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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

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**Bill No:** SB 20 **Hearing Date:** 3/28/2017  
**Author:** Hill  
**Version:** 3/20/2017 Amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Mikel Shybut

**SUBJECT:** Vehicles: buses: seatbelts.

**DIGEST:** This bill requires drivers and passengers' of buses, including charter-party carrier buses, to wear seat belts in vehicles equipped with them and requires drivers to notify passengers of this requirement and the violation penalties before departure.

**ANALYSIS:**

*Existing federal laws and regulations:*

- 1) Requires certain buses, school and transit excluded, manufactured after November 2016 to have seat belts for each driver and passenger seat.
- 2) Requires drivers of commercial motor vehicles to wear a seat belt

*Existing state law:*

- 1) Prohibits auto dealers from selling passenger vehicles manufactured after January 1, 1968 that do not have a seat belt for each seat.
- 2) Requires the driver of a motor vehicle and all passengers 16 or older be properly restrained by a seat belt.
- 3) Makes it the responsibility of the driver, parent, or legal guardian to ensure proper passenger restraint of a child younger than 16 years.
- 4) Excludes buses from the requirement to wear a seat belt, not including school buses (see #7).
- 5) Punishes seat belt infractions by drivers or passengers with a \$20 fine for a first offense and a fine of not more than \$50 for subsequent infractions.

- 6) Requires school buses purchased or leased for use in California to have a passenger restraint system at all seating positions if manufactured after either July 1, 2004 or July 1, 2005, depending on the type.
- 7) Requires all passengers in a school bus equipped with passenger restraint systems to use them.
- 8) Prohibits charging any person, school district, or organization for a seat belt violation with relation to school buses equipped with passenger restraint systems.
- 9) Requires a charter-party carrier that can carry 39 passengers or more to notify the passengers on the vehicle in written or video format of the importance of wearing a seat belt, if available, and gives the department a deadline of July 1, 2018 to adopt standards and criteria for implementation.

This bill:

- 1) Requires bus drivers and passengers to be properly restrained by a seat belt in buses equipped with seat belts.
- 2) Requires the bus operator to maintain the seat belts in good working order.
- 3) Requires bus operators to inform passengers of the seat belt requirement and the violation penalties prior to departure and allows operators to post signs or placards informing the passengers of the requirements and penalties.
- 4) Punishes bus seat belt wearing or proper maintenance infractions with a \$20 fine for first-time offenses and not more than a \$50 fine for subsequent infractions.
- 5) Exempts school buses from this bill.
- 6) Requires a charter-party carrier that can carry 39 passengers or more to notify the passengers on the vehicle in written or video format of the requirement to wear a seat belt, if available, and the penalties for violation of the requirement.

**COMMENTS:**

- 1) *Purpose.* According to the author, as of November 2016 the National Highway Traffic Safety Administration (NHTSA) requires all new buses of a certain type

to have passenger seat belts. Some buses not subject to the NHTSA rule are already voluntarily equipped with seat belts. However, neither NHTSA nor the state of California requires that bus passengers wear seat belts. On January 19, 2016, a Greyhound bus carrying 20 people crashed on Highway 101 in San Jose. According to the National Transportation Safety Board's (NTSB's) preliminary report, two of the 20 passengers onboard were fatally ejected and 12 others had minor to serious injuries. The two passengers who were wearing seat belts were not injured. Lastly, in 2015 the NTSB issued a safety recommendation for states to enact legislation to enforce mandatory passenger seat belt laws for all vehicles that have seat belts, including buses. No such legislation has been enacted in California.

- 2) *National requirement, state opportunity.* According to NHTSA, 83% of bus fatalities occurred in buses with a gross weight vehicle rating (GVWR) over 26,000 pounds. Over half of these fatalities (55%) occurred in rollovers and two thirds of the fatalities in these rollovers were caused by ejection. As of November 2016, NHTSA requires newly manufactured buses over 26,000 pounds as well as all new over-the-road buses (those that contain a baggage compartment below an elevated passenger platform as commonly used by carriers like Greyhound) to have driver and passenger seat belts, excluding transit, school, and non-over-the-road prison and perimeter-seating (fewer than two rows of forward-facing seats) buses. Prior to this requirement, some carriers already began purchasing only new buses with seat belts, such as Greyhound in 2009 and Megabus.com since 2006. The NHTSA requirement combined with prior compliance by some carriers should result in an increase in the number of buses with seat belts available.
- 3) *A question of use.* The use rate of seat belts in buses is very low. According to NHTSA, it is usually less than 10%. In Australia, where buses have lap/shoulder belts, usage is measured at 20% or less. Assuming a use rate between 15% and 83%, NHTSA estimates the new federal seat belt requirements could save around 1.7 to 9.2 lives per year and prevent 146 to 858 injuries annually.
- 4) *Lessons from passenger vehicles.* One of the early surveys of seat belt use in 1982 showed only an 11% usage rate for drivers and front-seat passengers, according to the Centers for Disease Control and Prevention (CDC). California's first seat belt bill took effect in 1986. By 1996, every state but New Hampshire required seat belts for at least drivers and front-seat passengers. These laws have been very effective. According to NHTSA, seat belt use nationwide has increased from 70.7% in 2000 to 90.1% in 2016. California, an early adopter of seat belt laws, came in above average at 97.3%

in 2015, while New Hampshire, the only state without a seat belt law, had only a 69.5% use rate in 2015. Importantly, the percent of unrestrained passenger vehicle deaths occurring in the daytime (7am – 6pm) has declined from 51.6% of vehicle fatalities in 2000 to 40.3% in 2015. Seat belt use is higher in states with primary enforcement mechanisms, where vehicles can be pulled over for violating seat belt laws. The 34 states with primary enforcement mechanisms along with Washington, D.C. saw 92.1% combined belt usage in 2016 compared to 83% usage in states with weaker laws.

