SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 332	**Hearing Date:**	6/6/2017
Author:	Bocanegra		
Version:	5/30/2017 Amended		
Urgency:	No	**Fiscal:**	No
Consultant:	Erin Riches		

SUBJECT: Vehicles: local regulations: street closures

DIGEST: This bill authorizes a local authority to temporarily close a portion of highway in response to illegal dumping.

ANALYSIS:

Existing law:

1) Authorizes a local authority to adopt rules and regulations, by ordinance or resolution, to temporarily close a highway under its jurisdiction to through traffic when all of the following conditions, after a public hearing, are found to exist:

   a) There is serious and continual criminal activity in the portion of highway recommended for temporary closure, based on the recommendation of the local police department or, in an unincorporated area, the sheriff's department and California Highway Patrol (CHP).
   b) The highway is not designated as a through highway or arterial street.
   c) Vehicular or pedestrian traffic on the highway contributes to the criminal activity.
   d) The closure will not substantially adversely affect traffic flow, safety on adjacent streets or in surrounding neighborhoods, the operation of emergency vehicles, the performance of municipal or public utility services, or the delivery of freight by commercial vehicles in the area.

2) Provides that the temporary closure may not exceed 18 months but may be extended for up to eight additional 18-month periods if, prior to each extension, the local authority holds a public hearing and finds, by ordinance or resolution, that all of the following conditions exist:

a) Continuation of the temporary closure will assist in preventing the occurrence or reoccurrence of the serious and continual criminal activity, based on the recommendation of the police department or the sheriff's department and the CHP.
b) The highway is not designated as a through highway or arterial street.
c) Vehicular or pedestrian traffic on the highway contributes to the criminal activity.
d) The preceding closure has not substantially adversely affected traffic flow, safety on the adjacent streets or in surrounding neighborhoods, the operation of emergency vehicles, performance of municipal or public utility services, or the delivery of freight by commercial vehicles in the area.

3) Requires the local authority to mail written notice of the public hearing to all residents and owners of property adjacent to the portion of highway where a temporary closure or extension of a temporary closure is proposed.

This bill:

2) Authorizes a local authority to adopt rules and regulations, by ordinance or resolution, to temporarily close a highway under its jurisdiction to through traffic when all of the following conditions, after a public hearing, are found to exist:

   a) Based on the recommendation of the local police department or, in an unincorporated area, the sheriff's department and California Highway Patrol (CHP), one of the following concerns exists along the portion of highway recommended for closure:

      i. Serious and continual criminal activity.
      ii. Serious and continual illegal dumping.

   b) The highway is not designated as a through highway or arterial street. If it is so designated, the local authority, in conjunction with law enforcement and traffic engineers, must determine that a temporary closure may be accomplished without significant impact on normal traffic flow.

   c) Vehicular or pedestrian traffic on the highway contributes to the concerns cited in (a).

   d) The closure will not substantially adversely affect traffic flow, safety on adjacent streets or in surrounding neighborhoods, the operation of

emergency vehicles, the performance of municipal or public utility services, or the delivery of freight by commercial vehicles in the area.

3) Provides that for an extension of a closure of a temporary highway that is designated as a through highway or arterial street, is subject to a determination that the closure can be accomplished without significant impact on normal traffic flow.

COMMENTS:

1) *Purpose.* The author states that in urban areas, it has become all too common to see couches, dressers, tires, and clothing strewn by the side of the road. This illegal dumping has plagued certain parts of urban areas where traffic is minimal and the odds of being caught are low. As a result, huge unsightly piles of garbage accumulate with impunity, leaving it to the adjacent property owners or the municipality to clean it up at their own expense. In areas such as the San Fernando Valley, illegal dumping often occurs next to or near landfills or waste disposal facilities because people cannot or do not want to pay the disposal fees for furniture or other large items. This dumping constitutes not only an eyesore, but a public safety hazard. This bill will enable local governments, in conjunction with local law enforcement and traffic engineers, to act on illegal dumping and close streets where it occurs.

2) *Giving locals a tool to address local problems.* Existing law requires a set of conditions to exist before a local authority can temporarily close a portion of highway. This bill narrows the requirement to one of a set of conditions, specifically calls out illegal dumping as one of the conditions, and enables a local authority to close a portion of highway that is designated as a through highway or arterial street if it works with law enforcement and traffic engineers to reduce any impacts of the closure.

3) *Penalties for illegal dumping.* State law prohibits the dumping of waste matter on a public or private highway or road, or on public or private property without the consent of the property owner. A violation is an infraction punishable by a fine of between $250 and $1,000 for a first conviction, up to a maximum of $3,000 for a third conviction. A court may also require, in addition any fine it imposes, payment for the cost of removing the dumped material.

4) *Who's in charge?* According to CalRecycle, California local governments and private property owners spend tens of millions of dollars each year to remove illegally dumped materials. Illegal dump sites that are not abated often grow

significantly. Local and state policing agencies cite people caught in the act of dumping, but those agencies are not usually responsible for cleanup programs; no single state or local agency is assigned responsibility for a comprehensive program to combat littering and illegal dumping. In 2006, CalRecycle (then the Integrated Waste Management Board) established a task force to assess the extent of the illegal dumping problem and develop recommendations to enhance state and local response. The task force, now a technical advisory committee, developed an extensive "toolbox" of prevention, abatement, cleanup, and enforcement (PACE) measures, which is posted on its website as a resource for local governments.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

California League of Conservation Voters
Californians Against Waste
Los Angeles City Attorney Michael Feuer
Los Angeles City Councilwoman Nury Martinez
Northeast Valley Health Corporation
Pacoima Beautiful
Sylmar Neighborhood Council

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 352	**Hearing Date:**	6/6/17
Author:	Santiago		
Version:	4/6/2017 Amended		
Urgency:	No	**Fiscal:**	No
Consultant:	Alison Hughes		

SUBJECT: State Housing Law: efficiency units

DIGEST: This bill prohibits a locality from establishing a higher square footage requirement for efficiency units than what is specified in the International Building Code, and restricts a locality from placing limitations on efficiency units located in certain areas.

ANALYSIS:

Existing law:

1) Allows a city or county to permit, by ordinance, efficiency units to be occupied by no more than two persons with a minimum floor area of 150 square feet and that may also have a partial kitchen or bathroom facilities.

2) Defines "efficiency unit" to have the same meaning as in the International Building Code of the International Code Council.

3) Defines, in the International Building Code, an efficiency unit, as follows:

   a) The unit shall have a living room of not less than 220 square feet of floor area;
   b) An additional 100 square feet of floor area shall be provided for each occupant of such unit in excess of two;
   c) The unit shall be provided with a separate closet; and,
   d) The unit shall be provided with a kitchen sink, cooking appliance and refrigeration facilities, each having a clear working space of not less than 30 inches in front.
   e) The unit shall be provided with a separate bathroom containing a water closet, lavatory and bathtub or shower.

This bill prohibits a city, county, or city and county from doing the following:

1) Establishing a higher square footage requirement for an efficiency unit that the one provided in the International Building Code.

2) Limiting the number of efficiency units in an area located within one-half mile of public transit or where a car share vehicle located within one block of the efficiency units.

3) Limiting the number of efficiency units in an area located within one mile of a University of California or California State University campus.

COMMENTS:

1) *Purpose of the bill.* According to the author, if California wants an environment that meets the needs of its residents, it needs to craft public policy that supports that goal, and efficiency units should be part of the conversation. These types of units are not only an economical choice in terms of space, they are affordable by virtue of their design. Unlike larger apartment units that accommodate extra space for residents, efficiency units maximize use into a smaller square footage, which brings down rental prices. Many cities understand the importance of efficiency units; some, however, faced with community opposition, have enacted road blocks to this type of affordable housing. When local governments make it difficult to build new housing or when regulations disincentivize certain types of housing that have been proven to work, it is time to revisit the law. This bill will limit local government's ability to place unnecessary restrictions on efficiency units, specifically on the square footage requirements and the limit on the amount of these units that may be built in specific types of areas.

2) *Housing Needs Background.* According to the Department of Housing and Community Development's, Draft Statewide Housing Assessment: California's Housing Future: Challenges and Opportunities, housing production averaged less than 80,000 new homes annually over the last 10 years and ongoing production continues to fall far below the projected need of 180,000 additional homes annually. Among the challenges identified in the draft assessment is the lack of supply in relationship to demand. Barriers to supply of housing include a lack of certainty at the local level on the development and approval process, dependence on sales tax generating development (commercial versus residential), community opposition, and market conditions including the cost of land and construction.

