



San Gabriel Valley Council of Governments

AGENDA AND NOTICE

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

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

Chair: Craig Hensley
City of Duarte

Vice-Chair: Vacant

Members

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

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

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

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

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

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

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



PRELIMINARY BUSINESS

3 MINUTES

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

CONSENT CALENDAR

3 MINUTES

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

4. Planners TAC Meeting Minutes – 02/28/2019 -- Page 1
Recommended Action: Approve.
5. Election of the Vice Chair for the Remainder of FY 2018-2019
Recommended Action: Nominate and elect Brad Johnson of the City of Claremont to be the Vice Chair of the Planning Directors' TAC for the remainder of FY 2018-2019.

ACTION ITEMS

PRESENTATIONS

30 MINUTES

6. BlueLA Carsharing Service & Blue Systems Technology Service: Presentation by Mitch Moore, Marketing Manager, BlueLA Carsharing -- Page 5
Recommended Action: For information only.

DISCUSSION ITEMS

25 MINUTES

7. Governor Newsom's Legislative Housing Proposals -- Page 23
Recommended Action: For information and discussion.
8. Statewide Housing Legislation related to the CASA Compact -- Page 39
Recommended Action: For information and discussion.
9. AB 377: Microenterprise Home Kitchen Operations -- Page 47
Recommended Action: Discuss and provide direction to staff.

UPDATE ITEMS

EXECUTIVE DIRECTOR'S COMMENTS

2 MINUTES

10. SCAG's RHNA Methodology Survey Packet & RHNA Annual Reporting Reminder
Recommended Action: For information only.

CHAIR'S REPORT

2 MINUTES

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

ANNOUNCEMENTS

2 MINUTES

- The next Planning Directors' TAC Meeting will take place on Thursday, April 25, 2019, at 12 Noon

ADJOURN



SGVCOG Planners TAC Meeting Minutes

Date: February 28, 2019
 Time: 12:00 P.M.
 Location: Monrovia Community Center
 119 West Palm Avenue; Monrovia, CA 91016

PRELIMINARY BUSINESS

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

Planners TAC Members Present

V. Reynoso, P. Lam; Alhambra
 B. Johnson; Claremont
 B. Lee; Covina
 C. Hensley, J. Golding; Duarte
 J. Kugel; Glendora
 M. McCurley; La Verne
 S. Bermejo, C. Jimenez; Monrovia
 A. Lao; Rosemead
 L. Stevens, A. Garcia; San Dimas
 M. Chang; San Gabriel
 C. Lin; Sierra Madre
 I. McAleese; South El Monte
 J. Anderson; West Covina
 J. Drevno, N. Ornelas, Jr.; LA County DRP

Planners TAC Members Absent

Arcadia
 Diamond Bar
 El Monte
 Irwindale
 Montebello
 Monterey Park
 South Pasadena
 Temple City

SGVCOG Staff

P. Duyshart

Guests

M. Munoz; City of Azusa
 A. Ross; LA County Dept. of Public Works

3. Public Comment.

No public comment.

CONSENT CALENDAR

4. Planners TAC Meeting Minutes – 01/24/2019

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

[Motion Passed]

Ayes	Alhambra, Claremont, Covina, Duarte, Glendora, La Verne, Monrovia, Rosemead, San Dimas, San Gabriel, Sierra Madre, South El Monte, West Covina
Noes	
Abstain	

Absent	Arcadia, Diamond Bar, El Monte, Irwindale, Montebello, Monterey Park, South Pasadena, Temple City, LA County DRP
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PRESENTATIONS

5. SB 2 Planning Grants Program, Year 1 Guidelines

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

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

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

- There were a couple of questions from agencies in attendance regarding if agencies could submit multiple planning projects for SB 2 planning grant funding, or if cities or the county could only pursue one planning project under this grant program.

6. Metro Open Streets Grant Program, FY 2020 Mini-cycle Application and Guidelines

Peter Duyshart of the SGVCOG provided the presentation on this item. Duyshart gave information to the TAC related to how much funding is available under this grant program, Metro’s application scoring system, key application and project deadlines, and next steps.

DISCUSSION ITEMS

7. Follow up: Housing, Planning, Development Legislative Preview for the 2019-2020 State of California Legislative Session

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

The 26 pieces of legislation that Mr. Duyshart provided an overview of at the January 2019 meeting are as follows:

- Zoning and Land Use Legislation: SB 50 (Wiener) & SB 4 (McGuire and Beall)
- Low-income and Affordable Housing Legislation: AB 10 (Chiu, Bonta, Maienschein, Reyes, and Wicks), SB 9 (Beall), ACA 1 (Curry), AB 14 (Rivas), AB 36 (Bloom), & SCA 1 (Allen & Wiener)
- Accessory Dwelling Units Legislation: AB 68 (Ting), AB 69 (Ting), & SB 13 (Wieckowski)
- Redevelopment Legislation: AB 11 (Chiu, et al.), SB 5 (Beall and McGuire), SB 15 (Portantino), & AB 180 (Gipson)

- Homelessness Legislation: AB 22 (Burke), SB 48 (Wiener), AB 58 (Rivas), SB 18 (Skinner), AB 67 (Rivas), & AB 139 (Quirk-Silva)
- General Housing-Related Legislation: SB 6 (Beall and McGuire), SB 25 (Caballero), AB 53 (Jones-Sawyer and Bonta), AB 178 (Dahle), AB 191 (Patterson)

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

- Members of the TAC came to a consensus that they are most concerned with bills which look to reduce or limit local control on planning zoning and housing matters, as well as bills which pertain to lowering a city's ability to regulate ADU housing projects.
- SGVCOG staff agreed to monitor bills which pertained to these policy issues and report back to the TAC for possible future action on these particular pieces of legislation.

8. Local Agency Responses to Dockless Scooters

Peter Duyshart of the SGVCOG explained how the SGVCOG was interested to hear from its member agencies about efforts and actions that cities and local agencies are taking in response to the influx of dockless ride share scooters in Southern California communities. SGVCOG staff also wanted this discussion forum so that cities could share best policy practices and ideas with each other as many cities deliberate on which, if any, actions to take to regulate scooter use in their respective communities.

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

- One City noted how Bird Scooters suddenly started showing up through their city's streets on one weekend. They explained how since Bird considers itself a contractor, people were able to quickly distribute scooters throughout the community. Since there were multiple helmet-related and safety issues, the City Council to formal action to prohibit the scooters within the city's jurisdiction.
- Another City noted how there were similar scooter-related circumstances in their jurisdiction, and its Council eventually voted to prohibit the scooters, too.
- A third SGV agency noted how Lime is pulling all of its bikes from that city because Lime is solely focusing on its scooter business not instead of the bicycles.
- One TAC member pointed out how cities might have to consider the fact that Metro is considering fees on TMCs, and bike and scooter share companies throughout LA County, and what the impacts on this market could be if the tax is passed and implemented. The member also noted how we need to keep an eye on Metro's actions on this to see if they'll try to usurp cities' authority on this.
- One agency provided an example of a pilot program related to scooters. This agency explained how it is working on crafting a pilot program in order to permit and regulate the scooters through the end of 2019. The agency had to work with the scooter company to move the scooters out of the jurisdiction until the pilot program is in place.

UPDATE ITEMS

9. Recap of Metro PAC Meeting Pertaining to the "Twenty-Eight by '28 Initiative"

Larry Stevens of the City of San Dimas provided the update for this item. He went over the concept of de-coupling the new "Re-Imagining of LA County Initiative" from the existing "Twenty-Eight by '28 Initiative," and reported how the Policy Advisory Committee (PAC) suggested to Metro that any new funding revenues which result from "Re-Imagining of LA County" go toward reducing congestion countywide, and not just toward building the remaining 28x28 projects. One

of the central questions on this matter is: even with all of the financing which might result from new funding measures and fees, is it even possible to raise the \$26.8 billion which is needed to build the remaining unfunded Measure M projects. Stevens also discussed the Gold Line Phase 2B funding shortfalls issues and the plans for Measure M local return funding.

10. Measure M MSP Funding Update

P. Duyshart gave the update on this item. He notified TAC members that the SGVCOG formally submitted the draft of its MSP 5-Year Plans to Metro for review on February 6. Metro has 60 days to review the draft plans and recommended projects for eligibility, and during this time, they hold the right to request additional project information from each of the cities or agencies which submitted a project for MSP funding. COG staff will continue to keep pertinent cities and agencies apprised of new MSP developments and timeline updates.