- 5) *A question of enforcement.* In passenger vehicles, seat belt laws can be enforced visibly by officers from their patrol units. Bus passengers are often more difficult to observe from the road. Officers would not only have to determine seat belt compliance, but also whether the bus is equipped with seat belts in the first place. This suggests the law would be more similar to a secondary enforcement mechanism, where officers may cite passengers only if the bus was pulled over for another violation. Even in this scenario, it would be difficult to discern whether a passenger put on or unfastened their seat belt after the bus had stopped. States with this type of secondary enforcement have nearly 10% lower seat belt use on average in passenger vehicles.
- 6) *Covering the driver.* In addition to covering passengers, this bill would also require the bus driver to wear a seat belt. Some transit agencies, including LA Metro, already require bus drivers to wear seat belts. This requirement would bring California law into line with the Federal Code of Regulations which states that drivers of commercial motor vehicles must wear seat belts when available.
- 7) *Announcements and signs.* This bill requires bus drivers to notify passengers of the requirement to wear a seat belt and to specify the penalties for not doing so prior to departure. Requiring an announcement prior to every departure may be burdensome for transit buses that make frequent stops. The author may want to consider allowing signs and placards in lieu of an announcement, rather than in addition to an announcement as currently proposed. While signs may be more expensive, they would be permanent and would remove some of the liability from the driver. This may be helpful in cases where a passenger accused of violating the seat belt requirement claims they did not receive proper notification from the driver.
- 8) *The bus driver's role.* The bus driver or charter-party carrier driver must notify passengers of the seat belt requirement, but should the driver also be required to ensure that the passengers buckle up and stay buckled in during the ride? What is a driver's liability to enforce the seat belt law? If a passenger is ejected in a crash, is the driver liable? Are passengers allowed to unbuckle in order to use

an onboard restroom, if available? For school buses, which require the use of seat belts if available, current law states that no person, school district, or organization can be charged in relation to a seat belt violation. A similar exemption may be needed to protect drivers who properly notified passengers of the law, but are involved in cases where seat belt violations are relevant.

**RELATED LEGISLATION:**

**AB 731 (Gallagher, 2015)** — Maintenance of the Codes – Section 75 –Seat belt use on school buses.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 22.)

**SUPPORT:**

None received.

**OPPOSITION:**

None received.

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**SENATE COMMITTEE ON TRANSPORTATION AND HOUSING**

**Senator Jim Beall, Chair**

**2017 - 2018 Regular**

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<b>Bill No:</b>	SB 174	<b>Hearing Date:</b>	3/28/2017
<b>Author:</b>	Lara		
<b>Version:</b>	1/23/2017		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Erin Riches		

**SUBJECT:** Diesel-fueled vehicles: registration.

**DIGEST:** This bill requires DMV to confirm compliance with specified emissions rules prior to registering, renewing registration of, or transferring ownership of, heavy-duty diesel-fueled trucks.

**ANALYSIS:**

*Existing law:*

Requires the Air Resource Board (ARB) to adopt standards and regulations for all classes of motor vehicles to reduce motor vehicle exhaust and evaporative emissions. Although ARB requires engine manufacturers to meet strict pollution standards for newer engines, older engines are often high-polluting. Accordingly, in 2008, ARB adopted the On-Road Heavy-Duty Diesel Vehicles In-Use Regulation — commonly referred to as the truck and bus rule — which requires diesel trucks and buses that operate in California to be upgraded to reduce emissions. The truck and bus rule applies to nearly all privately and federally owned diesel-fueled trucks and buses, as well as privately and publicly owned school buses with a gross vehicle weight rating (GVWR) greater than 14,000 lbs. It does not apply to state and local government vehicles, solid waste collection trucks, drayage trucks that transport marine cargo, and public transit buses, all of which are covered under other regulations.

In order to comply with the truck and bus rule, fleet owners must either replace their older engines or trucks with newer ones, or install particulate matter (PM) filters. Because diesel trucks can operate for 20 years or more, many fleet owners have chosen at least initially to retrofit (e.g., install PM filters) rather than replace. The PM filter is an exhaust filtration system installed downstream of the engine to collect and remove PM from engine exhaust before it is emitted from the vehicle. According to ARB, a properly functioning PM filter virtually eliminates PM from

truck exhaust. ARB evaluates and approves these devices to ensure they meet specified PM or nitrogen oxide (NOx) emission reductions.

The truck and bus rule required newer, heavier trucks and buses to meet PM filter requirements beginning January 1, 2012. It required lighter and older heavier trucks to be replaced beginning January 1, 2015. Beginning January 1, 2020, all trucks and buses will need to upgrade to 2010 model year engines based on a prescribed engine model year schedule. Fleet owners may also claim credits for downsizing compared to 2006, adding early PM filters, and adding cleaner vehicles. By January 1, 2023, nearly all trucks and buses will need to have 2010 model year engines or the equivalent.

The truck and bus rule provides a number of flexibility options for specific fleet types. For example:

- a) The Small Fleet Option allowed a fleet of one to three diesel trucks or buses with a GVWR greater than 26,000 lbs. to delay the PM filter requirement until January 1, 2014, and allows these fleets to delay vehicle replacements until January 1, 2020 or later.
- b) The Agricultural Vehicle Extension allows qualified fleet owners who applied by January 1, 2015, to delay compliance for agricultural vehicles that operate under specified annual mileage thresholds.
- c) The Low-Mileage Truck Option allows fleet owners that meet minimum PM filter requirements each year, from 2014-2018, to delay compliance for trucks that travel less than 20,000 miles per year.