3) *Efficiency/Micro-Units.* State law allows local governments to adopt ordinances permitting efficiency units that are a minimum of 150 square feet, occupied by no more than two persons, with a kitchen or bathroom facilities. The International Building Code defines an efficiency unit as having a living room that is no less than 220 square feet. California and other states use the International Building Code, published by the International Code Council, to set the state's building standards.

   The author points to several examples of cities that either impose limits on the number of efficiency units in a building or the size of the efficiency units. For example, the City of Santa Monica limits efficiency units to 15% of the number of units in any building, San Francisco caps the number of efficiency units to 375, and Irvine defines a single-room occupancy unit (SRO) with a gross floor area of less than 400 square feet.

   This bill responds to local constraints placed on the production of efficiency or micro-units as a means of increasing the supply of housing. According to a 2014 evaluation of micro-units by the Urban Land Institute Multifamily Housing Council, micro-units lease at approximately a 20% to 30% lower monthly rent than conventional units and are being considered or offered in particularly high-density, expensive metropolitan markets such as Boston, New York, San Francisco, Seattle, and Washington, D.C. The size of the units range; in New York units are 300 square feet, in Dallas 400 square feet and in San Francisco 200 square feet. Efficiency units may be mixed into residential developments with conventionally-sized market units.

4) *Double-referral.* This bill has been double-referred to the Senate Governance and Finance Committee.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

California Apartment Association (sponsor)
California Association of Realtors
California State Association of Electrical Workers
California State Pipe Trades Council
Western States Council of Sheet Metal Workers

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 346	**Hearing Date:**	6/6/2017
Author:	Daly		
Version:	4/20/2017 Amended		
Urgency:	No	**Fiscal:**	No
Consultant:	Alison Hughes		

SUBJECT: Redevelopment: housing successor: Low and Moderate Income Housing Asset Fund

DIGEST: This bill allows a housing successor to expend funds in the Low and Moderate Income Housing Asset Fund (LMIHF) for contributions toward the construction of local or regional homeless shelters. It also allows two or more housing successors within a county, as specified, to additionally enter into an agreement to transfer funds among their respective LMIHF for a regional homeless shelter, if specified conditions are met.

ANALYSIS:

Existing law:

1) Requires a housing successor to a redevelopment agency (RDA) to spend all the funds in the LMIHF not used to repay enforceable obligations as follows:

   a) Up to 2% of the statutory value of real property owned by the housing successor and loans and grants receivable or $200,000 in a fiscal year on monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenant entered into by the RDA or the housing successor;
   b) Allows up to $250,000 for homeless prevention and rapid rehousing services for individuals and families who are homeless or would be homeless but for this assistance; and,
   c) All other funds must be used for the development of housing affordable to and occupied by households earning 80% or less of the area median income (AMI) with at least 30% of these remaining funds expended for the development of rental housing affordable to and occupied by households earning 30% or less of AMI and no more than 20% for households earning 60% and 80% of AMI.

2) Authorizes two or more housing successors within a county, within a single metropolitan statistical area and within 15 miles of each other to enter into an agreement to transfer funds from their respective LMIHF to develop transit priority projects, permanent supportive housing, housing for agricultural employees, or special needs housing, if all of the following conditions are met:

   a) Each participating housing successor makes a finding based on substantial evidence after a public hearing that the agreement to transfer funds will not cause or exacerbate racial, ethnic or economic segregation;
   b) The development will not be located in census tract where more than 50% of its population is very low income, unless the development is within one-half mile of a major transit stop or high quality transit corridor;
   c) The development will not result a reduction in the number of housing units or a reduction in the affordability of housing units on the site where the development is built;
   d) A transferring housing successor must not have any outstanding obligations, pursuant to Health and Safety Code Section 33413; and,
   e) No housing successor may transfer more than $1 million per fiscal year.

This bill:

1) Allows, in specified conditions, the housing successor to additionally expend funds in the LMIHF for contributions toward the construction of local or regional homeless shelters.

2) Allows two or more housing successors within a county, as specified, to additionally enter into an agreement to transfer funds among their respective LMIHF for a regional homeless shelter, if specified conditions are met.

COMMENTS:

1) *Purpose of the bill.* According to the author, "California cities have fewer financial resources to use for addressing a wide range of local housing needs. Unfortunately, current law also restricts how cities can use what little revenues they have available for such purposes. [This bill] will give them some additional flexibility and local control over how those funds are best spent to address specific needs in their communities, including addressing homelessness. This bill would expand the current cap on the narrow use for LMIHF homeless response dollars, and provide cities with the flexibility to use their fund in the ways their communities need it most."

2) *RDA Background.* In 2011, facing a severe budget shortfall, the Governor proposed eliminating RDAs in order to deliver more property taxes to other

local agencies. Statewide, redevelopment redirected 12% of property taxes away from schools and other local taxing entities and into community development and affordable housing. Ultimately, the Legislature approved and the Governor signed two measures, ABX1 26 (Blumenfield, Chapter 5, Statutes of 2011) and ABX1 27 (Blumenfield, Chapter 6, Statues of 2011) that together dissolved RDAs as they existed at the time and created a voluntary redevelopment program on a smaller scale. In response the California Redevelopment Association (CRA) and the League of California Cities, along with other parties, filed suit challenging the two measures. The Supreme Court denied the petition for peremptory writ of mandate with respect to ABX1 26. However, the Court did grant CRA's petition with respect to ABX1 27. As a result, all RDAs were required to dissolve as of February 1, 2012.

As part of the dissolution process, local jurisdictions were required to set up a housing successor to assume the housing functions of the former RDA. Housing successors are required to maintain any funds generated from housing assets in the LMIHF and use them in accordance with the housing related provisions of the Community Redevelopment Law (CRL). The LMIHF includes real property and other physical assets; funds encumbered for enforceable obligations, any loan or grant receivable, any funds revised from rents or operation of properties, rents or other payments from housing tenants or operators, and repayment of loans or deferrals owed to the LMIHF. Funding available to a housing successor in the post-redevelopment world is limited to program dollars repaid from loans or investments made by the former redevelopment agency. This is a much smaller amount than was generated by a RDA, which produced more than $1 billion in tax increment for housing activities statewide each year.

3) *SB 341 (DeSaulnier) of 2014.* SB 341 (DeSaulnier, Chapter 796, Statutes of 2014), revised the rules governing the activities and expenditures of housing successors to streamline administrative requirements while ensuring accountability, provide additional flexibility, and target scarce available resources to the greatest needs. That bill retained the housing provisions of the CRL as the basic law governing housing successors, but targeted the limited financial resources of housing successor toward core functions, such as monitoring and preserving the long-term affordability of units subject to affordability restrictions and spending funds on the homeless and lower-income persons and families.

This bill would permit a housing successor agency, in addition to expending funds for homeless prevention and rapid rehousing services for persons who are homeless or at risk of homelessness, to also provide contributions toward the

construction of local or regional homeless shelters. Additionally, this bill will allow two or more housing successors within a county, as specified, to additionally enter into an agreement to transfer funds among their respective LMIHF for a regional homeless shelter, if specified conditions are met.

RELATED LEGISLATION:

SB 341 (DeSaulnier, Chapter 796, Statutes of 2014) — revises rules governing the activities and expenditures of housing successor agencies.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

Association of California Cities – Orange County (sponsor)
California Apartment Association
City of Alhambra
City of Costa Mes
City of La Habra
City of Stanton
City of Pasadena
City of Santa Ana
City of Yorba Linda
League of Cities
National Association of Social Workers, California Chapter
Orange County Board of Supervisors
Orange County Realtors
San Gabriel Valley Council of Governments
United Way

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 690	**Hearing Date:**	6/6/2017
Author:	Quirk-Silva		
Version:	3/28/2017 Amended		
Urgency:	No	**Fiscal:**	No
Consultant:	Alison Hughes		

SUBJECT: Common interest developments: managers: conflicts of interest

DIGEST: This bill requires a common interest development (CID) manager or management company to disclose certain information before entering into a management agreement with a homeowner's association (HOA) and requires the HOA annual budget to contain specified information relating to charges for certain documents provided by the CID manager or management company.

ANALYSIS:

Existing law:

1) Requires a person who either provides or contemplates providing the services of a CID manager to an HOA to disclose the following to the board of directors of the HOA:
    a) Whether the CID manager has met specified requirements to be considered a certified CID manager.
    b) The name, address, and phone number of the association that certified the CID manager, the date the manager was certified, and the status of the certification.
    c) The location of his or her office.
    d) Prior to entering into or renewing a contract with an HOA, whether the fidelity insurance of the CID manager or his or her employer covers the current year's operating and reserve funds of the HOA.
    e) Whether the CID manager possesses an active real estate license.
    f) A CID manager may provide a specified disclosure statement.