11. ACE Capital Projects and Construction Update

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

EXECUTIVE DIRECTOR'S COMMENTS

12. The California Natural Resources Agency's Green Infrastructure Grant Program

P. Duyshart notified Planning TAC members of the various grants which will be available through the California Natural Resources Agency over the course of 2019 to funding different green infrastructure projects, including green streets, tree planting, multi-use trails, etc. These programs are funded through Proposition 68 and the Greenhouse Gas Reduction Fund. These grant programs include:

- Green Infrastructure
- Trails and Greenways
- Urban Stormwater and Waterways Improvement
- Urban Greening Round 3

CHAIR'S REPORT

13. Solicitation of presentation topics

There was no discussion on this item.

14. Current City Projects

There was no discussion of city projects.

ANNOUNCEMENTS

C. Hensley, the Chair of the Planning TAC, announced that the next Planning Directors' TAC Meeting will be on Thursday, March 28th, 2019.

ADJOURN

The meeting adjourned at 1:13 P.M.

REPORT

DATE: March 28, 2019

TO: SGVCOG Planning TAC

FROM: Marisa Creter, Executive Director

RE: BLUELA CARSHARING SERVICE

RECOMMENDED ACTION

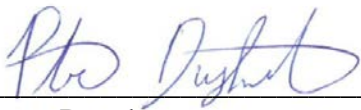
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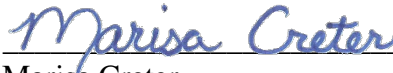
BACKGROUND

In 2015, the City of Los Angeles was awarded a \$1.7 million grant from the California Air Resources Board through California Climate Investments (CCI). This grant was awarded to fund a pilot project for clean, electric vehicle car sharing in low-income and disadvantaged communities in the City of Los Angeles. The Bolloré Group's BlueLA Carsharing was ultimately chosen to organize and operate this carsharing service. BlueLA is a 100% electric car sharing program which launched in April 2018 with a specialized focus on serving LA's underserved communities effectively and fairly. BlueLA Carsharing is partnering with the Los Angeles Department of Transportation, the Office of Los Angeles Mayor Eric Garcetti, and grassroots community organizations in order to deliver this carsharing service to under-represented residents. The communities and neighborhoods in Los Angeles that are to be served by this service include Westlake, Koreatown, Pico-Union, portions of Downtown LA, Echo Park, Boyle Heights, and Chinatown. By the beginning of Summer 2019, BlueLA is aiming to have 100 self-service electric vehicles available at 40 stations with 200 chargers, and the program is expected to triple in size by the end of 2021.

BlueLA's goal and vision for this carsharing program in Los Angeles is to transform mobility and travel, and improve connections between disadvantaged communities, in order to address equity and access issues. BlueLA and the City of Los Angeles see this program as supporting Mayor Eric Garcetti's "Sustainable City pLAn." Currently, BlueLA's rate structure is set to be affordable and accessible to all Angelenos, including low-income residents. Users must pay a monthly fee of \$1 or \$5, and, in addition, pay \$0.15 or \$0.20 per minute of drive time. There are also certain discounts for low-income community members, too.

Mitch Moore the Marketing Manager for BlueLA, will provide a presentation to the Transportation Committee during which they will share the background and history of this innovative and environmentally-friendly car-sharing service, how the service is implemented, information about BlueLA's marketing and outreach plan for 2019, and information on future plans. Mr. Moore will also give an overview of the Bolloré Group's new Blue Systems technology and "smart mobility platform." Blue Systems is meant to be a neutral enabler for mobility management, and can give local governments mobility solutions.

Prepared by: 
Peter Duyshart
Project Assistant

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS:

- Attachment A – BlueLA Marketing and Outreach Presentation Slides
- Attachment B – BlueLA Public Launch Press Release



100% EV CAR SHARING
 'NATIONS LARGEST CAR SHARING BENEFITING UNDERSERVE COMMUNITIES



BLUELA 101

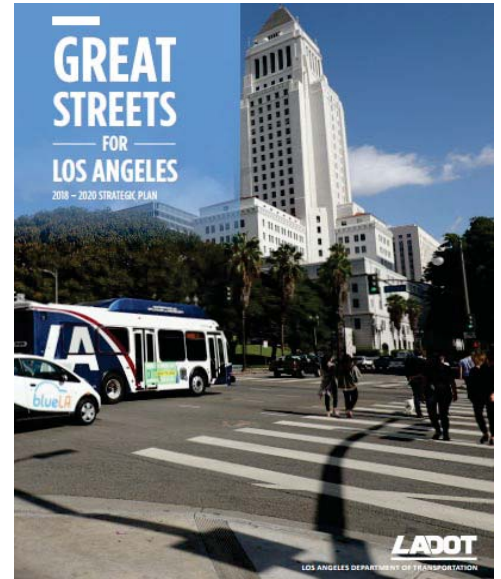
- 100% Electric Vehicle carsharing service rented @ street stations
- Partners:
 - Mayor Garcetti & LADOT
 - Partial funding from California Air Resources Board effectively using Cap and Trade Funds
- Discounts for low-income members
 - \$0 Monthly Fees – 30-day Trial
 - 40¢/min (3 hours for \$24)
 - \$12 Annually Community (Low-Income Qualified)
 - 15¢/min (3 hours for \$9)
 - \$60 Annually Standard
 - 20¢/min (3 hours for \$12)
 - Current Promotional Offer
 - 3 hours for the price of 1 hour



PART OF CITY OF LA & LADOT'S MISSION



Demonstration Station Opening
in MacArthur Park - June 2017



“ You can't do a good environmental program if it doesn't include everyone and income should not dictate people's activism. ”

Mayor Eric Garcetti

blueLA LAUNCH EVENT

A NEW CLEAN WAY TO GET AROUND LA!

100% electric vehicle sharing service

blueLA unplug'n play!

blueLA.com

OPENED APRIL 2018

Partners and sponsors logos: City of Los Angeles, California Climate Change Center, LADOT BlueSolutions, Shared-Use Mobility Center, Thrive SoCal, and Kiwa Workers for Justice.