This bill:

- 1) Effective January 1, 2020, requires DMV to confirm, prior to initial registration or transfer of ownership and registration of a diesel-fueled vehicle with a GVWR of more than 14,000 lbs., that the vehicle is compliant with or exempt from the truck and bus rule as applicable.
- 2) Prohibits DMV from registering, renewing, or transferring registration for a diesel-fueled vehicle with a GVWR of 14,001 lbs. to 26,000 lbs. for the following vehicle model years:
  - a) Effective January 1, 2020: model years 2004 and older.
  - b) Effective January 1, 2021: model years 2007 and older.
  - c) Effective January 1, 2023: model years 2010 and older.

- 3) Prohibits DMV from registering, renewing, or transferring registration for a diesel-fueled vehicle with a GWVR of more than 26,000 lbs. for the following vehicle model years:
  - a) Effective January 1, 2020: model years 2000 and older.
  - b) Effective January 1, 2021: model years 2005 and older.
  - c) Effective January 1, 2022: model years 2007 and older.
  - d) Effective January 1, 2023: model years 2010 and older.
- 4) Allows DMV to register, renew, or transfer registration for a diesel-fueled vehicle that has been granted an exemption from the truck and bus rule by ARB, or is using a compliance option approved by ARB. Requires ARB to notify DMV of these vehicles.
- 5) Authorizes DMV to issue a temporary permit for a vehicle for which it may refuse registration under the provisions cited above. The permit may be valid for either 90 days after the expiration of the vehicle's registration, or for 90 days after the date the vehicle is removed from non-operation, whichever is applicable at the time the permit is issued. Only one temporary permit may be issued per vehicle. Authorizes DMV to charge a fee for a temporary permit.

**COMMENTS:**

- 1) *Purpose.* The author states the truck and bus rule requires diesel trucks and buses that operate in California to upgrade their vehicles in order to significantly reduce PM, NOx, and other criteria pollutants. These short-lived climate pollutants not only accelerate climate change but also have a detrimental impact on human health by irritating the eyes, nose, throat, and lungs, and contribute to heart and lung diseases, asthma, cancer, and even premature death. It is estimated that the truck and bus rule will prevent an estimated 3,500 deaths in California between 2010 and 2025. Diesel pollution from trucks and buses that do not meet these standards disproportionately increase regional smog and impact local health, particularly in low-income communities of color.

The author states that most of the industry has made the necessary investments to comply with the truck and bus rule. Unfortunately, because of the sheer volume of equipment, enforcement of this regulation has been challenging; ARB estimates that as many as 30% of the trucks on the road today do not comply with the truck and bus rule. These trucks both pollute at a much higher rate and unfairly compete with compliant truckers, undercutting their investments in clean vehicles. This bill would require proof of compliance with



the truck and bus rule as a condition of DMV registration, similar to smog certification requirements that apply to most light-duty vehicles on the roads today. This bill will help clean up polluted transportation corridors, improve public health in impacted communities, protect our changing climate from powerful super pollutants like black carbon, and create a level playing field for compliant truckers who have invested hundreds of millions of dollars to meet existing requirements. This bill is a win-win for industry and the environment.

- 2) *How does ARB currently enforce the truck and bus rule?* Fleet owners are not required to report to ARB unless they are applying for one of the flexibility options. ARB's guidance states that "While this document is intended to assist fleets with their compliance efforts, it is the sole responsibility of fleets to ensure compliance with the Truck and Bus Regulation." ARB's enforcement inspectors work with the California Highway Patrol to perform roadside inspections of vehicles to ensure compliance. Citations are issued for any non-compliant vehicle; according to ARB, 17,996 diesel truck inspections were conducted in 2015, resulting in 4,419 citations issued and \$2.7 million in penalties assessed. ARB also conducts diesel investigations of fleets to ensure compliance with all applicable diesel regulations. In January 2016, ARB estimated that between 70-75% of all heavy-duty trucks exceeding 26,000 lbs. GVWR that operate in California, are compliant with the truck and bus rule.
- 3) *Clean Air Act.* Under the federal Clean Air Act, the US Environmental Protection Agency (US EPA) establishes national air quality standards that every region in the country must attain. Regions failing to meet the standards are designated as "nonattainment areas." The Clean Air Act sets deadlines for attainment and requires each state to develop a plan, known as a state implementation plan (SIP), to attain and maintain air quality standards for each region that is designated as a nonattainment area. US EPA is authorized to impose sanctions (such as withholding approval or funds for federal highway projects) on any state whose SIP does not include measures to enable each nonattainment area to achieve attainment. The truck and bus rule is one tool in California's SIP. This regulation is particularly important in the San Joaquin and South Coast air districts, both of which are nonattainment areas, due to heavy truck traffic related to the movement of goods through the Central Valley and through the Ports of Los Angeles and Long Beach. This bill would help ensure that the truck and bus rule is fully implemented.
- 4) *PM filter safety.* Associated California Loggers, writing in opposition to this bill, states that a lawsuit filed in California Superior Court in November 2016 alleges that the PM filters needed to comply with the truck and bus rule are unsafe and have been the source of multiple truck and other vehicle fires.

According to a May 2015 report by the ARB, in October 2013 the ARB board directed staff to conduct an investigation into stakeholder concerns relating to the cost, reliability, and fire safety of PM filters, as well as perceived adverse impacts of the filters on engine performance. The staff analysis found that PM filters do not increase the risk of truck fires; PM filters are manufactured in accordance with federal and state safety requirements; most fleets are not experiencing engine or filter problems; PM filters remove more than 98% of toxic diesel PM emissions; and that while some fleets are experiencing problems with their PM filters, engine durability issues and inadequate maintenance practices are the primary causes for those problems. Two filters were recalled in 2012, but the others appear to be operating appropriately.