2) Requires an owner of a separate interest in a CID to provide specified documents (*i.e.* governing documents, restrictions on the use of the separate interest, special fees and assessments, initial list of defects, *etc.*) to a prospective purchaser of the separate interest.

3) Requires the HOA to provide, upon written request, the owner of a separate interest or any other recipient authorized by the owner, with a copy of specified documents (*ie* governing documents, restrictions on the use of the separate interest, special fees and assessments, initial list of defects, *etc*). The HOA may collect a reasonable fee from the seller based upon the HOAs actual cost for the procurement, preparation, reproduction, and delivery of the documents. The HOA shall provide a written or electronic estimate of the fees that will be assessed for providing the requested documents prior to processing the request on a specified "Charges for Documents Provided" disclosure form.

4) Requires the HOA to distribute an annual budget, and shall contain, among other things, the following:
    a) A pro forma operating budget.
    b) A summary of the HOA's reserves.
    c) A summary of the reserve funding plan adopted by the board.
    d) A statement as to whether the board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less.

5) Requires a prospective managing agent of a CID to provide a written statement to the HOA board as soon as practicable, but no more than 90 days before entering into a management agreement, including but not limited to:
    a) The names and business address of the owners or general partners of the managing agent.
    b) Whether or not any relevant licenses such as architectural design, construction, engineering, real estate, or accounting have been issued by the state and are currently held by the persons noted in (a) above.
    c) Whether or not any relevant professional certifications or designations such as architectural design, construction, engineering, real property management, or accounting are currently held by any of the persons specified in (a), including, but not limited to, a professional CID manager.

This bill:

1) Requires a person who either provides or contemplates providing the services of a CID manager to a HOA to also to disclose the following to the board of directors:
    a) Whether or not the CID manager receives a referral fee or other monetary benefit from a third party distributing documents required as part of the HOA annual budget report.

b) An affirmative written acknowledgement that the disclosure provided to an HOA member or potential HOA member and all documents provided as part of an annual disclosure and annual HOA budget report are the property of the HOA and not its managing agent or the agent's managing firm.

2) Amends the specific "Charges for Documents Provided" disclosure form for HOA documents to state that a seller may provide to a prospective purchaser, at no cost, current copies of specified HOA documents, such as governing documents, restrictions on the use of the separate interest, special fees and assessments, initial list of defects, *etc.* Additionally, a seller may request to purchase some or all HOA-related documents, but shall not be required to purchase all of the documents listed on the form.

3) Requires the HOA, as part of the annual budget, to provide a copy of the completed "Charges for Documents Provided" disclosure form. Completed means that the "Fee for Document" section of the form individually identifies the costs associated with providing each document listed on the form.

4) Requires a prospective managing agent of a CID to provide a written statement to the HOA board as soon as practicable, but no more than 90 days before entering into a management agreement, to also provide the following information:
   a) Disclose any business or company in which the CID manager or CID management firm has any ownership interests, profit-sharing arrangements, or other monetary incentives provided to the management firm or managing agent.
   b) Whether or not the CID manager or CID development management firm receives a referral fee or other monetary benefit from a third-party provider distributing HOA-related documents.

5) Requires a CID manager or CID management firm to disclose in writing any potential conflict of interest when presenting a bid for service to an HOA's board. Defines "conflict of interest" as follows:
   a) Any referral fee or other monetary benefit that could be derived from a business or company providing products or services to the HOA.
   b) Any ownership interests in profit-sharing arrangements with service providers recommended to, or used by, the HOA.

COMMENTS:

1) *Purpose of the bill.* According to the author, this bill will, among other things, require HOAs to deliver, within the annual budget report, an itemized estimate of the fees that may be charged by a professional management company for documents necessary to facilitate a real estate transaction. To improve notice to HOA members, the bill requires HOAs to disclose to their members in the association's annual report, which is mailed to every member of the HOA, a copy of a form showing all fees that may be charged by the management company or third party provider in connection with the delivery of documents required to facilitate the transfer of real property. This clarification to current law will help home owners prepare for costs associated with the transfer of real property by assuring all owners have advanced notice of the costs associated with document production prior to engaging in the escrow process. Management companies will also be required to disclose any conflicts of interest when initiating a management contract or presenting bids for service to the HOA board. This bill will help HOA owners prepare for costs associated with the transfer of real property and to assure that the HOA board has the tools necessary to make informed decisions regarding proposed service providers by requires these companies to disclose any financial/monetary benefits they will receive in exchange for recommending a service provider.

2) *Unbundling HOA document reproduction fees.* Under current law, the seller of an interest in a CID must provide certain documents to a prospective buyer, which must be obtained from the HOA. The author points to examples in which the CID management company or staff refused to provide individual documents requested and instead provided all HOA documents. The management also charged the seller for the reproduction of all those documents, which, according to the sponsor often amounts to between $300 and $1500. This bill would permit a seller to request individual documents and be charged for those documents only. Further, this bill would require the HOA to provide a copy of the "Charges of Documents Requested" form in the annual budget.

3) *New CID manager disclosures.* This bill also requires CID managers and management companies to disclose additional information, which identify any potential conflicts of interest. According to the sponsor, some management companies have financial interests in companies that they may recommend for use by the HOA, such as a document production company or a gardening company. This bill would require the CID management companies to disclose this information to the HOA so that the HOA is informed of any financial benefits the management company may enjoy.

4) *Double-referral.* This bill has been double-referred to the Senate Judiciary Committee.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

California Association of Realtors (sponsor)

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 695	**Hearing Date:**	6/6/2017
Author:	Bocanegra		
Version:	2/15/2017		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Manny Leon		

SUBJECT: Avoidance of on-track equipment

DIGEST: This bill adds on-track equipment, as defined, to the requirements for vehicles or pedestrians to safely cross a railroad, rail transit grade crossing, or a railroad grade crossing in a specified manner.

ANALYSIS:

Existing law:

1) Requires a driver of a vehicle or pedestrian approaching a railroad or rail transit grade crossing to stop not less than 15 feet from the nearest rail and to not proceed until he or she can do so safely when a clearly visible electric or mechanical signal device or a flagman gives warning of the approach or passage of a train or car; or an approaching train or car is plainly visible or is emitting an audible signal and is an immediate harm.

2) Requires the driver of specific types of vehicles, such as a school bus or certain commercial vehicles, to stop a vehicle not less than 15 nor more 50 feet from the nearest rail of the track, to listen and look in both directions along the track for an approaching train or for signals of an approaching train, and to not proceed until he or she can do so safely.

3) Requires the driver of a commercial vehicle, other than those defined, upon approaching a railroad grade crossing, to drive at a rate of speed that allows the vehicle to stop before reaching the nearest rail of that crossing, and not cross until due caution is taken.

This bill:

1) Defines on-track equipment as any locomotive or any other car, rolling stock, equipment, or other device, that alone or coupled to others, is operated on stationary rails.

2) Requires a driver of a vehicle or a pedestrian approaching a railroad or rail transit grade crossing to stop not less than 15 feet from the nearest rail, and to not proceed until he or she can do so safely under specific conditions, for approaching on-track equipment.

3) Requires specific vehicles, such as school buses and certain commercial vehicles, to stop not less than 15 nor more than 50 feet from the nearest rail of the track and listen and look both directions along the track before proceeding safely, for approaching on-track equipment.

COMMENTS:

1) *Purpose.* According to the author, "In California law, motorists must only observe railroad crossing safety arms and warnings when a train is approaching or crossing the intersection. It is not clear that motorists must also come to a stop at a safe distance when on-track railroad equipment approaches and crosses the intersection. The lack of parity, between trains and train-like on-track equipment, had led to motorists driving around safety arms and ignoring lights when they see something other than a train. This bill makes it clear to motorists and road users that they must stop for on-track equipment and trains alike."

2) *On-track equipment.* According to federal regulations, rail on-track equipment is used for the inspection, construction, maintenance or repair of railroad track, bridges, roadway, signal and communication systems, and electric traction systems. Several types of on-track equipment include flat-bed powered carts, rail belt machines, and rail snow blowers. Similar to locomotives, these special types of vehicles travel along rail lines performing rail maintenance and/or construction.

3) *Other states.* Over the past several years, a number of states have introduced and passed legislation related to prohibiting vehicles and pedestrians from passing rail crossings when on-track equipment is approaching or traveling through. For example, in 2013, Iowa passed House File 2353 which included provisions that are similarly included in this bill. Other states that have heard and/or passed similar legislation include: Illinois, Indiana, Massachusetts, Montana, Tennessee, Virginia, Wisconsin, and Wyoming.