100 CARS

● 40 STATIONS

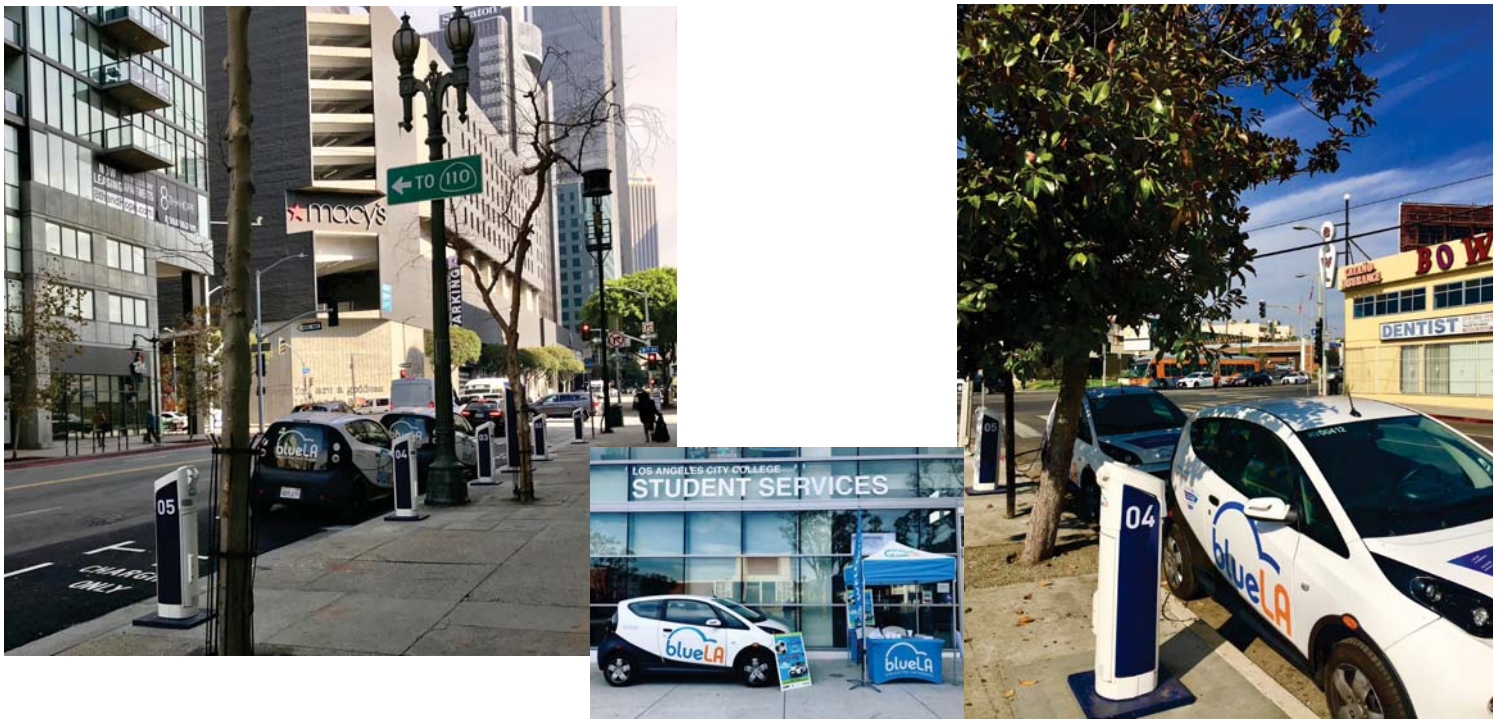
● 200 CHARGERS



100 CARS

● 40 STATIONS

● 200 CHARGERS



100% ELECTRIC

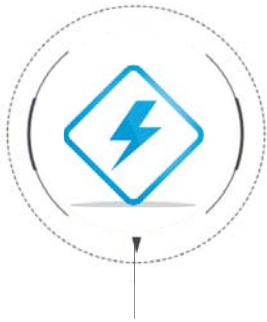


Since the launch on April 20, 2018 through January 31, 2019: (Estimated)
Annual GHG emissions by 328.96 metric tons which is equivalent to recycling more than 115 tons of municipal solid waste or 37,016 gallons of gasoline consumed.*

*Calculated by Shared Use Mobility Center

ENROLL 7,000+ COMMUNITY MEMBERS HISPANIC MALE, 24-36, NO CAR, SINGLE, SOME SCHOOL





ELECTRIC

No noise
No pollution



ONE-WAY

Pick up at one station and
drop at another



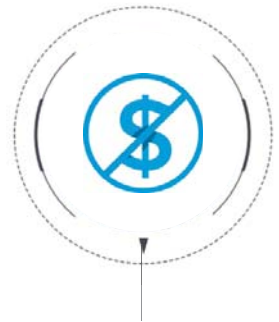
CURBSIDE STATIONS

Accessible on-street
No parking fees



24/7 ASSISTANCE

Call button inside the
car



COST EFFECTIVE

Pay for what you use
No Insurance
No Maintenance



PRICING

DISCOUNTED FOR COMMUNITY MEMBERS

STANDARD	COMMUNITY (FOR QUALIFYING LOW INCOME)	TRIAL (ONE MONTH ONLY)
\$0.20 / MIN \$5 / MONTH	\$0.15 / MIN \$1 / MONTH	\$0.40 / MIN \$0 / MONTH

Limited-Time Offer for All Members!

2ND AND 3RD HOUR FREE

As low as \$9 for the first 3 hrs of any trip

HOW TO SIGN UP

- 1 VALID DRIVERS LICENSE
US or Foreign accepted!
- 2 PAYMENT METHOD
Credit, Debit, or ask about MOTIV!
- 3 REGISTER ONLINE
WWW.BLUELA.COM OR VIA APP!



80% MEMBER SATISFACTION
SHOPPING #1 RE:USAGE LACC #1 STATION



15,000 RENTAL
260,000 MILES



Smart Mobility | Smart Parking | Smart Patrol



Cities are facing many urban mobility challenges

Planet

- Air pollution
- CO2 emissions
- Noise
- Increasing ecological footprint

People

- Traffic chaos
- Traffic security
- Traffic jam
- Decreasing quality of life and convenience

Profit

- Overloaded infrastructure
- Insufficient public transport capacity
- Increasing motorization
- Limited parking space



Mobility services may negatively affect urban experience

Dockless micromobility services are blocking sidewalks and creating chaos

Traffic apps like Waze create more traffic in residential areas

Ride-hailing services add to traffic congestion

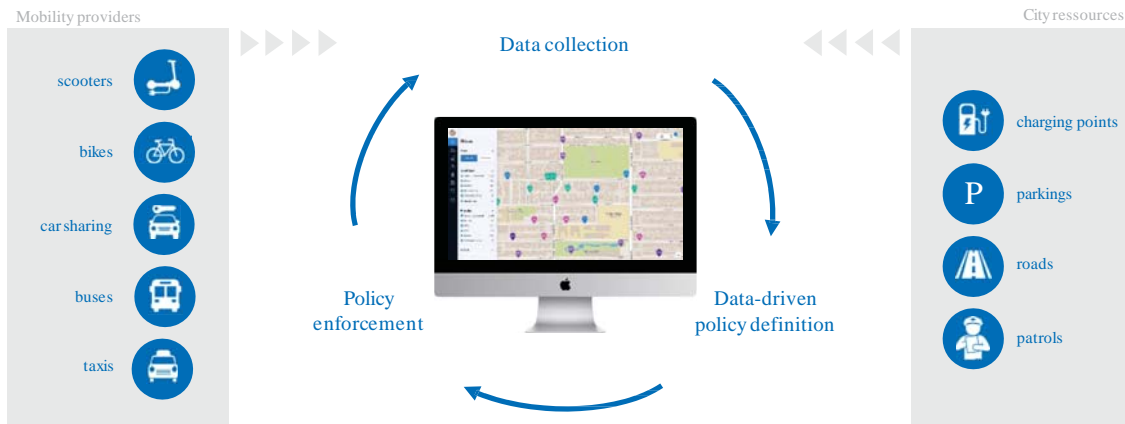


New mobility solutions need control and regulation






- Lack of parking spots and innovative mobility services cause congestion, improper parking and an overall loss of efficiency.
- A centralized supervision and control tool is necessary for large cities to move towards smarter mobility management.
- As all mobility operators are using costly city infrastructure, our platform aims to control all actors and their mobile assets in real time to maximize enforcement revenue.

Blue Systems: a neutral enabler for mobility management



We empower cities with advanced smart mobility solutions

Your benefits

-  Get meaningful insights on traffic flows for city planning
-  Gain control of your streets by defining mobility and parking policies
-  Enforce your policies and generate significant revenue



Main features



Mobility Manager

- Track who is using city infrastructure, how and when
- Control and regulate mobility service providers



Parking Manager

- Monitor all parking meters in real time
- Manage dynamic pricing and efficient enforcement



Smart patrol module

- Check reliability of data and enforce your policy with a mobile based application for patrol agents

Mobility manager

Use cases

Prohibited drop-off

- Shared assets parked in a restricted area are detected
- An alert is automatically sent to the city and the mobility provider
- If the asset is not removed after a certain period, a fine is sent to the provider



Low emission zone

- Polluting vehicles are not allowed in several areas in the city center
- A fine is automatically assessed and sent if a vehicle is detected in this area



Parking manager

Use cases

Residential rights

- Residents benefit from zone-specific parking privileges such as cheap long-term parking
- Zones with specific pricing and rights can be defined in the Parking Manager tool
- Residents can apply for this privilege on the userportal



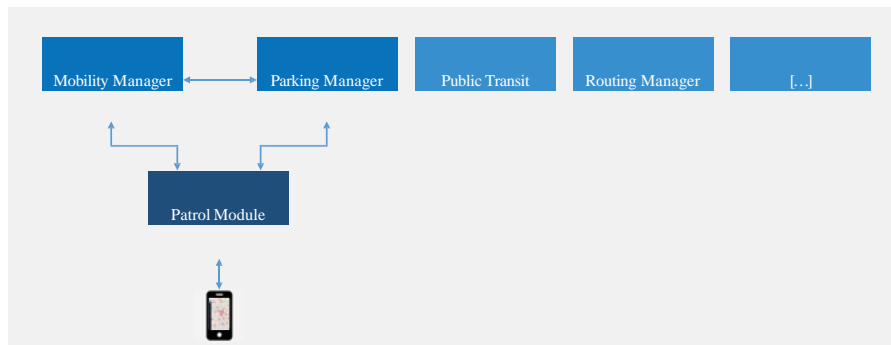
Central pricing

- Parking payment solutions (parking meters and mobile applications) are usually not connected
- Our central pricing module synchronizes all solutions
- Direct control over parking pricing enables dynamic pricing, improved rotation of vehicles and reduced traffic