- 5) The California Farm Bureau Federation, writing in opposition to this bill, also asks for five amendments:
- a) Permanently establish the low-use mileage provision at 5,000 miles, which would effectively exempt seasonal agricultural trucks from the 2010 engine requirement.
  - b) Allow eligible vehicles to enroll in the agricultural mileage program regardless of purchase date, to enable these truck owners to delay compliance until 2023.
  - c) Require ARB to provide a response to a request relating to a temporary permit within 24 hours.
  - d) Allow cab over trucks to continue operating in violation of the truck and bus rule, since no cab over trucks with a 2010 model year engine are currently made or sold in California.
  - e) Clarify that a 2010 model year truck with a 2010 engine is compliant and can be registered beyond January 1, 2023.

Three of these provisions (a, b, and d) would require amending the truck and bus regulation. The author indicates that this bill is not intended to reopen the regulation, but rather to enforce it.

**To help address some opposition concerns, however, the author is amending this bill to clarify that DMV may allow registration, renewal, or transfer of registration for vehicles equipped with the required model year emissions equivalent engine; and to allow DMV to issue more than one temporary permit per vehicle if approved by ARB.**

- 6) *Double referral.* This bill has also been referred to the Environmental Quality Committee.

**RELATED LEGISLATION:**

**SB 41 (Galgiani, 2017)** — requires ARB to deem a fleet owner in compliance with the truck and bus rule if the equipment purchased by the party was deemed compliant at the time of purchase, but was subsequently proven by ARB to be inadequate. *This bill is pending hearing in the Senate Environmental Quality Committee.*

**SB 621 (Gaines, 2013)** — would have required ARB to amend the truck and bus rule to extend compliance dates by five years. *This bill failed passage in the Senate Transportation and Housing Committee.*

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 22, 2017.)

**SUPPORT:**

California Trucking Association (sponsor)  
American Lung Association in California  
California Bicycle Coalition  
California Bus Association  
California Environmental Justice Alliance  
California Tow Truck Association  
Center for Community Action and Environmental Justice  
Coalition for Clean Air  
Comite Civico del Valle  
Environment California  
Natural Resources Defense Council  
Pacoima Beautiful  
Physicians for Social Responsibility, San Francisco Bay Area Chapter  
Truck and Engine Manufacturers Association  
Union of Concerned Scientists

**OPPOSITION:**

Associated California Loggers  
California Farm Bureau Federation

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**SENATE COMMITTEE ON TRANSPORTATION AND HOUSING**

**Senator Jim Beall, Chair**

**2017 - 2018 Regular**

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**Bill No:** SB 229 **Hearing Date:** 3/28/2017  
**Author:** Wieckowski  
**Version:** 3/13/2017 Amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Alison Hughes

**SUBJECT:** Accessory dwelling units.

**DIGEST:** This bill makes several changes to accessory dwelling unit law (ADU) law.

**ANALYSIS:**

*Existing law:*

- 1) Permits a locality, by ordinance, to provide for the creation of accessory dwelling units in single-family and multifamily residential zones.
- 2) Requires ADUs to comply with, among other things, the following:
  - a) The increased floor area of an attached ADU shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.
  - b) The total area of floorspace for a detached accessory ADU shall not exceed 1,200 square feet.
  - c) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an ADU, and the locality requires that those off-street parking spaces be replaced, the replacement spaces may be located in any configuration on the same lot as the ADU.
- 3) Prohibits localities from considering ADUs as a new residential use for the purposes of calculating local agency connection fees.

This bill:

- 1) Clarifies that the increased floor area of an attached ADU may exceed a more permissive maximum floor area than what is defined under state ADU law, if so adopted by a locality.
- 2) Clarifies that the total floorspace for a detached ADU may exceed a more permissive maximum area floorspace than what is defined under state ADU law, if so adopted by a local agency.
- 3) Clarifies that parking requirements for a garage shall also apply to a converted ADU.
- 4) States that a special district shall not consider an ADU as a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service.
- 5) Defines “tandem parking” as a situation in which two or more cars are parked lined up one behind the other.

#### COMMENTS:

- 1) *Purpose.* According to the author, SB 1069 (Wieckowski, 2016) significantly eased the barriers to the construction of accessory dwelling units ADUs. As a result, local agencies now ministerially review an ADU application within 120 days, automatically approve applications to convert existing spaces to ADUs, provide exemptions for parking requirements, charge proportionate or no connection fees or capacity charges, and provide exemptions for fire sprinkler requirements.

However, the language in SB 1069 has caused confusion around some of its most significant provisions, such as fee adjustments and parking. Homeowners are shocked to discover they are still being charged up to \$75,000 in fees for their ADUs, despite standing legislation. Such significant fees are an onerous barrier to the construction of ADUs, which can lead to hundreds of thousands of affordable-by-design housing units in the state. For SB 1069 to fulfill its complete potential and encourage the creation of affordable-by-design housing, technical language adjustments are necessary.

- 2) *Changes to existing ADU law.* This bill clarifies that local agencies may adopt more permissive floor area and floor space requirements than what is listed in state law, and that demolished also means “converted” when a garage or carport

or covered parking structure becomes an ADU. This bill also includes special districts in provisions regarding fees to ensure that no charges for connection fees or capacity charges occur when an existing structure is converted into an ADU. This bill also more clearly defines tandem parking.

- 3) *Double Referral*. This bill has been double referred to the Senate Governance and Finance committee.

**RELATED LEGISLATION:**

**SB 1069 (Wieckowski, Chapter 720, Statutes of 2016)** — Made a number of changes to the ADU review process and standards.

**AB 2299 (Bloom, Chapter 735, Statutes of 2016)** — Made a number of changes to the ADU review process and standards.

**AB 2406 (Thurmond, Chapter 755, Statutes of 2016)** — Allowed a local agency to create an ordinance for junior ADUs in single-family residential zones.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 22, 2016.)

**SUPPORT:**

Bay Area Council

**OPPOSITION:**

None received.