4) *Necessary clarification.* Current law requires motorists and pedestrians to stop at railroad and rail transit crossings when there are gates or warnings that a train is approaching or when an approaching train can be seen or a warning signal can be heard. Additionally, current law requires certain specialty vehicles, such as school buses and commercial carriers, to stop at all rail and rail transit grade

crossings to look and listen for a train before proceeding through the crossing. However, current law is not clear that motorists and other vehicles must also stop at a safe distance when on-track rail equipment approaches and crosses an intersection. The provisions specified in this bill will provide the necessary clarification to ensure motorist and pedestrians take the proper safety precautions when encountering on-track equipment at rail crossings.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2016.)

SUPPORT:

BNSF Railway
California Labor Federation
California Short Line Railroad Association
California Teamsters Public Affairs Council
Genesee & Wyoming Railroad Services, Inc.
Los Angeles Metropolitan Transportation Authority
Rail Passenger Association of California and Nevada
Union Pacific Railroad

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 790	**Hearing Date:**	6/6/2017
Author:	Mark Stone		
Version:	4/19/2017		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Erin Riches		

SUBJECT: Identification cards: replacement: reduced fee

DIGEST: This bill provides for a reduced fee of $8 for a replacement identification (ID) card issued to an eligible inmate upon release from a state or federal correctional facility or a county jail facility, or an eligible patient treated in a California Department of State Hospitals (DSH) facility.

ANALYSIS:

Existing law:

1) Authorizes the state Department of Motor Vehicles (DMV) to issue an ID card to any individual attesting to the true full name, correct age, and other identifying data.

2) Authorizes DMV to charge a $26 application fee when issuing an ID card, with the following exceptions:

   a) DMV must issue a "Senior Citizen" ID card free of charge to an individual 62 years or older who applies for it.
   b) DMV must charge a reduced fee of $6 for an ID card for an individual with a current income level meeting the eligibility requirements for certain public assistance programs.
   c) DMV must issue a free original or replacement ID card to an individual who can verify his or her status as homeless.
   d) DMV must issue a free original or replacement driver's license or ID card to an individual who was exonerated and released from prison within the previous six months.

3) Provides that an ID card shall expire on the sixth birthday of the applicant following the date of application (tenth birthday following application for a senior ID card).

4) Requires the state Department of Corrections and Rehabilitation (CDCR) and DMV to ensure that all eligible inmates released from state prisons have valid ID cards.

5) Requires an individual whose ID card is lost, destroyed, mutilated, or a new true full name is acquired, to apply for a new original ID card and pay the appropriate fee.

This bill:

1) Requires DMV to charge a reduced fee of $8 for a replacement ID card for an eligible inmate upon release from a state or federal correctional facility or a county jail facility. Defines an "eligible inmate" as one who:

   a) Has previously held a California driver's license or ID card.
   b) Has a usable photo on file with DMV that is less than 10 years old.
   c) Owes no outstanding fees for a prior California ID card.
   d) Has provided, and DMV has verified, his or her true full name, date of birth, social security number, and legal presence in the US.
   e) Currently resides in a CDCR, federal correctional or county jail facility.
   f) Has provided DMV with verification of his or her eligibility that is on state or federal correctional facility letterhead or county sheriff letterhead, is typed or computer generated, includes the inmate's name and date of birth, includes the original signature of an official from the state or federal correctional facility or county sheriff's office, and is dated within 90 days of application.

2) Requires DMV to charge a reduced fee of $8 for a replacement ID card for an eligible patient treated in a DSH facility. Defines an "eligible patient" as one who:

   a) Has previously held a California driver's license or ID card.
   b) Has a usable photo on file with DMV that is less than 10 years old.
   c) Has no outstanding fee due for a prior California ID card.
   d) Has provided, and DMV has verified, his or her true full name, date of birth, social security number, and legal presence in the US.
   e) Is currently preparing to be unconditionally discharged from a facility of the SDSH or through a conditional release program.
   f) Has provided DMV with verification of his or her eligibility that is on SDSH letterhead, is typed or computer generated, includes the inmate's name and

date of birth, includes the original signature of an official from SDSH, and is dated within 90 days of application.

COMMENTS:

1) *Purpose.* The author states that as individuals who leave correctional facilities attempt to apply for services and employment, it is critical that they have appropriate state-issued ID cards in order to succeed. This bill will ensure that those who qualify for a reduced-fee replacement ID card will actually receive that fee reduction. Helping ensure that inmates and patients obtain ID cards will help them to succeed and reduce recidivism.

2) *Background.* Existing law requires CDCR and DMV to ensure that released inmates have an ID card. The inmate must pay for the card. Under DMV's Reduced-Fee ID Card Program, individuals who qualify for public assistance programs such as CalWORKs, SNAP/CalFresh, and the California Food Assistance Program, may also quality for an ID card for a reduced fee of $6. (Statute set the original fee at $6, to increase over time with inflation; the current rate is $8.) However, while many incarcerated or hospitalized individuals qualify for the reduced fee, it can be difficult for them to prove eligibility because they tend not to possess income documentation after months or years of being incarcerated or hospitalized. This bill would enable released inmates, as well as released DSH patients, to obtain a reduced-fee ID card for a fee of $8 without having to provide income documentation.

3) *Need for this bill.* Existing law requires CDCR and DMV to ensure that "all eligible inmates" obtain an ID card. The California Identification (CAL-ID) Program, a collaborative effort between CDCR and DMV, provides an ID card to offenders who are within 120-210 days of release; have no active felony hold, warrant, or detainer that might result in additional incarceration following release; have no active Immigration and Customs Enforcement hold; provide a valid social security number; have been issued a driver's license or ID card within the prior 10 years; and provide a physical address, including a zip code. If an offender does not meet all of these requirements, he or she is not eligible to apply to the program. CDCR and DMV, co-sponsors of this bill, state that it will help streamline the eligibility verification process and help facilitate successful transition to post-release life.

4) *What about REAL ID?* The federal REAL ID Act of 2005 enacts the 9/11 Commission's recommendation to establish federal standards for issuing driver's licenses and other sources of identification. It establishes minimum standards including enhanced security features on the driver's license or

identification card and a requirement for applicants to provide their social security number, birth certificate, and proof of legal presence in the US. The REAL ID Act prohibits federal agencies from accepting documents for official purposes (e.g., boarding an airplane or entering a federal building) unless the US Department of Homeland Security determines that the state has met the minimum standards. This bill aligns with REAL ID provisions by requiring an applicant for an ID card under this bill to provide a social security number and proof of legal presence to DMV.

RELATED LEGISLATION:

AB 363 (Quirk-Silva, 2017) — requires the DMV to waive the $5 fee to an individual applying for a driver's license or ID card with a veteran designation if the applicant is homeless or is determined to have an income level that meets specified eligibility requirements. *This bill is pending assignment in the Senate Rules Committee.*

AB 672 (Jones-Sawyer, Chapter 403, Statutes of 2015) — requires the DMV to issue a free driver's license or identification card to an individual who was wrongfully convicted and has been released from state prison or county jail within the past six months.

AB 1733 (Quirk-Silva, Chapter 764, Statutes of 2014) — among other provisions, requires the DMV to issue, without a fee, an original or replacement ID card to any individual who can verify his or her status as homeless.

AB 2308 (Stone, Chapter 607, Statutes of 2014) — requires CDCR to ensure that all inmates released from state prisons have valid ID cards.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

California Department of Motor Vehicles (co-sponsor)
California Department of Corrections and Rehabilitation (co-sponsor)
California Catholic Conference
California Probation, Parole, and Correctional Association
California State Association of Counties

Santa Clara County Board of Supervisors

OPPOSITION:

None received

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 1027	**Hearing Date:**	6/6/2017
Author:	Acosta		
Version:	3/21/2017 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Mikel Shybut		

SUBJECT: Driver's licenses: examinations: motorcycle licenses

DIGEST: This bill allows the Department of Motor Vehicles (DMV) to accept a certificate of completion of an approved motorcyclist training program of any difficulty in lieu of a driving test and specifies that persons under 21 must complete a novice program.

ANALYSIS:

Existing law:

1) Defines class M1 vehicles as two-wheeled motorcycles and defines class M2 vehicles to include motorized bicycles, mopeds, or motorized scooters.

2) Requires an examination upon application for an original driver's license, including class M1 and M2, which must include:
   a) A test of knowledge and understanding of the relevant vehicle code provisions
   b) A test of ability to read English on highway and directional signs
   c) A test of understanding of traffic signs and signals
   d) An actual demonstration of ability to operate a motor vehicle under the supervision of an examining officer
   e) A test of hearing and eyesight

3) Allows the DMV to accept a certificate of satisfactory completion of a novice motorcyclist training program in lieu of a driving test for class M1 or M2 license applications.