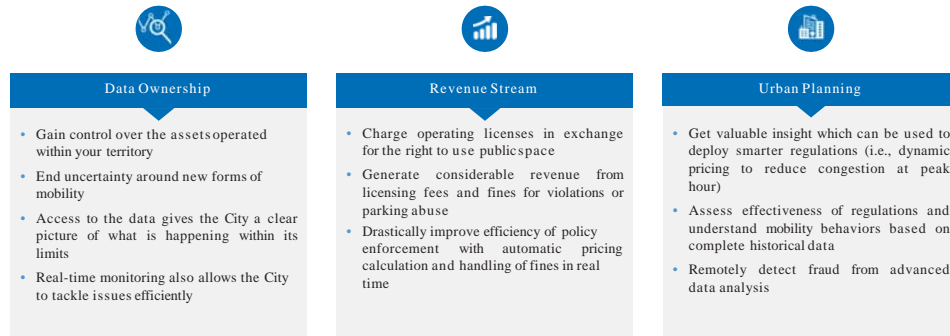


Smart patrol

Smart and cost-effective enforcement of parking policies



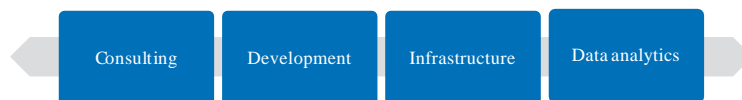
All-in-one platform: added value for your City



Four reasons to work with us

Global system provider for smart mobility projects

End-to-end competency



...for smart transportation, smart parking and smart energy projects

Thank you! Contact us for a custom demo!



✉ christophe.arnaud@blue-solutions.com
mitch.moore@bluel.com

BLUESYSTEMS

Bolloré activities

<p>TRANSPORTATION AND LOGISTICS</p> <p>BOLLORE TRANSPORT & LOGISTICS</p> <p>37,000 employees Revenue: \$8.5Bn</p>	<p>COMMUNICATIONS</p> <p>vivendi</p> <p>42,000 employees Revenue: \$13.5Bn</p>	<p>SMART MOBILITY SOLUTIONS</p> <p>BLUESYSTEMS</p> <p>2,500 employees Revenue: \$500M</p>
<ul style="list-style-type: none"> ▶ World leader in freight forwarding and logistics. ▶ The transportation and logistics leader in Africa. ▶ Leader in the distribution of oil fuel in France with a major presence in oil logistics in France and Europe. 	<p>An integrated group of companies in media, content and communication:</p> <ul style="list-style-type: none"> ▶ Universal Music: a global leader in music industry ▶ Canal+: a major player in pay-TV in France, Africa, Poland and Vietnam ▶ Havas: a global leader in communication ▶ Gameloft: a leader in mobile video games publishing 	<ul style="list-style-type: none"> ▶ Smart Mobility Software tools for cities: <ul style="list-style-type: none"> ▶ Mobility as a Service, SaaS, IaaS, ▶ Mobile applications ▶ Development and production of LMP batteries ▶ Car-sharing/Electric cars/Buses and Trams <ul style="list-style-type: none"> ▶ Los Angeles / Indianapolis / London / Paris / Singapore / Turin ▶ Stationary applications <ul style="list-style-type: none"> ▶ Bluezone Bluestorage ▶ Solutions and Consultancy <ul style="list-style-type: none"> ▶ IER Polyconseil
<p>BOLLORE BOLLORE BOLLORE BOLLORE</p>	<p>UNIVERSAL MUSIC GROUP GAMELOFT CANAL+ GROUP HAVAS GROUP <small>daily motion</small></p>	<p>IER Polyconseil bluecar bluebur</p>



**BlueLA Carsharing Launches Service Today in Los Angeles
Nation's Largest Electric Vehicle Sharing Service to Benefit Underserved
Communities Opens to the Public**

April 20, 2018

LOS ANGELES – Today a new service opened to the public in Los Angeles: BlueLA, a unique 100 percent electric vehicle (EV) carsharing program developed by Blue Solutions. This program is the nation's largest ever of its kind to benefit underserved communities. The launch took place at Los Angeles City College at an event featuring City Councilmember Mitch O'Farrell and key partners in the project, including the Los Angeles Department of Transportation (LADOT) and California Air Resources Board (CARB).

BlueLA Carsharing's initial stations are located at key hubs such as Los Angeles City College, Koreatown, MacArthur Park and downtown Los Angeles. Expansion will continue at Los Angeles Trade Technical College, Echo Park and Westlake, and the number of stations will continue to increase in all these areas. This program will increase sustainable transportation alternatives and help improve air quality of residents in these areas. By the end of 2018, 100 self-service electric vehicles will be available in 40 locations, and the program should triple in size by the end of 2021.

BlueLA Carsharing's vision is to transform mobility and connections between underserved areas of Los Angeles by offering to residents of these areas green transportation options in line with the EV goals set by Los Angeles Mayor Eric Garcetti's [Sustainable City pLAN](#), the mayor's roadmap for a cleaner environment and stronger economy.

BlueLA has set competitive rates to ensure the service is accessible to all Angelenos, including lower-income families. The service's monthly fee is \$1 or \$5, and usage is \$0.15 or \$0.20 per minute of drive time¹. As an introductory offer all new users will receive the first three hours of drive time for the price of one, \$9 for lower-income families or \$12 for standard members. Online registration is accessible via the [BlueLA website](#). Users can then book their first ride via the BlueLA app available on app stores.

Marie Bolloré, CEO of Blue Solutions, said, "Blue Solutions recognizes that mobility is a key factor in creating inclusive communities. By providing a convenient and fully electric

¹ Minimum drive time: 15 minutes.

carsharing service at a more affordable cost, we believe that BlueLA will promote both inclusivity and sustainability. We are particularly proud to launch this service in the legendary city of Los Angeles, and we would like to thank CARB and LADOT for their unwavering support.”

Los Angeles Mayor Eric Garcetti said, “We all want a healthier planet for our children and our grandchildren. BlueLA will make our collective effort to reduce greenhouse gas emissions more inclusive by providing underserved communities with an environmentally-friendly way to get around town — at an affordable price.”

City Councilmember Mitch O’Farrell said, “Although we celebrate Earth Day once a year, it’s the work we do year-round that counts, which is why I am thrilled to partner with the Department of Transportation on a program that will benefit residents in the 13th District. The new BlueLA fleet of electric vehicles will greatly assist those living a car-free or car-light lifestyle while reducing carbon emissions into the air we breathe. I look forward to welcoming the expansion in other parts of the district in the coming weeks.”

Sandy Berg, CARB vice chair, said, “BlueLA is making a difference with funds generated by the sale of allowances under California’s cap and trade regulation and putting them to work providing the latest in ultra-clean technology to communities that most need improvements in air quality. These all-electric cars also provide residents who now have few transportation options with a clean, climate-friendly solution to take care of everyday errands like going to the doctor or shopping for the family.”

Seleta Reynolds, LADOT general manager said, “Freedom of transportation choice means more independence, happiness and a better quality of life. When we deliver new choices like BlueLA with our partners in the community, our goal is to expand access to opportunities for everyone.”