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**SENATE COMMITTEE ON TRANSPORTATION AND HOUSING**

**Senator Jim Beall, Chair**

**2017 - 2018 Regular**

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<b>Bill No:</b>	SB 275	<b>Hearing Date:</b>	March 28, 2017
<b>Author:</b>	Portantino		
<b>Version:</b>	2/9/2017		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Alison Hughes		

**SUBJECT:** Surplus residential property: State Route 710: property taxes: assessments.

**DIGEST:** This bill requires any property purchased at an affordable price in the State Route (SR) 710 corridor to be assessed at its affordable price for property purposes, and any property purchased at a reasonable price in the SR 710 corridor to be assessed at a reasonable price for property tax purposes.

**ANALYSIS:**

*Existing law:*

- 1) Establishes priorities and procedures for the disposition of surplus residential properties in the SR 710 corridor. Under the Roberti Act, Caltrans must offer surplus property in the following priority order:
  - a) First, at fair-market value (market rate) to all single-family residences presently occupied by the former owners.
  - b) Second, at an affordable price to current low-or moderate-income occupants who meet minimum length-of-occupancy standards.
  - c) Third, to public or private housing-related entities at a price necessary to make the housing affordable to present tenants and households of low or moderate income. The sale is conditioned upon the entity rehabilitating and developing the property as a limited-equity cooperative housing with first right of occupancy to present tenants. If cooperative housing is not feasible, the purchasing agency shall use the property for low-and moderate-income rental or owner-occupied housing, with the first right of occupancy to present tenants.

- d) Fourth, at market rate to present occupants in good standing, next to former tenants, and lastly to persons who intend to be owner-occupants.
- 2) Requires all non-historic surplus residential properties within the SR 710 corridor that are not purchased by former owners or the present occupants to be offered to a public or private housing-related entity at a reasonable price to allow the property to be used as affordable housing for low- and moderate-income individuals. If that housing entity is a public entity, the entity may resell the property, and the profits realized from the sale must be used for the construction of affordable housing within its jurisdiction. If the housing entity is a private entity, the property must be developed as limited-equity cooperative housing, with first right of occupancy to present occupants. If development of a cooperative is not feasible, the purchasing entity shall use the property for low- and moderate-income rental or owner-occupied housing, with first right of occupancy to the present tenants.
  - 3) Requires all historic surplus residential properties within the SR 710 corridor that are not purchased by former owners or the present occupants to be offered first to a housing-related public entity or a nonprofit private entity dedicated to rehabilitating and maintaining the home for public and community access and use.
  - 4) Requires the net proceeds from a subsequent sale of surplus residential property to be deposited into an Affordable Housing Trust Account to benefit families of low and moderate income residing exclusively in Pasadena, South Pasadena, Alhambra, La Canada Flintridge, and the 90032 postal ZIP code.

This bill:

Applies the following requirements to any surplus residential properties for SR 710 in Los Angeles County:

- 1) Any property purchased at an affordable price shall be assessed at its affordable price for property purposes.
- 2) Any property purchased at a reasonable price shall be assessed at a reasonable price for property tax purposes.

**COMMENTS:**

- 1) *Purpose.* According to the author, existing law planned and outlined the process for the disposition of SR 710 properties acquired by Caltrans. This law directed the Caltrans to sell surplus residential properties along SR 710 in a manner that



would preserve, upgrade, and expand the supply of housing available in the region. It also put an emphasis on making those homes and properties affordable. As the affordable housing crisis continues to be one of California's biggest issues and the disposition of the Caltrans homes has finally arrived, legislation was needed to help the Los Angeles County Assessor meet the spirit and intent of the Roberti Act.

It was always intended that many of the 710 homes and properties would go to existing tenants and be affordable at the time of purchase. This bill will allow many of the residents who live in the SR 710 corridor to purchase property with an assessed valuation that would not price them out of that purchase.

- 3) *SR 710 Properties.* Existing law identifies the California state highway system through a description of segments of the state's regional and interregional roads that the Caltrans owns and operates. Under current law, whenever Caltrans determines that any real property acquired for highway purposes is no longer necessary, it may sell or exchange the property upon terms, standards, and conditions established by the California Transportation Commission (CTC). Proceeds from the sale are returned to the State Highway Account.

For decades, Caltrans has proposed extending SR 710 to close a roughly 4.5 mile unconstructed gap in the freeway between SR 10 in Los Angeles and SR 710 in Pasadena. This gap affects the cities of Alhambra, Pasadena, South Pasadena, and a portion of Los Angeles. The project has been in the planning stage since 1953 for a variety of reasons related to the federal environmental review process. Caltrans currently owns over 460 homes within the original surface route corridor, 97 of which are declared to be of federal or state historical significance. More than 400 homes are occupied by tenants for whom Caltrans serves as landlord.

- 4) *Roberti Act and sale of SR 710 properties.* Existing law establishes priorities and procedures for the disposition of surplus residential properties in the SR 710 corridor in a specified order (see existing law):
- a) First, at fair-market value (market rate) to all single-family residences presently occupied by the former owners.
  - b) Second, at an affordable price to current low- or moderate-income occupants who meet minimum length-of-occupancy standards.
  - c) Third, to public or private housing-related entities at a price necessary to make the housing affordable to present tenants and households of low or

moderate income. The sale is conditioned upon the entity rehabilitating and developing the property as a limited-equity cooperative housing with first right of occupancy to present tenants. If cooperative housing is not feasible, the purchasing agency shall use the property for low- and moderate-income rental or owner-occupied housing, with the first right of occupancy to present tenants.

- d) Fourth, at market rate to present occupants in good standing, next to former tenants, and lastly to persons who intend to be owner-occupants.

In 2013, SB 416 (Liu, Chapter 468) expedited the sale of surplus residential properties in the cities of Los Angeles, South Pasadena, and Pasadena that do not fall within the boundaries of any alternate route being considered in the North Route 710 Project Draft Environmental Impact Report/Environmental Impact Statement. SB 416 also removed the originally proposed surface route from further consideration and increased opportunities for current and former tenants to purchase surplus properties owned by Caltrans.