4) Requires that the motorcycle training program be approved by the California Highway Patrol (CHP) Commissioner.

5) Prohibits a person under 21 years old from being issued a class M1 or M2 license or endorsement unless they have completed a motorcycle safety training program

This bill:

1) Allows the DMV to accept a certificate of satisfactory completion of a CHP-approved motorcyclist training program of any difficulty in lieu of a driving test for a class M1 or M2 license application.

2) Specifies that a person under 21 years old must complete a novice motorcycle safety training program in order to be issued a class M1 or M2 license or endorsement

COMMENTS:

1) *Purpose.* According to the author, currently, experienced and knowledgeable motorcycle riders are disincentivized from taking the three day novice course that is well below their skill level and instead elect to pass the DMV driving test rather than improve their skillset. These individuals could better improve their riding abilities by taking an intermediate class to receive a DMV waiver. These riders would still be required to pass a written DMV motorcycle test. However, after successfully completing the intermediate course and receiving a DL 389 waiver, they would be allowed to bypass the DMV motorcycle office's "hands-on lollipop" riding test, thereby saving time and DMV funds while making our roads and highways safer for every user with trained and licensed riders. By accepting certificates of completion for all CHP-approved California Motorcyclist Safety Program (CMSP) courses, more riders would be incentivized to participate in classes that improve their skills rather than opting for only the driving test. The more education and training motorcyclists receive, the safer they will be on our roads and the more prepared they will be to ride responsibly.

2) *Background.* The testing requirements for obtaining an M1 or M2 license in California depend on the applicant's age. All applicants must complete written and visual tests. Further, applicants under 21 are required to take a CHP-approved CMSP Motorcyclist Training Course (MTC), which provides both classroom and hands-on motorcycle training. Upon completion of the training, the applicant receives a Certificate of Completion of Motorcycle Training (DL 389 waiver) which can then be used to waive the DMV motorcycle skills test. Applicants 21 and older are not required to take the MTC and can just complete the DMV motorcycle skills test instead, in addition to the written test. The

skills test demonstrates handling ability, requiring the rider to weave through cones, ride in a circle, ride slowly, ride in a tracked path, and shift gears. It is sometimes casually referred to as the "lollipop" course due to the shape of the track. If the applicant does not already have a driver's license, they must also complete an observation road test.

3) *Back to the basics.* The CHP Commissioner is responsible for administrating the CMSP. Currently, they do so through a primary contractor, Total Control Training, Inc. To obtain a DMV skills test waiver, CHP has approved the MTC, a 15 hour course split into 10 hours of riding and 5 hours of in-class instruction, as well as an extended MTC called the Premier Program, which features an additional 3.5 hours of riding and 2.5 hours of in-class instruction. Both of these programs are designed for new riders, preparing students for the written DMV exam and teaching them how to handle fear, the mechanics of turning, cornering strategies, and emergency crash avoidance skills, but they claim to also offer benefits for anyone who hasn't taken a safety course before. Currently, applicants under 21 are required to take the MTC in order to obtain a motorcycle license, while applicants over 21 have the choice of taking the MTC or taking a DMV driving skills test.

4) *Intermediate and advanced courses.* Total Control Training, Inc. provides novice, intermediate, and advanced motorcycle classes: the CHP-approved CMSP MTC (DMV skills test waiver), the Total Control Intermediate Riding Clinic (IRC), and the Total Control Advanced Riding Clinic (ARC). Each of these courses includes classroom and hands-on motorcycle instruction. Currently, only the MTC, which is designed for new riders, is approved by CHP for an applicant to receive a DMV skills test waiver. Further, current law specifies that a license applicant must complete a novice course to obtain a waiver. This bill removes the "novice" specification for applicants over 21, allowing them to complete a CMSP course of any difficulty to satisfy the waiver requirement, but only if is it approved by CHP as required by law. Therefore, this bill will only have an effect if the CHP Commissioner approves additional, advanced courses beyond the MTC and MTC Premier Program.

5) *Out of state, out of luck.* The DMV will not waive the motorcycle skills test for any out-of-state motorcycle training program or any course completed solely for insurance purposes. If an experienced cyclist moved to California and wanted to ride their motorcycle, they would have to either take the novice course (MTC) or take the DMV motorcycle skills driving test. The cyclist would likely be incentivized to take the skills test, which requires less time than the training course.

6) *Let's do the numbers.* According to DMV statistics from 2016, there are 893,107 motorcycles registered in California, the most of any state. In 2015, according to the Governors Highway Safety Association (GHSA), California had 489 motorcycle fatalities, 2nd only to Florida but representing a 7% decrease from 2014 while the United States on average had a 6% increase in deaths. The CMSP estimates that they train 65,000 motorcyclists annually and, as of 2016, CHP claims that over 1,000,000 riders have received training since CMSP was established in 1987. Incentivizing the training courses over the simple driving skills test may be one way to decrease the number of motorcycle fatalities in California. Taking a training course is also a common way to reduce insurance rates, as drivers are better prepared to handle and avoid accidents. One major provider offers up to a 10% discount for completing a safety course, while another offers a 5% discount for having completed a safety course. Therefore, there may be some cost incentive for advanced riders to take a training course rather than taking the driving skills test, especially for more expensive policies. As for the costs of the training courses themselves, a few training sites near Sacramento offer the MTC for $258 for applicants 21 and older and $180 for those under 21.

7) *Who stands to benefit?* Overall, this bill would likely affect a limited number of motorcyclists, since all applicants under 21 must take a novice course and new cyclists over 21 who have no or limited experience would also take the novice course. This bill could potentially incentivize an experienced motorcyclist, such as one who moved to California from another state, to take a safety course if they were not inclined to take the novice course. However, this bill would currently have no practical effect until the CHP Commissioner approves additional classes for intermediate and advanced riders.

RELATED LEGISLATION:

AB 1932 (Obernolte, 2016, CHP-561) — authorized schools operating under the CMSP to also act as licensed traffic violator schools, subject to curriculum approval and licensure by the state DMV

AB 1952 (Niello & Perez, 2010, CHP-586) — established rules for obtaining a motorcycle instruction permit

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

American Brotherhood Aimed Towards Education of California (Co-sponsor)
California Delivery Association

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 1113	**Hearing Date:**	6/6/2017
Author:	Bloom		
Version:	5/31/2017		
Urgency:	Yes	**Fiscal:**	Yes
Consultant:	Manny Leon		

SUBJECT: State Transit Assistance program

DIGEST: This bill revises and recasts the provisions governing the State Transit Assistance (STA) program.

ANALYSIS:

Existing law:

1) Provides funding for public transportation through the Transportation Development Act (TDA), including STA, which is derived from the statewide sales tax on diesel fuel.

2) Requires STA funds be allocated by the State Controller's Office (SCO) by formula with 50% being allocated according to population and 50% being allocated according to transit operator revenues from the prior fiscal year.

3) Requires the SCO to allocate funds to specified Regional Transportation Planning Agencies (RTPA) for public transportation purposes.

4) Requires the SCO to design and adopt a uniform system of accounts and records under which operators, as defined, prepare and submit annual reports of their operation.

5) Requires the annual report to be submitted within 90 days of the end of the fiscal year.

This bill:

1) Changes the timeframe for transit operators to submit annual reports to the State Controller's Office (SCO) to within seven months after the end of the fiscal year, and requires the reports to contain underlying data from audited financial statements.

2) Requires the regional transportation planning agency (RTPA) with jurisdiction over a transit operator to verify the operator is eligible for funding under the STA program prior to the operator submitting its report to SCO, and requires SCO reflect the verification on the operator's report. Further requires the SCO to develop a process for RTPA's to transfer information relative of verified transit operators to the SCO.

3) Recasts current SCO estimations and reports to RTPAs for current and future fiscal years of STA funding and the share of funds for each STA-eligible operator. Further recasts the provisions requiring the SCO to publish specified reports.

4) Updates various definitions for the STA program, including public transportation operator and STA-eligible operator. Specifically, this bill defines "public transportation operator" as any transit district, municipal operator, included municipal operator, or transit development board. Further defines "STA-eligible operator" as a public transportation operator eligible to receive TDA funds for operating and/or supporting public transportation systems, as specified.

5) Provides that only STA-eligible operators are eligible to receive an allocation from the portion of STA funds based on transit operator revenues. Further authorizes an STA-eligible operator to suballocate funds it receives to community transit service providers. Clarifies that funding allocated to RTPAs based on population can also fund community transit services.