About BlueLA Carsharing:

BlueLA is a 100% electric car sharing program with a particular focus on Los Angeles’ underserved communities. BlueLA received a \$10 million investment from its parent company, Blue Solutions, which develops and operates similar programs in Indianapolis, Singapore, London, Paris and several other European cities. BlueLA also received a \$1.7 million grant from CARB, through California Climate Investments, a statewide program that allocates billions of cap-and-trade dollars towards reducing greenhouse gas emissions, strengthening the economy and improving public health, particularly in disadvantaged communities. For more information, see <https://www.bluela.com/>

About Blue Solutions:

Blue Solutions manages the electrical storage operations developed by the Bolloré group. With this expertise and 20 years of R&D, the group has engineered electrical storage solutions and batteries that rely on a unique technology, the LMP® (Lithium Metal Polymer) battery as well as supercapacitor technology. The batteries are employed both in mobile applications (electric vehicles) as well as stationary ones (storing electricity for

individuals, businesses and local governments). For more information, see www.blue-solutions.com

About CARB:

The California Air Resources Board oversees all air pollution control efforts in California to attain and maintain health-based air quality standards. CARB's mission is to promote and protect public health, welfare, and ecological resources through effective reduction of air pollutants while recognizing and considering effects on the economy. For more information, see <https://ww2.arb.ca.gov/>

About LADOT:

LADOT leads transportation planning, project delivery and operations in the City of Los Angeles. It works together and collaborates to deliver a safe, livable and well-run transportation system in the city and region. Its vision is for all people in Los Angeles to have access to safe and affordable transportation choices that treat everyone with dignity and support vibrant, inclusive communities. For more information, see <http://ladot.lacity.org/>

For all media inquiries, please refer to BlueLA through its [website](#) or contact:

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213-422-2606

DATE: March 28, 2019

TO: SGVCOG Planning TAC

FROM: Marisa Creter, Executive Director

RE: **GOVERNOR NEWSOM'S LEGISLATIVE HOUSING PROPOSALS**

RECOMMENDED ACTION

For information only.

BACKGROUND

On March 11, 2019, Governor Gavin Newsom's office formally announced the Governor's legislative proposals to confront the housing cost crisis in the State of California. Governor Newsom's budget is certainly ambitious, as it includes an aggregate of \$1.75 billion in order to spur the production of housing all throughout the State of California for both low-income and middle-income families. The Governor cites the state's affordability crisis and the undermining of the California Dream as the reason for his bold and high-cost comprehensive housing package proposal. Some of Mr. Newsom's key proposals include:

1. Accelerating and Incentivizing Housing Goals:

- Governor Newsom proposes that the HCD establish amended, higher short-term housing goals all across the State of California. HCD will increase RHNA housing targets and goals for both 2020 and 2021. In addition, local jurisdictions and agencies will be incentivized through new funding to accelerate their abilities to meet their short-term RHNA goals within two years.

2. Jump-Starting Housing Production:

- The Governor's Office proposes to provide \$750 million in one-time funding to help spur housing production throughout the State. \$250 million in grants will go to cities to fund technical assistance and staffing so that cities can adjust local plans which enable cities to reach higher RHNA goals. Moreover, starting in 2021, \$500 million will be made available to cities in incentive grants. The incentive grants will be available for cities which have, by that point, made significant progress in meeting the revised 2020 and 2021 RHNA housing production goals.

3. Steps Towards Long-Term Housing Reform:

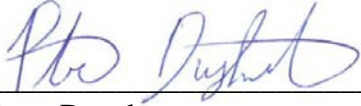
- The main proposal here is to ensure that HCD and the Governor Office of Planning and Research (OPR) devise an improved and more efficient RHNA process and methodology. HCD will be directed to try to link transportation and certain other non-housing funds with housing goals by the end of 2022, after the short-term RHNA goals have already been implemented and enforced. One of the anticipated changes with regards to this is to withhold SB 1 local return dollars from local agencies which are not in compliance with RHNA, but in terms of production and zoning.


4. Expanding Middle Class Housing Opportunities:

- The Governor's proposal here would devote \$500 million for the expansion and enlargement of the State Housing Tax Credit Program. Up to \$200 million of the \$500

million may fund the development of a new program which would allow for the construction of moderate-income housing. Moreover, Governor Newsom also proposes to allocate \$500 million in General Fund dollars to significantly expand the CalHFA Mixed-Income Loan Program.

Most of Governor Newsom’s legislative housing proposals will move forward through the budget “trailer bills” process in order to enact his housing policy initiatives, rather than using the regular, convention legislative process. Since Governor Newsom is including these proposals in trailer bills, these proposals will not have to go through the legislative policy and appropriations committees, and will instead only have to be reviewed by two budget subcommittees and then potentially the Budget Conference Committee. This will make it easier for these housing funding proposals to pass and then become law as part of the State’s budget legislation.

Prepared by: 
Peter Duyshart
Project Assistant

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS:

- Attachment A – Governor Newsom Legislative Proposals Press Release
- Attachment B – Housing Planning and Production Grants Trailer Bill Draft Language



Governor Newsom Announces Legislative Proposals to Confront the Housing Cost Crisis

Published: Mar 11, 2019

An unprecedented \$750 million in support would help cities plan and zone for new housing Legislative proposal lays out plan to update and modernize cities' housing goals to better reflect regional workforce and transportation needs

Governor Newsom: "Our state's affordability crisis is undermining the California Dream and the foundations of our economic well-being"

SACRAMENTO – Governor Gavin Newsom today announced a major legislative proposal as part of his \$1.75 billion package to confront the housing cost crisis. The new proposal sets higher short-term goals for housing that cities and counties must meet and provides \$750 million in support and incentives to help jurisdictions plan and zone for these higher, ambitious housing targets.

The proposal would also update and modernize the state's long-term housing goals, known as Regional Housing Needs Allocations (RHNA), to better reflect regional housing and transportation needs.

This proposal is one part of Governor Newsom's ambitious \$1.75 billion housing package for 2019, which includes \$1 billion in tax credits and loans to spur low, mixed and middle-income housing production through separate legislative and budget proposals.

"Our state's affordability crisis is undermining the California Dream and the foundations of our economic well-being," said Governor Newsom. "Families should be able to live near where they work. They shouldn't live in constant fear of eviction or spend their whole paycheck to keep a roof overhead. That's increasingly the case throughout California."

In January, Governor Newsom unveiled his \$1.75 billion budget proposal to spur housing in California and called on the Legislature to provide relief and stabilization

for renters. He signed an [executive order](#) to build affordable housing on excess state lands and announced first-of-its-kind [legal action](#) against a city, Huntington Beach, for standing in the way of affordable housing production and refusing to meet regional housing needs. In his State of the State address, he offered state assistance to the 47 California cities out of compliance with state housing requirements and invited city leaders to meetings with state housing officials in [Long Beach](#) and Sacramento.

As part of the plan to address the housing cost crisis, the Governor proposes:

Accelerating and Incentivizing Housing Goals

Through these proposals, the California Department of Housing and Community Development (HCD) will establish new, higher short-term statewide housing goals for jurisdictions. HCD will adjust statewide targets for 2020 and 2021 and jurisdictions will be incentivized to accelerate their three-year RHNA goals to reach those benchmarks within two years. HCD will distribute increased targets to jurisdictions based on factors such as jobs, households, and affordability.

Jump-Starting Housing Production

The trailer bills provide \$750 million in one-time funding to help jump-start housing production. \$250 million will go to cities for planning towards their new, higher short-term housing goals. \$500 million will go to cities as incentives as they meet certain milestones of planning and zoning for more housing.

Local governments will receive \$250 million in grants to support technical assistance and staffing to adjust plans to reach the higher RHNA goals – half directly to cities, and half through regions. Regions will create action plans to identify process improvements, barriers to production, and other activities needed to increase production. Cities will receive \$125 million to begin work on improving their processes. Another \$125 million will be distributed to regions to plan and award to cities in accordance with regional plans. If a jurisdiction is in a region or county that has not submitted a plan, they can submit their own for HCD approval. HCD will identify a methodology to distribute incentive rewards to these unique jurisdictions.

An additional \$500 million will be made available to cities in incentive grants.

Beginning in 2021, incentive grants for general purposes will become available for jurisdictions that have made progress in implementing their plans and meeting increased production goals. Regions will develop the reward methodology, in furtherance of their regional housing plan goals, and with HCD approval.

Steps Towards Long-Term Housing Reform

To make meaningful reforms to the housing crisis in California, all stakeholders must work collaboratively to develop sustainable, long-term solutions. California must take

a more comprehensive approach to planning for housing and transportation. This new proposal will ensure that by December 31, 2022, HCD, in collaboration with the Office of Planning and Research (OPR), will engage stakeholders and propose an improved RHNA process and methodology. Working with the California State Transportation Agency and OPR, HCD will engage stakeholders and propose opportunities to link transportation and other non-housing funds with housing goals by the end of 2022. Beginning July 1, 2023, SB 1 Local Streets and Roads funds may be withheld from any jurisdiction that does not have a compliant housing element and has not zoned and entitled for its updated annual housing goals.