- 5) *Priorities for affordable housing.* In 2015, SB 580 (Liu, Chapter 709) sought to realize the original intent of the Roberti Act by preserving and creating affordable housing for low-and moderate-income individuals. The change in that bill permit a public housing entity to purchase, rehabilitate, and resell a home and requires the profits from that sale to be used for building affordable housing in the same area.

According to the author, before Caltrans may sell the properties, the properties must be assessed by the Los Angeles County Assessor's Office. This bill would clarify that the LA County Assessor has the ability to assess these specific properties under the SR 710 corridor at the "affordable" or "reasonable housing price.

- 6) *Double Referral.* This bill has been double referred to the Senate Governance and Finance committee.

#### **RELATED LEGISLATION:**

**SB 580 (Liu, Chapter 709, Statutes of 2016)** — made changes to the Roberti Act governing the sale of surplus properties in the State Route (SR) 710 corridor.

**SB 416 (Liu, Chapter 468, Statutes of 2014)** — expedited the sale of surplus residential properties in the cities of Los Angeles, South Pasadena, and Pasadena that do not fall within the boundaries of any alternate route being considered in the North Route 710 Project Draft Environmental Impact Report/Environmental Impact Statement.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 28, 2017.)

**SUPPORT:**

City of South Pasadena  
Jeffrey Prang, Assessor for the County of Los Angeles

**OPPOSITION:**

None received.

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**SENATE COMMITTEE ON TRANSPORTATION AND HOUSING**

**Senator Jim Beall, Chair**

**2017 - 2018 Regular**

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<b>Bill No:</b>	SB 330	<b>Hearing Date:</b>	3/28/2017
<b>Author:</b>	Berryhill		
<b>Version:</b>	2/13/2017		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Alison Hughes		

**SUBJECT:** Building permit fees: veterans waiver.

**DIGEST:** This bill permits a locality to waive all building permit fees for improvements to the home of a veteran with a service-connected disability that are made to accommodate that disability.

**ANALYSIS:**

*Existing law:*

- 1) Requires each locality to collect a fee from any applicant for a building permit, assessed at the rate of \$4 per \$100,000 in valuation, with appropriate fractions but not less than \$1.
- 2) Prohibits the locality from retaining more than 10% of the fees collected for related administrative costs for code enforcement and requires transmitting the remainder to the Building Standards Commission (the Commission) for deposit in the Building Standards Administration Special Revolving Fund.
- 3) Permits the commission to reduce the rate of the fee upon determining that a lesser amount is sufficient to maintain the programs established.

This bill permits a locality to waive all building permit fees for improvements to the home of a veteran with a service-connected disability that are made to accommodate that disability.

**COMMENTS:**

- 1) *Purpose.* According to the author, veterans who serve their country honorably cannot prepare for the potential injuries they might sustain during their service. This bill would simply authorize these entities to waive all building permit fees in the case of a veteran who has a service-related disability and is making

improvements to his or her home to accommodate that disability. The bill is permissive, and does not require a city or county entity to waive fees in all cases, simply allows them to do so at their discretion.

- 2) *What this bill covers.* According to the author, the cost of building permits likely varies widely by city and/or county but the intent of the bill is to lighten the financial burden since the building permit is just one piece of the total cost of the improvement. When asked, the author's office was unable to provide any estimates or even a range of what these building permits cost. Some improvements that could be covered under this bill include: converting steps to ramps, converting showers and bathtubs, countertop height, vision or hearing improvements, adding wheelchair lifts, and widening door frames to be wheelchair accessible.
- 3) *Double-referral.* This bill is double-referred to the Senate Veterans Affairs Committee.

#### **RELATED LEGISLATION:**

**AB 1592 (Olsen, 2012)** — would have allowed a governing board of any county or city to grant financial assistance, relief, and support to disabled veterans by reducing or waiving specified fees for modifying a dwelling for the purpose of greater accessibility. *This bill was not referred out of the Senate Rules Committee.*

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 22, 2017.)

#### **SUPPORT:**

None received.

#### **OPPOSITION:**

None received.

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- 6) Authorizes the management of a mobilehome park to terminate a tenancy for failure of the homeowner or resident to comply with a local ordinance or state law or regulation relating to mobilehomes within a reasonable time after the homeowner receives a notice of noncompliance from the appropriate governmental agency.
- 7) Prohibits any person from using or causing to be used, or permitting to be used for occupancy, a mobilehome that does not conform to HCD's registration requirements.
- 8) Creates a tax abatement program for mobilehome owners who cannot transfer title into their names due to delinquent taxes and fees that may have been incurred by prior owners through 2019.

This bill:

- 1) States that the owner of a new or used manufactured home or mobilehome (*hereinafter* "home") who sells or transfers ownership of the home shall not be subject to civil or criminal liability after the delivery of possession of the home to the purchaser or transferee and if both of the following requirements are met:
  - a) The owners has endorsed, released, and delivered the certificate of title or, if the certificate is unavailable, complied with HCD requirements for the transfer of title to relinquish all rights, title, and interest in and to the home, and
  - b) The owner has delivered or mailed to HCD, either of the following:
    - i. Notice of transfer and release of liability endorsed by the purchaser, or
    - ii. The registration documents and fees required by HCD for the sale or transfer of the home to the new owner
- 2) Requires HCD to prepare and adopt a notice of transfer and release of liability form. The form shall require the name, address, and current phone number of the buyer and seller. The form shall also include the following statement:

"Before your name is removed from the records of the Department of Housing and Community Development as the owner, the new owner must apply for a transfer of ownership using the endorsed certificate of title received from you and the new owner must complete all of the transfer requirements."
- 3) States that this bill shall not be construed to impose any additional duties upon the owner who sells or transfers ownership of a home

- 4) Defines "owner" as the homeowner, an owner of record, a legal owner, and a junior lienholder.

