hand, writing in opposition to the bill, the State Council on Developmental Disabilities notes that the Council does not believe delayed implementation is necessary as “CHP met the statutory requirements for regulations. A manufacturer is producing plenty of devices that meet CHP’s specifications. Installation instructions are easily accessible and school districts have already purchased 12,000 devices to meet this requirement.”

This bill will provide school districts across the state with an additional year to meet the child safety alert system requirements as specified in SB 1072.

- 4) *Urgency*. This bill includes an urgency measure which will require a two-thirds vote on the Senate Floor.

RELATED LEGISLATION:

SB 1072 (Chapter 721, Statutes of 2016, Mendoza) — required on or before the 2018-19 school year, school buses, other specified buses which transport students, and child care motor vehicles to be equipped with an operational child safety alert system. The bill also included other conforming changes.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

California Association of School Business Officials (sponsor)
California Association of School Transportation Officials (sponsor)
Los Angeles Unified School District

OPPOSITION:

State Council on Developmental Disabilities

-- END --

This resolution designates the portion of State Highway Route 29 from the intersection of State Highway Route 175 in the City of Lakeport to the 11th Street Undercrossing in the County of Lake as the Deputy Sheriff Robert Rumfelt Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signs and, upon receiving sufficient donations from non-state sources, to erect those signs.

COMMENTS

- 1) *Purpose.* The purpose of this resolution is to honor the life and service of Deputy Sheriff Robert Rumfelt by renaming a portion of Highway 29 — in his hometown of Lakeport — after him.
- 2) *Background on Mr. Rumfelt.* Robert Rumfelt was a lifelong Lake County resident. He was a veteran of the U.S. Marine Corps and also worked for a time as a civilian police advisor to Iraqi law enforcement agencies. He served over 20 years as a police officer for the City of Lakeport and a deputy sheriff in Lake County. He also volunteered regularly at Clear Lake High School, his alma mater, helping coach the football team and mentoring youth. He died in the line of duty on August 22, 2017. He is survived by his wife; two daughters, two grandsons, his parents and a large extended family.
- 3) *Consistent with Committee Policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

Congressman Mike Thompson
Lake County's Sheriff Office

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SCR 105 **Hearing Date:** 5/1/2018
Author: Nielsen
Version: 2/16/2018
Urgency: No **Fiscal:** Yes
Consultant: Jeffery Song

SUBJECT: CHP Officer Archie E. Nichols Memorial Highway

DIGEST: This bill designates a portion of State Highway Route 99 in the County of Tehama as the CHP Officer Archie E. Nichols Memorial Highway.

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of State Highway Route 99 from 9th Avenue to 61st Avenue in the County of Tehama as the CHP Officer Archie E. Nichols Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signs and, upon receiving sufficient donations from non-state sources, to erect those signs.

COMMENTS

- 1) *Purpose.* The purpose of this resolution is to pay tribute to the life and service of CHP Officer Archie E. Nichols, by commemorating a portion of Highway 99 — the same road he protected — in his honor.
- 2) *Background on Mr. Nichols.* Archie E. Nichols was born in 1919 in Long Beach, CA. He served in World War II as a member of the U.S. Army Air Corps. Following military service, he joined the CHP and served as an officer in the Red Bluff area until his death in 1959. He was also a volunteer at the local fire department in Los Molinos, and was very involved in the community and the Catholic Church (Sacred Heart Red Bluff), where a memorial to him still stands today. His legacy of service lives on in his 12 children, five of which served in the military and one became a Catholic nun, 38 grandchildren, 37 great-grandchildren, and three great-great children.
- 3) *Consistent with Committee Policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

Family of CHP Officer Archie E. Nichols (sponsor)

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SCR 112

Hearing Date: 5/1/2018

Author: Leyva

Version: 3/5/2018

Urgency: No

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: Cesar Chavez Memorial Highway

DIGEST: This bill designates a portion of Interstate 215 in San Bernardino County in honor of Cesar Chavez.