Expanding Middle Class Housing Opportunities

A separate trailer bill will propose the creation of a major, new investment in spurring new middle-class housing production. This will happen by providing funding to support the development of affordable housing critical to spurring affordable communities. The Governor’s proposal would allocate \$500 million for the expansion of the State Housing Tax Credit Program. These funds would pair with the existing underutilized 4 percent affordable housing federal tax credit program — targeted at new construction projects. Up to \$200 million of this new allocation may allowably fund the creation of a new program targeting development of moderate-income housing — for households of up to 120 percent of AMI — a population not typically served by the state’s housing programs.

The final \$500 million of the Governor’s housing package does not require a budget trailer bill. It is included in the proposed budget, and proposes a \$500 million General Fund one-time allocation to expand CalHFA’s Mixed-Income Loan Program. This investment would jumpstart the estimated \$43 million in annual funding dedicated to this program, and would pair with the proposed tax credit program described above.

###

Housing Planning and Production Grants Draft Trailer Bill Language

Section 1. Chapter X (commencing with Section XXXXX) is added to Part X of Division XX of the Health and Safety Code, to read:

CHAPTER X. Housing Planning and Progress Grants

XXXXX. Definitions. For purposes of this chapter:

- (a) "Council of governments" means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.
- (b) "Department" means the California Department of Housing and Community Development.
- (c) "Completed Entitlement" means a housing development or project which has received all the required land use approvals or entitlements necessary for the issuance of a building permit. This means that there is no additional action, including environmental review or appeals, required to be eligible to apply and obtain a building permit.
- (d) "Housing element" or "element" means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.
- (e) "Jurisdiction" means a city, county, or city and county.
- (f) "Low-income unit" means units restricted to low-income households, as defined by 80 percent of the county area median income.
- (g) "Market rate unit" means units not restricted to low-income households, as defined by 80 percent of the county area median income.
- (h) "Program" means the Housing Planning and Progress Grants program.
- (i) "Regional housing needs allocation" means the housing goals identified for each locality pursuant to Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code.
- (j) "Annual Progress Report" means reports required to be submitted to the Department under Section 65400.

XXXXX.1. Program framework.

- (a) The Local Government Planning Support Grants program is hereby established for the purpose of providing regions and jurisdictions with one-time funding, including grants for planning activities to enable jurisdictions to meet new short-term housing goals and grants to reward those jurisdictions that meet certain milestones.

- (b) The Department shall administer the program.
- (c) The Department's decision to approve or deny an application and the determination of the amount of funding to be provided shall be final.
- (d) The Department shall maintain records of the following:
 - (1) The number of applications for program funding received by the Department.
 - (2) The number of applications for program funding denied by the Department.
 - (3) The name of each recipient of program funds.
- (e) The Department may carry out the program through the issuance of forms, guidelines, and one or more notices of funding availability as necessary to exercise the powers and perform the duties conferred or imposed on it by this chapter. Any forms, guidelines and notice of funding availability issued pursuant to this section shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

XXXXX.2. Short-term goals.

- (a) The Department shall identify short-term statewide goals for new housing production across all regions and jurisdictions. Targets will be based on the sum of three years of a county's current annualized regional housing needs allocation to be achieved in calendar years 2020 and 2021. These targets will build on the existing goals identified in the regional housing needs allocation for each region, and the Department will allocate the increased targets to the jurisdictions within the county according to the following:
 - (1) Each jurisdiction's share of households within a county.
 - (2) Each jurisdiction's share of the county's low-income households paying more than 50 percent of income towards housing costs.
 - (3) Each jurisdiction's share of the current number of jobs available in the county.
- (b) These goals will include a target for low-income units, as well as a target for market-rate units.
- (c) No region or jurisdiction shall have an annual target lower than its existing annualized regional housing needs allocation

XXXXX.3. Planning grants.

- (a) Upon appropriation by the Legislature, the Department shall allocate two hundred and fifty million dollars (\$250,000,000) to regions and jurisdictions for technical assistance and staffing to

develop plans and implement housing-related activities pursuant to subdivision (d) to reach short-term goals identified the Department, in accordance with section XXXXX.2.

(b) (1) Of the amount described in paragraph (a), one hundred and twenty-five million (\$125,000,000) shall be available to regions. These funds support regional coordination to assist jurisdictions in meeting short- and long-term housing goals, as well as, encourage planning at the regional level, and intra-regional collaboration in areas that are made up of several single counties or single-county council of governments; these counties and single-county councils of governments, will be encouraged to jointly apply for funds.

(2) Allocations pursuant to this subdivision shall be made to these regions on behalf of all the jurisdictions they represent. The amount of these allocations shall be calculated according to the methodology identified in subdivision (c) and provided in total to each region. Each region may determine appropriate use of funds or sub-allocations within its boundaries to appropriately address its unique housing and planning priorities.

(3) To receive funds available pursuant to this subdivision, a region compiled of all the counties in the regions specified in subsection (A-I), must jointly apply unless the counties are jointly represented by a single and existing council of governments, in which case the existing council of government would apply for the funds.

(4) If the counties desire to apply jointly with a regional construct that differs from what is listed in subsection (A-I) they can request an exception from the Department and the Department has the discretion to approve a modified regional construct.

(A) Del Norte, Humboldt, Lake, Mendocino, Siskiyou, Trinity

(B) Butte, Colusa, Glenn, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, and Tehama.

(C) Sacramento Area Council of Governments: El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba.

(D) Association of Bay Area Governments: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

(E) Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare.

(F) Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, and Tuolumne.

(G) Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz.

(H) Southern California Association of Governments: Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

(I) San Diego Association of Governments: San Diego.

(5) A county identified in subsection (A), (B), (F), or (G) may also request that it receive its allocation directly from the Department.

(6) Beginning August 15, 2019 and by no later than December 31, 2019, regions, or counties pursuant to paragraph (5), may request funds pursuant to paragraph (1) to organize pursuant to subsections (A-I) of paragraph (4) and partner with and make suballocations to jurisdictions to promote sufficient housing supply, including but not limited to implementing paragraph (7) of this subdivision. The Department shall have 30 days to review a request for funds pursuant to this paragraph, and following approval disburse corresponding funds, provided that no more than 50% of the allocation of a region shall be awarded before the Department receives and reviews the region's action plan pursuant to paragraph (7) of this subdivision.

(7) By December 31, 2020, the regions, or counties pursuant to paragraph (5), must submit an action plan to the Department that identifies specific strategies that jurisdictions within the region have implemented or plan to implement to meet their short-term targets and strategies for how these jurisdictions are preparing to meet their long-term housing goals, and a framework to evaluate progress towards these goals. The action plan must include the following components:

(i) an engagement process with jurisdictions within the region,

(ii) an analysis of local policies and practices

(iii) specific process improvement recommendations that have been shown to promote sufficient supply of a range of housing types affordable to a variety of incomes, including policies and programs that create additional development certainty, reduce regulatory barriers, and other strategies that have been shown to increase housing development.

(iv) yearly action plan goals for each jurisdiction, which shall be a combination of a jurisdiction's short-term targets, as measured by the number of units with completed entitlements and reported through the annual progress report for the 2020 and 2021 calendar years, and the documented completion or adoption of the specific process improvements listed in subparagraph (iii).

(v) a mechanism for the region to evaluate the progress of jurisdictions in meeting yearly action plan goals pursuant to subparagraph (iv).

(vi) the methodology to distribute Production and Process Improvement Reward program allocations pursuant to section XXXXX.4

(vii) specific actions that the region will take to support jurisdictions in attaining goals pursuant to subparagraph (iv).

(viii) the amounts retained by the region, or county pursuant to paragraph (5), and any sub-allocations to jurisdictions.

(8) The Department shall have 30 days to review action plans submitted by regions and will disburse any remaining funds pursuant to paragraph (1) to regions, following receipt and approval of their action plan pursuant to paragraph (7) of this subdivision.

(9) Expenditures shall be limited to housing-related planning activities. These activities include but are not limited to:

(i) Technical assistance in improving housing permitting processes, tracking systems, and planning tools

(ii) Facilitating technical assistance between jurisdictions

(iii) Establishing regional housing trust funds

(iv) Developing local or regional policies to link transportation funds to housing outcomes

(v) Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents.