**COMMENTS:**

- 1) *Purpose.* According to the author, this bill will amend current law to allow a mobilehome owner to sign a release of liability when they sell a mobilehome or manufactured home. The new law would be substantially similar to the process where an automobile owner notifies the Department of Motor Vehicles. In the past there had been safeguards to require compliance with registration and titling but those laws and processes have been repealed or not enforced by HCD. For example, as a cost saving measure, HCD has made it a business practice to not attempt to mail delinquent title holders if they do not receive a response within 180 days. Sections of the Health and Safety Code have been removed requiring homeowners to submit a duplicate registration to the park owner on an annual basis or requiring the decal on the outside of the home to indicate the current status of the registration fee.

This bill will implement a Release of Liability for sellers of manufactured home/mobilehomes that limits their exposure to the date of sale. By the seller informing the Department about the new owner the Department will be able to have up-to-date contact information to ensure proper registration and titling.

- 2) *Background.* HCD is responsible for titling and registering mobilehomes. Mobilehomes purchased before July 1, 1980, are treated as vehicles and subject to a VLF rather than an LPT. Mobilehomes purchased after July 1, 1980, however, are subject to LPT. Before transferring title of a mobilehome, a buyer of a mobilehome subject to LPT must obtain a TCC from the county tax collector, indicating that all property taxes have been paid. If a mobilehome is subject to VLF, the buyer must pay all fees and penalties to HCD before title can be transferred. Non-payment of VLF constitutes a lien on the mobilehome in favor of the state, and nonpayment of LPT means the county tax collector can pursue collection of the delinquent LPT in the same way as other delinquent taxes on the unsecured roll. If either of these situations arises, HCD cannot amend the title to reflect the new owner's name, and therefore the new owner cannot obtain proof of ownership over the home.

Without proper title to a mobilehome, a buyer may face a number of issues. Current law provides that the buyer may be subject to eviction from a mobilehome park because parks are prohibited from renting to homes that do not conform to HCD's registration requirements. Additionally, buyers cannot



legally make repairs to the home, insure their home, or transfer ownership to another person.

- 3) *Widespread problem.* Buying and selling mobilehomes often transpires informally, which means that buyers and sellers may not be aware of delinquent taxes and fees that prevent the transfer of title. Presently, there are few notification requirements for VLF delinquencies, and a buyer may only become aware of a delinquency when he or she attempts to transfer title of an already purchased mobilehome. If a seller does not pay these delinquent fees and a buyer is unable to do so, there is little else the buyer can do.
- 4) *AB 587 (Chau, 2015) Abatement program.* Last year, the Legislature passed and the Governor signed AB 587 (Chau, Chapter 396, Statutes of 2016), which created an abatement program for mobilehome owners who cannot transfer title into their names due to delinquent taxes and fees that may have been incurred by prior owners until 2019. This abatement program allows a buyer to transfer title in his or her name in instances where the mobilehome is subject to delinquent fees or taxes. For mobilehomes subject to VLF, applicants must first prove ownership to HCD and, upon the payment of reduced charges assessed by HCD or entry into a payment plan, title could transfer. For mobilehomes subject to LPT, HCD would issue the applicant a “conditional title” that is then taken to the county tax collector. Once the applicant pays a reduced LPT pursuant to the abatement program, the tax collector would update their property tax records and issue a tax liability certificate. This tax liability certificate would permit HCD to transfer title.
- 5) *Limiting liability.* This bill would permit the former homeowner to reduce their liability once they sell their home and provide notice to HCD. In other words, if a subsequent purchaser fails to pay their VLF or LPT, the prior owner will not be liable. In addition, this bill would provide notice to HCD that there is a new owner of the home and enable HCD to get in contact with them.
- 6) *Double Referral.* This bill has been double referred to the Senate Judiciary committee.

#### **RELATED LEGISLATION:**

**AB 587 (Chau, Chapter 396, Statutes of 2016)** — created an abatement program for mobilehome owners who cannot transfer title into their names due to delinquent taxes and fees that may have been incurred by prior owners.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 28, 2017.)

**SUPPORT:**

Golden State Manufactured Home Owners League  
Western Manufactured Housing Communities Association

**OPPOSITION:**

None received.

-- END --



- 5) Prohibits the installation, sale, or advertisement of a motor vehicle pollution control device unless it has been certified by ARB.

This bill:

- 1) Authorizes ARB to enter into agreements with private entities and to receive contributions from private sources in the form of equipment or money in order to expedite the processing of applications, resolutions, and executive orders pertaining to aftermarket and performance parts.
- 2) Requires all funds received pursuant to this bill to be deposited into the Air Pollution Control Fund, to be available upon appropriation by the Legislature to ARB for implementation costs.

#### COMMENTS:

- 1) *Purpose.* The author states that the market for aftermarket automotive parts is dynamic and highly competitive. At present, however, applying for and obtaining an executive order (EO), which allows a part to be sold in California, can be a time-consuming process. It currently takes anywhere from several months to more than a year for ARB to test an aftermarket part and issue the EO. The greater the number of vehicles on which the part can be used, the more complex and lengthy the application process. The author states that this bill will allow ARB to work with duly authorized private parties on agreements to provide ARB with the additional resources needed to hire staff dedicated to processing aftermarket parts certifications. By providing resources to address the backlog at ARB's aftermarket parts division, this bill will increase the speed at which applications are processed. Faster approvals will benefit all business that submit parts for ARB approval, and result in a higher level of compliance.
- 2) *Background.* Specialty manufacturers produce a variety of aftermarket parts that can be added on to a vehicle or motorcycle after purchase to "enhance engine performance." These include devices such as catalytic converters, exhaust headers, gas caps, and more. Existing law requires that any device added to a vehicle or motorcycle must be approved by ARB to certify that it does not unduly reduce the vehicle's emissions controls. Existing law also prohibits tampering with a vehicle's pollution control devices. Therefore, the manufacturer must also obtain approval (an EO) from ARB for an exemption to the anti-tampering law before the modification may be installed on any vehicle or motorcycle. Every EO part or modification has an assigned number that can

be verified by smog check stations, Bureau of Automotive Repair Referee stations, or ARB.