6) Requires the Department of Transportation (Caltrans) to prepare a report for the SCO by June 30th each year detailing the population of each RTPA area using the most recent population estimates of the Department of Finance.

7) Updates the SCO computing requirements for funding allocations to RTPAs for revenue-based STA funds to be calculated based on the STA-eligible operators in each jurisdiction, and requires those STA-eligible operators receive a proportional share of the revenue-based STA funds based on the qualifying revenues of that operator.

8) Clarifies the definition of qualifying revenues to include fares generated for community transit services and not to include capital expenditures or depreciation.

9) Provides a process for new STA-eligible transit operators to be incorporated into STA and be accurately calculated its STA allocations.

10) Clarifies that qualifying revenue shall not exceed a STA-eligible operator's annual operating expenses. Defines operating expenses to include the direct cost of operating transit service, payments for community transit services, administrative costs, and routine maintenance.

11) Recasts provisions relating to the Altamont Corridor Express and the Southern California Regional Rail Authority and defining them as STA-eligible operators for purposes of allocating funds from the revenue-based program funds.

12) Makes various other conforming changes and deletes obsolete provisions.

13) Provides an urgency clause.

COMMENTS:

1) *Purpose.* According to the author, "The statutes governing the State Transit Assistance Program contain numerous ambiguities. While there was a longstanding recognition of how the program was to operate, these ambiguities had unintended consequences when they recently led to a reinterpretation of which entities are eligible to receive STA program funds. This bill is intended to clear up all of those ambiguities and allow the program to continue operating as it was designed to."

2) *What is the TDA?* The Mills-Alquist-Deddeh Act, otherwise known as the as the Transportation Development Act (TDA) of 1971, was enacted to improve existing public transportation services and encourage regional transportation coordination. The TDA allocates funding for transit and transit-related purposes that comply with regional transportation plans. Specifically, TDA is derived from two funding sources:

   a) Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide.

   b) State Transit Assistance fund (STA), which is derived from the statewide sales tax on diesel fuel.

   In regards to the LTF, the State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF. For the STA, funds are appropriated by the Legislature to the State Controller's Office (SCO). The SCO then allocates the tax revenue, by formula, to RTPAs and other selected transportation agencies. Current law

requires that 50% of STA funds be allocated according to population and 50% be allocated according to operator revenues, as specified.

Overall, TDA provides funding for a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects. Additionally, provided that certain transit conditions are met, counties with a population under 500,000 (according to the 1970 federal census) may also use the LTF for local streets and roads, construction and maintenance. On the other hand, STA funding can only be used for transportation planning and mass transportation purposes.

Relative to STA, RTPAs sub-allocate funding shares to the transit operators within their jurisdiction. Operators that receive funds have discretion over the use of STA dollars apportioned to them – allowing funds to be used for both capital projects and transit operations if specific conditions are met. For many smaller transit agencies throughout the state, STA and LTF are their primary sources of operating funds.

3) *Allocation changes.* In the 2015-16 Fiscal Year, the SCO reinterpreted the statutes that define how STA funds are distributed and further implemented a significant change in the way STA program funds were allocated. This change went into effect the first quarter of 2015-16 for payments which were issued in January of 2016, altering the way STA funds have been distributed for decades. The longtime structure had been that an agency providing transportation service to the general public for which fare is collected was eligible for STA funds. The reinterpretation included new entities into the STA funding pot, including many that do not operate transit services such as the Transbay Joint Powers Authority, which is constructing a modernized regional transit hub but not providing direct public transportation services. Other examples of new entities included providers of community transit services and specialized providers that are not open to general public. Although these providers had not previously received any direct STA allocation, they have received STA funding as sub-recipients at the discretion of the RTPA or an STA-eligible operator.

4) *Temporary hold.* Last year the Legislature included language in the state budget, SB 838 (Committee on Budget and Fiscal Review), Chapter 339, Statutes of 2016, to require the SCO to use the long standing methodology for the distribution of funds through the 2017-18 Fiscal Year. Since that time, the sponsors of this bill, the California Transit Association (CTA), have embarked on a process of convening stakeholders to develop a policy proposal to give clarity to the eligibilities and requirements of the STA program. The provisions

specified in this bill reflect the yearlong dialogue between CTA, transit stakeholders, and SCO.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

California Transit Association (Sponsor)
California Association of Councils of Government
Foothill Transit
Livermore Amador Valley Transit Authority
Metropolitan Transportation Commission
Monterey-Salinas Transit
Orange County Transportation Authority
San Francisco Bay Area Rapid Transit District.
Ventura County Transportation Commission

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 1137	**Hearing Date:**	6/6/2017
Author:	Maienschein		
Version:	5/30/2017 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alison Hughes		

SUBJECT: Housing developments: pet permissibility

DIGEST: This bill requires the Department of Housing and Community Development (HCD) to develop a pet-friendly regulation to authorize a resident of housing developments financed by HCD to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to existing laws.

ANALYSIS:

Existing law:

1) Establishes HCD within the Department of the Business, Consumer Services, and Housing Agency.

2) Establishes a number of programs at HCD to make housing more affordable to California families and individuals, including the following main programs:

   a) Multifamily Housing Program, which funds the new construction, rehabilitation, and preservation of permanent and transitional rental homes for lower income households through loans to local governments, non-profit developers, and for-profit developers.
   b) Joe Serna, Jr., Farmworker Housing Program, which funds the development of ownership or rental homes for agricultural workers through grants to local governments and non-profit organizations.
   c) CalHome Program, which funds downpayment assistance, home rehabilitation, counseling, self-help mortgage assistance programs and technical assistance for self-help and shared housing through grants and loans.

3) Requires reasonable accommodation for disabled persons, allowing individuals to have assistance to support animals through the Federal Fair Housing Act (FHA) and the California Fair Employment and Housing Act (FEHA).

4) Pursuant to federal law, requires the federal Department of Housing and Urban Development (HUD) to have pet-friendly requirements for the housing it supports. These requirements include a pet-friendly requirement for any housing development that serves elderly or disable people and is subsidized or insured by HUD. Any public housing development financed by HUD has a pet-friendly requirement.

5) Requires, under the Mobilehome Residency Law, that no lease agreement entered into, modified, or renewed on or after January 1, 2001, shall prohibit a homeowner from keeping at least one pet within the park, subject to reasonable rules and regulations of the park.

6) Requires, under the Davis Sterling Common Interest Development Act, that no governing documents shall prohibit the owner of a separate interest within a common interest development from keeping at least one pet within the common interest development, subject to reasonable rules and regulations of the association.

7) Pursuant to federal law, allows public housing programs and housing programs to place reasonable limitations on the size, weight, and type of common household pets allowed in the project.

This bill:

1) Requires HCD to require each housing development financed after January 1, 2018 to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to state laws, a pet-friendly regulation adopted by the department, and local government ordinances related to public health, animal control, and animal anticruelty.

2) Defines "common household pet" as a domesticated animal, such as a dog or cat, commonly kept in the home for pleasure rather than commercial purposes.

3) States that nothing shall be construed to limit or otherwise affect other statutes or laws that require reasonable accommodations to be made for an individual with a disability who maintains an animal to provide assistance, service, or support.

COMMENTS:

1) *Purpose of the bill.* According to the author, California's housing crisis has far reaching implications for household struggling with rising housing costs. One lesser known but growing impact is to put families in a position in which they must choose between keeping their household pet and keeping a roof over their head. This trend is especially pronounced in high cost housing markets where evictions are prevalent, housing demand is high, and the availability of pet-friendly housing is severely limited. In these cases, often the only choice is for families relinquish their family pet to the local shelter. This bill seeks to address this dilemma for that portion of low-income households that are fortunate to live in housing financed by HCD.

2) *Background: pets in housing.* The high cost of housing has had a growing impact on families with pets. A lack of pet friendly housing options has put some pet owners in a position of choosing between keeping their household pet or keeping a roof over their head. According to the author, in Los Angeles, county shelters are filled past capacity with approximately 170,000 animals being taken every year. The American Society for the Prevention of Cruelty to Animals (ASPCA) Safety Net program recently found that over 30,000 dogs and cats are in Los Angeles shelters because their families surrendered them due to problems with housing.

   Contributing to this problem is the increase in financial evictions across the state, particularly in high cost housing markets. This puts emotional strain on families and burdens county shelters. A lack of pet friendly housing options is regularly cited as a reason that families relinquish their pet to local shelters.