(vi) Performing feasibility studies to determine the most efficient locations to site housing, consistent with section 65041.1 of the Government Code.

(c) Of this amount, one hundred and twenty-five million (\$125,000,000) shall be available directly for jurisdictions to assist in planning or other activities related to meeting short and long-term housing goals.

(1) Jurisdictions are eligible for funds under this paragraph if they demonstrate a commitment to participate in the development of their regional action plan. By December 31, 2019, the Department shall disburse funds to jurisdictions pursuant to paragraph (2). If the jurisdiction is in a region that does not submit a plan pursuant to paragraph (7) of subdivision (b) by the December 31, 2020 deadline, the jurisdiction must submit a plan to the Department that identifies specific strategies to meet their short-term targets and prepare to be effective at meeting their long-term housing goals, as well as promote sufficient supply of a range of housing types affordable to a variety of incomes.

(2) Maximum grant amounts shall be set as follows, according to population estimates as of January 1, 2019 posted on the Department of Finance Internet Web site:

(A) Seven hundred and fifty thousand dollars (\$750,000) to large localities (with populations over 200,000).

(B) Two hundred and seventy-five thousand dollars (\$275,000) to medium localities (with populations between 60,000 and 200,000, inclusive).

(C) One hundred and fifty thousand dollars (\$150,000) to small localities (with populations under 60,000).

(3) Expenditures shall be limited to housing-related planning activities to promote and streamline development, including staffing or contracts. These activities include but are not limited to:

- (A) Any other uses eligible under paragraph (9) of subsection (b).
- (B) Rezoning and encouraging development by updating planning documents and zoning ordinances, such as general plans, community plans, specific plans, sustainable communities' strategies, and local coastal programs.
- (C) Completing environmental clearance to eliminate the need for project-specific review.
- (D) Establishing Workforce Housing Opportunity Zones pursuant to Article 10.10 (commencing with Section 65620) of Chapter 3 of Division 1 of Title 7 of the Government Code or Housing Sustainability Districts pursuant to Chapter 11 (commencing with Section 66200) of Division 1 of Title 7 of the Government Code.
- (E) Revamping local planning processes to speed up production.
- (F) Creation or improvement of accessory dwelling unit ordinances.
- (G) Any other process improvements identified by the Department pursuant to paragraph (2) of subdivision (d) of section XXXXX.4.
- (e) (1) Five percent of the funds available pursuant to this section shall be set aside for program administration, including state operations expenditures and technical assistance, as well as expenditures by councils of government and the regional entities receiving funding pursuant to subdivision (c).

XXXXX.4. Production and Process Improvement Reward program.

- (a) Upon appropriation by the Legislature, five hundred million dollars (\$500,000,000) shall be available to the Department for allocation to regions, or counties pursuant to paragraph (5) of subdivision (b) of section XXXXX.3, that have demonstrated progress towards increased housing production pursuant to this section. These funds may be used for general purposes.
- (b) Regional allocations shall be based upon the region's, or county pursuant to paragraph (5) of subdivision (b) of section XXXXX.3, proportionate share of the annual housing targets pursuant to subdivision (a) of section XXXXX.2.
- (c) Each region, or county pursuant to paragraph (5) of subdivision (b) of section XXXXX.3, shall determine an award methodology for distribution of its share of the allocation pursuant to subdivision (a) to its jurisdictions based an evaluation of the progress made by jurisdictions in meeting yearly region-specific action plan goals pursuant to subparagraph (v) of paragraph (7) of subdivision (a) section XXXXX.3

(1) To be eligible for these funds, jurisdictions within regions must complete the following threshold requirements:

(A) The jurisdiction must have a compliant housing element.

(B) The jurisdiction must have submitted annual progress reports for 2018 through the most recently required annual progress report at time of application.

(C) The jurisdiction must, at the time of application for award, demonstrate that it has enough land zoned to meet its housing needs identified in its housing element.

(2) In making these awards, the region, or county pursuant to paragraph (5) of subdivision (b) of section XXXXX.3, shall consider whether a jurisdiction has taken actions identified in their region's action plan, pursuant to XXXXX.3.

(3) Reward methodologies must be submitted and approved as part of the regional action plan pursuant to XXXXX.3.

(d) If a jurisdiction is in a region that does not submit an approved plan pursuant to paragraph (7) of subdivision (b), it can apply to the Department for Production and Process Improvement Rewards.

(1) In awarding Production and Process Improvement Rewards for these jurisdictions, the Department shall evaluate progress made towards the short-term goals in the 2020 and 2021 calendar years for each jurisdiction that applies for funding, as well as process improvements made by the jurisdiction.

(2) By December 31, 2020, the Department shall identify three levels of impactful process improvements a jurisdiction can take to promote housing with award amounts varying depending on which level of process improvements are completed. These actions will include, but are not limited to, policies and programs that create additional development certainty, reduce regulatory barriers, and other strategies that have been shown to increase housing development.

(3) To be eligible for these funds, a jurisdiction must complete the following threshold requirements:

(A) The jurisdiction must have a compliant housing element.

(B) The jurisdiction must have submitted annual progress reports for 2018 through the most recently required annual progress report at time of application.

(C) The jurisdiction must, at the time of application for award, demonstrate that it has enough land zoned to meet its housing needs identified in its housing element.

XXXXX.5. Timelines.

- (a) (1) The Department shall make award determinations and issue a notice of funding availability for the planning grants available pursuant to section XXXXX.3 no later than August 15, 2019.
- (2) Regions can apply for planning grants pursuant to section XXXXX.3 no later than December 31, 2020, and the Department will have 30 days to review applications before issuing awards.
- (3) Jurisdictions can apply for planning grants pursuant to section XXXXX.3 no later than December 31, 2019.
- (4) Regions shall submit their action plans pursuant to section XXXXX.4 no later than December 31, 2020, and make such action plans available publicly on an internet website.
- (5) By March 1st, 2022, and every year thereafter regions shall complete an evaluation of progress made by jurisdictions in implementing yearly action plan goals pursuant to subparagraph (v) of paragraph (7) of subdivision (a) section XXXXX.3 and make these evaluations available publicly on an internet website.
- (5) Jurisdictions and regions shall expend planning grant allocations no later than January 1, 2022.
- (6) Regions shall report status of their action plans and all uses of planning grant funds to the Department no later than December 31, 2022. Status of the action plan must include an evaluation of jurisdiction actions taken in support of the plan, including which actions had greatest impact on housing production.
- (7) Jurisdictions shall report all uses of planning grant funds to the Department no later than March 1, 2022.
- (b) (1) The Department shall allocate funds pursuant to the approved reward methodology pursuant to paragraph (3) of subdivision (c) of section XXXXX.4 beginning January 1, 2021, upon notification by the region, or county pursuant to paragraph (5) of subdivision (b) of section XXXXX.3.
- (2) All Production and Process Improvement Reward grants must be allocated by the Department no later than June 30, 2023.
- (d) The Department may request additional information, as needed, to meet other applicable reporting or audit requirements.
- (e) The Department may monitor expenditures and activities of an applicant, as the Department deems necessary, to ensure compliance with program requirements.
- (f) The Department may, as it deems appropriate or necessary, request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

XXXXX.6. Long-term reform.

(a) It is the intent of the Legislature to revamp the existing regional housing needs allocation process pursuant to section 65584 of the Government Code, to accomplish the following objectives:

(1) Creating a fair, transparent, and objective process for identifying housing needs across the state.

(2) Strategically planning for housing growth according to statewide priorities consistent with section 65041.1 of the Government Code, and expected future need for housing at all income levels.

(3) Encouraging increased development to address the state's housing affordability issues.

(4) Improving compliance and outcomes through incentives and enforcement.

(b) By December 31, 2022, the Department, in collaboration with the Office of Planning and Research, shall propose, after engaging in stakeholder participation, an improved Regional Housing Needs Allocation process and methodology that promotes and streamlines housing development and substantially addresses California's housing shortage. The Department may appoint a third-party consultant to facilitate a comprehensive review of the current Regional Housing Needs Allocation process and methodology.