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of Interstate 215 from the interchange of Interstates 215 and I5 to five miles south of the interchange in the County of San Bernardino as the Cesar Chavez Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signs and, upon receiving sufficient donations from non-state sources, to erect those signs.

COMMENTS

- 1) *Purpose.* The purpose of this resolution is to honor the life and service of Cesar Chavez by naming a portion of Interstate 215 after him. This freeway segment leads to the local Cesar Chavez middle school.
- 2) *Background on Cesar Chavez.* Cesar Estrada Chavez founded the National Farm Workers Association, which later merged with another workers union to form the United Farm Workers Organizing Committee of the United Farm Workers. Mr. Chavez was an American labor leader and civil rights activist who died on April 23, 1993. He was posthumously awarded the Presidential Medal of Freedom by President Clinton. In 2000 California established March 31 as a state holiday in honor of Cesar Chavez. In 2012 President Obama established the Cesar E. Chavez National Monument in Keene in Kern County.
- 3) *Consistent with Committee Policy.* This resolution is consistent with the provisions of the committee's policy on highway designation. However, the highway designation should be clarified to remove any ambiguities after a discussion with Caltrans.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

Chicano Latino Caucus of San Bernardino County

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SCR 124

Hearing Date: 5/1/2018

Author: McGuire

Version: 4/24/2018

Urgency: No

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: Harold Del Ponte Memorial Highway

DIGEST: This bill designates a portion of State Highway Route 101 in the County of Del Norte as the Harold Del Ponte Memorial Highway.

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of State Highway 101 at the county line and continuing north for two miles as the Harold Del Ponte Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signs and, upon receiving sufficient donations from non-state sources, to erect those signs.

COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to honor the life and service of Harold Del Ponte by renaming a portion of Highway 101 after him.
- 2) *Background on Mr. Del Ponte.* Harold Del Ponte was born in the City of Crescent City, where he attended school. He was an Air Force veteran. In the County of Del Norte he ran the family dairy farm. He was the longest-running member of the Del Norte County Board of Supervisors and also served on the Regional Water Quality Control Board, Del Norte Planning Commission, Klamath Chamber of Commerce, Del Norte County Chamber of Commerce, Del Norte County Farm Bureau, and Kiwanis Club. In recognition of over 50 years of service to the County of Del Norte, he was awarded the Lifetime Achievement Award. He passed away in 2017 at the age of 96.
- 3) *Consistent with Committee Policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No:	SCR 133	Hearing Date:	5/1/2018
Author:	Berryhill		
Version:	4/16/2018		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Senator David E. Cogdill, Sr., Memorial Highway

DIGEST: This bill designates a portion of State Highway Route 395 in the County of Mono as the Senator David E. Cogdill, Sr. Memorial Highway

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of State Highway Route 395 from the South Buckeye Creek Bridge to the junction of State Route 182 as the Senator David E. Cogdill, Sr. Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signs and, upon receiving sufficient donations from non-state sources, to erect those signs.

COMMENTS

- 1) *Purpose.* The purpose of this resolution is to honor the life and service of Senator David E. Cogdill, Sr. by naming a portion of State Highway Route 395, where the family has a home, after him.
- 2) *Background on Senator Cogdill.* Senator David E. "Dave" Cogdill, Sr. was born in Long Beach and raised in San Bernardino, eventually moving to Bridgeport. In 2000 Senator Cogdill was elected to the California State Assembly representing the 25th Assembly District, becoming the Assembly Minority Floor Leader. In 2006 Senator Cogdill was elected to the California State Senate representing the 14th Senate District, becoming the Senate Republican Leader. After leaving the Legislature, Senator Cogdill became the Stanislaus County Assessor in 2011 and President and Chief Executive Officer of the California Building Industry Association in 2013.
- 3) *Consistent with Committee Policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 25, 2018.)

SUPPORT:

Rural County Representatives of California

OPPOSITION:

None received.

-- END --