   Pets provide social and health benefits to families and individuals that they live with. According to the Centers for Disease Control and Prevention, pets have positive impacts at nearly every stage of life. They influence social, emotional, and cognitive development in children and promote an active lifestyle. They also provide emotional support, improve moods, and contribute to the overall morale of their owners, and promote socialization among the elderly and disabled. Studies have also shown that people with pets tend to have lower blood pressure, cholesterol, and triglyceride levels.

   Developers of affordable housing generally strive to address multiple aspects of a household's quality of life. The benefits provided by pets are consistent with goals to holistically address the social, economic, and health outcomes for residents of affordable housing. Not only does pet friendly housing promote

happier and healthier families, but it reduces the financial burden to shelters and the public.

This bill requires HCD to develop regulations to authorize a resident of housing developments financed by HCD to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to existing laws.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

American Society for the Prevention of Cruelty to Animals (sponsor)
Beagle Freedom Project
Best Friends Animal Society
Brock Real Estate
California Animal Control Directors Association
California Rural Legal Assistance Foundation
ConAm Management Corporation – Southern California Affordable
Domus Development
Hitzke Development Corporation
Inner City Law Center
Life Skills Training and Educational Programs, Inc.
Los Angeles County Board of Supervisors
Sacramento Steps Forward
San Diego Humane Society
San Francisco SPCA
Tenants Together
The Humane Society of the United States

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 1303	**Hearing Date:**	6/6/2017
Author:	McCarty		
Version:	4/5/2017		
Urgency:	No	**Fiscal:**	No
Consultant:	Erin Riches		

SUBJECT: Vehicles: window tinting

DIGEST: This bill authorizes installment of specified tinting material on a vehicle's windshield and windows if the driver or a passenger has documentation from a dermatologist regarding the need for protection against ultraviolet rays.

ANALYSIS:

Existing law:

1) Prohibits operation of a motor vehicle with any object or material placed, displayed, installed, affixed, or applied upon the windshield or the side or rear windows, or in a way that obstructs or reduces the driver's clear view through the windshield or side windows, with the following exceptions:

   a) Sun screening devices may be installed on the side windows on either side of the vehicle's front seat, if the driver or a passenger in the front seat has in his or her possession a document or letter signed by a licensed physician and surgeon, or optometrist, certifying that the individual must be shaded from sun due to a medical or visual condition.

   b) Transparent material may be installed, affixed, or applied to the topmost portion of the windshield if the bottom edge is at least 29 inches above the driver's seat, as specified; the material is not red or amber in color; there is no opaque lettering on the material and any other lettering does not affect primary colors or distort vision through the windshield; and the material does not reflect sunlight or headlight glare into the eyes of occupants of oncoming or following vehicles.

   c) Clear, colorless, and transparent material may be installed, affixed, or applied to the front side windows on either side of the front seat if the material has a minimum visible light transmittance of 88%; the window glazing with the material applied meets all requirements of the Federal Motor Vehicle Safety Standards (FMVSS); the material is designed and

manufactured to enhance the ability of the existing window glass to block ultraviolet rays; and the driver has in his or her possession a certificate from the installing company certifying the windows with material installed meet applicable requirements.

2) Prohibits installment, affixation, or application of any transparent material upon the windshield or windows of a vehicle if the material alters the color or reduces the light transmittance of the windshield or windows, except as provided above.

3) Authorizes installment of tinted safety glass in a vehicle if the glass complies with FMVSS requirements for safety glazing materials and the glass is installed in a location permitted by those standards for the particular type of glass used.

4) Exempts from these provisions a vehicle owned and operated by a federal, state, or local law enforcement agency.

This bill authorizes installment of clear, colorless, and transparent film material that screens ultraviolet rays by 99% or more and that maintains at least a 70% light transmittance on a windshield or windows if the driver or front seat passenger has in his or her possession a letter or document from a licensed dermatologist certifying that the individual should not be exposed to ultraviolet rays due to a medical condition.

COMMENTS:

1) *Purpose.* The author states that while existing law allows certain sun screening devices to be installed in a vehicle, these devices do not provide sufficient protection for an individual with ultraviolet light sensitivity. There are a variety of conditions that can cause ultraviolet light sensitivity, from lupus to eczema. In the US, more than 1.5 million people are diagnosed with lupus and approximately 300 people have been diagnosed with a severe ultraviolet light sensitivity condition called Xeroderma Pigmentosum (XP). XP is a rare genetic disease that without proper treatment can cause skin cancer, blindness, and progressive neurological disease. XP patients must cover every inch of their skin to avoid ultraviolet light, hampering daily activities such as leaving the house to drive to school or work. This bill will provide a medical exemption for transparent, anti-ultraviolet window tinting for individuals with severe light sensitivity, with approval from a licensed dermatologist.

2) *No conflict with federal standards.* The FMVSS requirements are federal regulations that specify design, construction, performance, and durability

requirements for motor vehicles and regulated automobile safety components, systems, and design features. The FMVSS allow tinting of windshields and side windows provided that light transmission is not restricted to less than 70% of normal. This bill complies with that requirement.

3) *Concerns.* The California Society of Dermatology and Dermatologic Surgery (CalDerm) has taken a "support if amended" position on this bill. CalDerm seeks amendments to exclude the need for a dermatologist to certify a medical condition and to expand existing law to allow all individuals to be able to tint their windows. The author states that it is appropriate to retain the requirement for dermatologist certification.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

Xeroderma Pigmentosum Family Support Group (sponsor)

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING
Senator Jim Beall, Chair
2017 - 2018 Regular

Bill No:	AB 1505	**Hearing Date:**	6/6/2017
Author:	Bloom		
Version:	5/30/2017 Amended		
Urgency:	No	**Fiscal:**	No
Consultant:	Alison Hughes		

SUBJECT: Land use: zoning regulations

DIGEST: This bill authorizes the legislative body of a city or county to establish inclusionary housing requirements as a condition of development.

ANALYSIS:

Existing law:

1) Grants cities and counties the power to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws.

2) Declares the Legislature's intent to provide only a minimum of limitation with respect to zoning in order that counties and cities may exercise the maximum degree of control over local zoning matters.

3) Specifically authorizes the legislative body of any county or city to adopt ordinances that do any of the following:

   a) Regulate the use of buildings, structures, and land as between industry, business, residences, open space, agriculture, recreation, enjoyment of scenic beauty, use of natural resources, and other purposes;
   b) Regulate signs and billboards;
   c) Regulate all of the following:

      i) The location, height, bulk, number of stories, and size of buildings and structures;
      ii) The size and use of lots, yards, courts, and other open spaces;
      iii) The percentage of a lot that may be occupied by a building or structure; and,
      iv) The intensity of land use.

d) Establish requirements for off-street parking and loading;
e) Establish and maintain building setback lines; and,
f) Create civic districts around civic centers, public parks, public buildings, or public grounds, and establish regulations for those civic districts.

4) Limits, pursuant to the Costa-Hawkins Rental Housing Act, the permissible scope of local rent control ordinances and generally gives the owner of residential real property the right to establish the initial rental rate for a dwelling or unit.

This bill:

1) Permits a locality to require, as a condition of the development of residential rental units, that the development include a certain percentage of residential rental units affordable to, and occupied by, households with incomes that do not exceed the limits for moderate income, lower income, very low income, or extremely low income households. Requires that the ordinance provide alternative means of compliance that may include, but are not limited to, in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units.

2) Declare the intent of the bill is to supersede any holding or dicta in *Palmer/Sixth Street Properties v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, to the extent that the decision or opinion conflicts with the authority of localities to adopt inclusionary housing requirements and that it is not the intent to enlarge, diminish, or modify any existing authority of a locality to establish inclusionary housing requirements as a condition of development beyond reaffirming their applicability to rental units.

COMMENTS:

1) *Purpose.* According to the author, this bill restores the ability of local governments to apply locally adopted inclusionary policies to rental housing. Given our state's severe housing crisis, it is critical that we give local governments every possible tool to address affordable housing needs. Inclusionary zoning is one of those tools. Local governments have successfully adopted and implemented inclusionary policies at the local level for decades in California. Some 170 cities and counties have policies on the books. Unfortunately, a 2009 appellate court decision – *Palmer v. City of Los Angeles* – for the first time called these policies into question as applied to rental housing. In the end, we aren't going to just build our way out of this housing

crisis alone. We need every tool we can to solve this problem. Inclusionary policies help ensure that when new housing is built, deed-restricted housing is also built.

2) *Background.* Article XI, Section 7 of the California Constitution grants each city and county the power "to make and enforce within its limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws." This is generally referred to as the police power of local governments. The Planning and Zoning Law is a general law that sets forth minimum standards for cities and counties to follow in land use regulation, but the law also establishes the Legislature's intent to "provide only a minimum of limitation in order that counties and cities may exercise the maximum degree of control over local zoning matters."