- 3) *How would this bill be implemented?* The Specialty Equipment Manufacturing Association (SEMA), sponsor of this bill, states that it works closely with ARB and in fact has built an emissions testing facility near ARB's El Monte facility. This center has been officially recognized by ARB for testing to demonstrate aftermarket parts emissions compliance under the EO program. This bill would officially enable ARB to turn over some of its testing activities to entities such as SEMA, though ARB would still perform the final certification.
- 4) *Conflict of interest?* This bill raises a question of whether giving the state money to expedite a process for a specific industry could unfairly influence the process. The author states that revenues generated by this bill are directed to the Air Pollution Control Fund to be appropriated by the Legislature to ARB for implementation of this bill. In addition, SEMA states that "funding contributed by private entities would not be used to expedite any single application or to redirect resources from other areas within ARB, and no single manufacturer would be given preferential treatment." **To alleviate potential concerns about conflict of interest, the author will accept amendments to require ARB to specify in any agreement with a private entity, that the entity will not receive preferential treatment in the certification process.**
- 5) *Not without precedent.* Existing law (AB 2042, Huffman, Chapter 559 of 2012) authorizes the Department of Fish and Wildlife to enter into agreements to receive funds or services from public or private entities to supplement existing staff resources. The committee has been unable to verify whether this statutory authority has ever been utilized.
- 6) *Trying again.* Language almost identical to this bill was included in a late budget trailer bill last year (see "Related Legislation" below). It was removed, however, by a subsequent budget trailer bill because the issue was deemed more appropriate for a policy discussion.
- 7) *Double referral.* This bill has also been referred to the Committee on Environmental Quality.

#### **RELATED LEGISLATION:**

**SB 839 (Committee on Budget and Fiscal Review, Chapter 340 of 2016)** — included a provision authorizing ARB to enter into agreements with private entities

to expedite the processing of aftermarket and performance parts sold on specific motor vehicles.

**SB 835 (Committee on Budget and Fiscal Review, Chapter 344 of 2016)** — removed the provision relating to aftermarket parts that was enacted in SB 839.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 22, 2017.)

**SUPPORT:**

Specialty Equipment Market Association (sponsor)  
American Motorcyclist Association

**OPPOSITION:**

None received.

**-- END --**



This bill:

This bill extends the allowable distance for BART to engage in transit-oriented development (TOD) from one-quarter to one-half mile.

### COMMENTS:

- 1) *Author's statement:* According to the author, "The Bay Area has been the most severely impacted by the state's housing crisis. As rent continues to skyrocket, it is imperative to seek innovative solutions for the production of housing. A simple extension of the radius in which BART may pursue transit-oriented development projects could yield 20,000 housing units throughout the Bay Area, 7,000 of which would be affordable. SB 680 would provide this extension by expanding the maximum distance BART is allowed to pursue a TOD project from  $\frac{1}{4}$  mile to  $\frac{1}{2}$  mile; a standard that is equivalent to those established for transit villages and enhanced infrastructure financing districts."
- 2) *What is TOD?* TOD is a type of urban development that maximizes the amount of residential, business, and leisure space within walking distance of public transport. TODs typically include a central transit stop (such as a train station, light rail, or bus stop) surrounded by a high-density mixed-use area, with lower-density areas spreading out from this center. Furthermore, TODs are also typically designed to be more walkable than other built-up areas, through using smaller block sizes and reducing the land area dedicated to automobiles (i.e. streets, parking lots, etc.). Transit Oriented Development Institute has reported that in surveys, 51 percent of Americans agree that the availability of good public transportation increases their interest in moving to and living in a particular area. Furthermore, 47 percent of Americans say being in close proximity to public transportation impacts choices about where they live, work, and play. Lastly, surveys have found that some of the benefits associated with TOD include, reduced dependency on driving, allowing residents to live, work, and play in the same area, and reducing the area's carbon footprint or negative environmental impact.
- 3) *Housing crisis.* California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. A person earning minimum wage must work three jobs on average to pay the rent for a two-bedroom unit. Housing units affordable to low-income earners, if available, are often in serious states of disrepair. California also faces a housing shortage: 2.2 million extremely low-income and very low-income renter households are competing for only 664,000 affordable rental homes. This leaves more than 1.54 million of



California's lowest income households without access to housing. The Bay Area is in a particular crisis as the combination of population growth and high-wage jobs tied to the tech industry boom has resulted in extreme housing and rental prices.

- 4) *BART*. BART is an urban passenger rail provider, covering four Bay Area counties with an average weekday ridership of approximately 430,000 travelers. BART ridership surveys have found that daily riders typically walk/travel anywhere from a quarter to half mile upon exiting a BART station. As BART continues to implement efforts to increase non-peak ridership, increased TOD appears to be a logical step that will also provide environmental benefits, ease traffic congestion, and provide additional affordable housing in the Bay Area. As part of their TOD performance measures and targets, expanding the distance to one-half mile will help BART in developing 20,000 units by 2040, of which 7,000 will be developed as affordable housing and potentially reduce Bay Area greenhouse gas emissions by 680,000 pounds per day. BART has currently completed or has in progress 11 TOD projects – including completed projects around the Castro Valley, Hayward, and Richmond stations.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, March 22, 2017.)

**SUPPORT:**

Bay Area Council (Sponsor)  
BART

**OPPOSITION:**

None received.

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