Using this police power, many cities and counties have adopted ordinances, commonly called "inclusionary zoning" or "inclusionary housing" ordinances, that require developers to ensure that a certain percentage of housing units in a new development be affordable to lower-income households. These ordinances vary widely in the percentage of affordable units required, the depth of affordability required, and the options through which a developer may choose to comply. Most, if not all, of such ordinances apply to both rental and ownership housing.

In 2009, in the case of *Palmer v. City of Los Angeles*, the Second District California Court of Appeal opined that the city's affordable housing requirements associated with a particular specific plan (which was similar to an inclusionary zoning ordinance), as it applied to rental housing, conflicted with and was preempted by a state law known as the Costa-Hawkins Rental Housing Act. The Costa-Hawkins Act limits the permissible scope of local rent control ordinances. Among its various provisions is the right for a rental housing owner generally to set the initial rent level at the start of a tenancy, even if the local rent control ordinance would otherwise limit rent levels across tenancies. This provision is known as vacancy decontrol because the rent level is temporarily decontrolled after a voluntary vacancy. The act also gives rental housing owners the right to set the initial and all subsequent rental rates for a unit built after February 1, 1995. The court opined that "forcing Palmer to provide affordable housing units at regulated rents in order to obtain project approval is clearly hostile to the right afforded under the Costa-Hawkins Act to establish the initial rental rate for a dwelling or unit."

The Legislature enacted the Costa-Hawkins Rental Housing Act in 1995 with the passage of AB 1164 (Hawkins), Chapter 331. The various analyses for this

bill exclusively discuss rent control ordinances and do not once mention inclusionary zoning ordinances, of which approximately 64 existed in the state at that time. The Assembly concurrence analysis of AB 1164, which is very similar to the other analyses, states that the bill "establishes a comprehensive scheme to regulate local residential rent control." The analysis includes a table of jurisdictions that would be affected by the bill, and the table exclusively includes cities with rent control ordinances and does not include any cities that had inclusionary zoning ordinances affecting rental housing. The analysis also states, "Proponents view this bill as a moderate approach to overturn extreme vacancy control ordinances which unduly and unfairly interfere into the free market." The analysis further describes strict rent control ordinances as those that impose vacancy control and states, "Proponents contend that a statewide new construction exemption is necessary to encourage construction of much needed housing units, which is discouraged by strict local rent controls." This legislative history provides no indication that the Legislature intended to affect inclusionary zoning with the passage of AB 1164.

3) *California Building Industry Association (CBIA) v. City of San Jose.* The City of San Jose's inclusionary housing ordinance passed in 2010 and required all new residential development projects of 20 or more units to sell at least 15% of the for-sale units at a price that is affordable to low- or moderate-income households. The ordinance allowed developers to opt out of the 15% requirements by dedicating land elsewhere or by paying "in-lieu" fees to the city. Shortly before the ordinance took effect, CBIA filed a lawsuit in superior court, maintaining that the ordinance was invalid on its face on the ground that the city, in enacting the ordinance, failed to provide a sufficient evidentiary basis "to demonstrate a reasonable relationship between any adverse public impacts or needs for additional subsidized housing units in the City ostensibly caused by or reasonably attributed to the development of new residential developments of 20 units or more and the new affordable housing exactions and conditions imposed on residential development by the Ordinance."

   The superior court agreed with CBIA's contention and issued a judgment enjoining the city from enforcing the challenged ordinance. The Court of Appeal then reversed the superior court judgment, and concluded that the matter should be remanded to the trial court. CBIA then sought review of the Court of Appeal decision in the Supreme Court which granted review.

   The Supreme Court in June of 2015 concluded that the Court of Appeal decision should be upheld, and that "contrary to CBIA's contention, the conditions the San Jose ordinance imposes upon future development do not impose 'exactions' upon the developers' property so as to bring into play the unconstitutional conditions doctrine under the takings clause of the federal or

state Constitution." The ruling also noted that enforcing these limits to address a growing housing problem is "constitutionally legitimate" and cited the severe scarcity of affordable housing in California in its decision.

This bill authorizes the legislative body of any city or county to adopt ordinances to establish, as a condition of development, inclusionary housing requirements and makes a number of legislative findings and declarations to supersede any holding or dicta in Palmer/Sixth Street Properties, L.P. v. City of Los Angeles (2009). The ordinance shall provide alternative means of compliance that may include, but are not limited to, in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units.

4) *Prior legislation.* AB 1229 (Atkins, 2013) would have expressly authorized cities and counties to establish inclusionary housing requirements as a condition of development. The bill further declares the intent of the Legislature to supersede any holding or dicta in *Palmer v. City of Los Angeles* that conflicts with this authority.

AB 1229 was vetoed with the following message:

"This bill would supersede the holding of *Palmer v. City of Los Angeles* and allow local governments to require inclusionary housing in new residential development projects. As Mayor of Oakland, I saw how difficult it can be to attract development to low and middle income communities. Requiring developers to include below-market units in their projects can exacerbate these challenges, even while not meaningfully increasing the amount of affordable housing in a given community. The California Supreme Court is currently considering when a city may insist on inclusionary housing in new developments. I would like the benefit of the Supreme Court's thinking before we make legislative adjustments in this area."

5) *Seeing double.* This committee heard SB 277 (Bradford), which is identical to this bill, earlier this legislative session and approved the bill on a vote of 7-1.

Both this bill and SB 277 were recently amended to address concerns raised by the opposition. The amendments require that the ordinance provide alternative means of compliance that may include, but are not limited to, in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units.

6) *Opposition.* Writing in opposition, several regional apartment associations contend that this bill would bring back "vacancy decontrol." They state that

this bill would provide no reasonable limitations on the power of local governments to "price restrict rental housing." The opposition goes on to assert that cities and counties must be required to offer developers and rental property owners "cost offsets and/or financial contributions" to build below market rate rental units.

RELATED LEGISLATION:

SB 277 (Bradford) — Authorizes the legislative body of a city or county to establish inclusionary housing requirements as a condition of development. *This bill is pending on the Senate Floor.*

AB 2502 (Mullin, 2016) — Would have authorized the legislative body of a city or county to establish inclusionary housing requirements as a condition of development. *This bill did not pass off the Assembly Floor.*

AB 1229 (Atkins, 2013) — Would have authorized the legislative body of a city or county to establish inclusionary housing requirements as a condition of development. *This bill was vetoed by the Governor (see Comment 4, above).*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 31, 2017.)

SUPPORT:

California Housing Consortium (co-sponsor)
California Rural Legal Assistance Foundation (co-sponsor)
Housing California (co-sponsor)
Non-Profit Housing Association of Northern California (co-sponsor)
Western Center on Law and Poverty (co-sponsor)
American Planning Association
California Coalition for Rural Housing
California Housing Partnership Corporation
California League of Conservation Voters
California State Association of Counties
City of East Palo Alto
City of Emeryville
City of Glendale
City of Los Angeles
City of Mountain View

City of Napa
City of Oakland
City of San Mateo
City of Santa Barbara
City of Santa Monica
City of Thousand Oaks
City of West Hollywood
Coalition for Economic Survival
Community Housing Partnership
Community Legal Services in East Palo Alto
Corporation for Supportive Housing
Council of Community Housing Organizations
Council of Infill Builders
County of Los Angeles, Board of Supervisors
County of Santa Clara, Board of Supervisors
County of Yolo, Board of Supervisors
Disability Rights California
EAH Housing
East Bay Housing Organizations
Eden Housing
Enterprise Community Partners
Greenbelt Alliance
Housing California
John Stewart Company
Law Foundation of Silicon Valley
LeadingAge California
League of California Cities
Legal Aid Foundation of Los Angeles
Legal Aid of Marin
Legal Aid San Mateo
Legal Services of Northern California
Los Angeles Homeless Services Authority
Marin County Council of Mayors and Councilmembers
MidPen Housing Corporation
Natural Resources Defense Council
Planning and Conservation League
Public Advocates
Public Interest law Project
Resources of Community Development
Sacramento Housing Alliance
San Diego Housing Federation
Siefel Consulting

Sierra Business Council
Silicon Valley Community Foundation
State Building & Construction Trades Council
SV@Home
Tenants Together
The Kennedy Commission
Western Center on Law and Poverty
YWCA of San Francisco & Marin
1 Individual

OPPOSITION:

Apartment Association, California Southern Cities
Apartment Association of Greater Los Angeles
Apartment Association of Orange County
California Association of Realtors
East Bay Rental Housing Association
GH Palmer and Associates
North Valley Property Owner Association
Santa Barbara Rental Property Association

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