(c) (1) By December 31, 2022, the Department, in collaboration with the California State Transportation Agency and the Office of Planning and Research, shall propose, after engaging in stakeholder participation, opportunities to link transportation and other non-housing funding, including funds available pursuant to paragraph (2) of subdivision (h) of section 2032 of the Streets and Highways Code, with statutorily required housing goals, including but not limited to housing element and annual progress report compliance, and policies that support meeting of housing goals, and integrated housing and transportation planning. The recommendations proposed may be implemented administratively or proposed to the Legislature for statutory change, as applicable.

(2) To aid the implementation of paragraph (1), beginning July 1, 2023, funds available pursuant to paragraph (2) of subdivision (h) of section 2032 of the Streets and Highways Code may be withheld from any jurisdiction that does not have a compliant housing element and has not zoned or entitled for its annual housing goals, pursuant to its most-recent Regional Housing Needs Allocation. Any forms and guidelines issued pursuant to this subdivision shall not be

subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) or Part 1 of Division 3 of Title 2 of the Government Code).

(3) By May 1, 2023, and annually thereafter, the Department shall report to the Controller a list of cities and counties with funds to be withheld from the following fiscal year's apportionment pursuant to paragraph (2). The Controller shall reapportion any withheld funds under paragraph (2) to all cities and counties that do not have funds withheld for that fiscal year, pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 of the Streets and Highways Code.

DRAFT

REPORT

DATE: March 28, 2019

TO: SGVCOG Planning TAC

FROM: Marisa Creter, Executive Director

RE: **STATEWIDE HOUSING LEGISLATION RELATED TO THE CASA COMPACT**

RECOMMENDED ACTION

For information and discussion.

BACKGROUND

The Committee to House the Bay Area, or CASA, was first formed in 2017 by the Metropolitan Transportation Commission and the Association of Bay Area Governments in an effort to provide comprehensive and multi-faceted recommendation to address the Bay Area's housing availability and cost crisis. In January 2019, the CASA drafted and approved its CASA Compact, which is a policy package which includes ten recommendations and five calls to action which are meant to provide solutions to the Bay Area's housing crisis. The ten key elements of the CASA Compact are as follows:

1. Just-Cause Eviction Policy
2. Rent Cap
3. Rent Assistance and Access to Legal Counsel
4. Remove Regulatory Barriers to Accessory Dwelling Units
5. Minimum Zoning Near Transit
6. Reforms to Housing-Approval Processes
7. Expedited Approvals and Financial Incentives for Select Housing Types
8. Unlock Public Land for Affordable Housing
9. Raise \$1.5 Billion Annually from a Range of Sources to Fund Implementation of the Compact
10. Establish a Regional Housing Enterprise

Additionally, CASA's five Calls to Action are:

1. Redevelopment 2.0
2. Lower the Voter Threshold for Housing Funding Measures
3. Fiscalization of Land Use
4. Homelessness Funding
5. Grow and Stabilize the Construction Labor Force

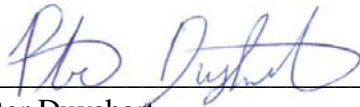
Moreover, Bay Area legislators in both chambers of the California State Legislature have introduced a plethora of bills which are aimed at addressing and implementing the ten recommendations of the CASA Compact. These pieces of legislation are enumerated in Attachment A.

REPORT

NEXT STEPS

Over the course of the past two months, the Planning TAC has discussed pieces of legislation which pertain to housing, planning, and zoning. While some of the bills that are related to elements of the CASA Compact were included in previous legislative staff reports from the SGVCOG, some of these bills were not included in previous legislative staff reports. Viewing these pieces of legislation through the lens of the CASA Compact enables the SGVCOG to identify new pieces of housing-related legislation, and also enables the COG and cities to see how these bills originated and why they were introduced. This information and report are being presented to this TAC for information and possible discussion.

Prepared by:



Peter Duyshart
Project Assistant

Approved by:



Marisa Creter
Executive Director

ATTACHMENTS:

Attachment A – League of CA Cities Press Release on CASA Compact

Regional Housing Plan Has Statewide Impacts

Bay Area legislators introduce bills aimed at implementing elements of the CASA Compact

March 18, 2019

Among the 2,700 bills introduced in the Legislature this year, San Francisco Bay Area legislators have introduced nearly 20 bills seeking to implement elements of a Bay Area regional housing plan referred to as the CASA Compact.

While these bills are intended to implement the CASA Compact, almost all of them would have significant statewide impacts.

The CASA Compact was created by CASA, the Committee to House the Bay Area. CASA was convened in 2017 by the Metropolitan Transportation Commission and the Association of Bay Area Governments to find solutions and provide recommendations to address the region's housing crisis.

CASA is led by an 18-member steering committee comprising leaders from the public, private and nonprofit sectors with a stake in the housing crisis and is advised by a 32-member technical committee of experts. In January 2019, the CASA Steering Committee approved the CASA Compact, a policy package which includes ten recommendations and five calls to action intended to address the region's housing crisis. While some praise the plan as a successful compromise between competing interest groups, many city officials in the region have felt excluded and believe that some of the solutions offered in the CASA Compact are unworkable.

Please review the below list of bills that implement elements of the CASA Compact. This is not a final list of bills and will likely change as the year progresses. All cities should carefully consider each proposal, as these bills are not limited to the Bay Area. The League will continue to review these measures and take appropriate action in the coming days.

CASA Compact Element #	Related Bills
1. Just Cause Eviction	AB 1481 – Rob Bonta (D-Oakland) Tenancy.
2. Rent Cap	AB 36 – Richard Bloom (D-Santa Monica) Affordable housing: rental prices.
3. Legal Counsel [for tenants]	SB 18 – Nancy Skinner (D-Berkeley) Keep Californians Housed Act.

4. ADUs	<p>AB 68 – Philip Ting (D-San Francisco) Land use: accessory dwelling units.</p> <p>SB 13 – Bob Wieckowski (D-Fremont) Accessory dwelling units.</p>
5. Minimum Zoning	<p>SB 50 – Scott Wiener (D-San Francisco) Planning and zoning: housing development: equitable communities incentive.</p> <p>SB 4 – Mike McGuire (D-Healdsburg) Housing.</p>
6. Good Government	<p>AB 1483 – Tim Grayson (D-Concord) Housing development project applications: reporting.</p> <p>AB 1484 – Tim Grayson (D-Concord) Mitigation Fee Act: housing developments.</p> <p>SB 330 – Nancy Skinner (D-Berkeley) Housing Crisis Act of 2019.</p>
7. Streamlining	<p>AB 1485 – Buffy Wicks (D-Oakland) Housing development: streamlining.</p> <p>SB 6 Jim Beall (D-San Jose)/Mike McGuire (D-Healdsburg) Residential development: available land.</p>
8. Public Lands	<p>AB 1486 – Philip Ting (D-San Francisco) Local agencies: surplus land.</p>
9. Funding the Regional Housing Enterprise	<p>AB 1487 – David Chiu (D-San Francisco) Land use: housing element.</p> <p>SB 5 – Jim Beall (D-San Jose)/Mike McGuire (D-Healdsburg) Local-State Sustainable Investment Incentive Program.</p> <p>AB 11 – David Chiu (D-San Francisco) Community Redevelopment Law of 2019.</p> <p>ACA 1 – Cecilia Aguiar-Curry (D-Winters) Local government financing: affordable housing and public infrastructure: voter approval.</p>
10. Regional Housing Enterprise	<p>AB 1487 – David Chiu (D-San Francisco) Land use: housing element.</p>

Below are the ten recommendations and five calls to actions that have come out of the CASA Compact.

10 Key Elements of the CASA Compact

1. Just-Cause Eviction Policy

- Adopt a region-wide policy requiring landlords to cite specific “just causes” (both fault and no-fault) for termination of tenancy.

2. Rent Cap

- Establish a Bay Area-wide rent cap that limits annual increases in rent to a reasonable amount.

3. Rent Assistance and Access to Legal Counsel

- For low-income tenants facing eviction, provide access to free legal counsel and emergency rent assistance. The funding would be generated through Compact Element #9 to fund regional access to legal counsel and emergency rent assistance.

4. Remove Regulatory Barriers to Accessory Dwelling Units

- Extend current Bay Area best practices regarding Accessory Dwelling Units (ADUs) to every jurisdiction in the region. Amend existing state ADU law to remove regulatory barriers including ministerial approval for ADUs and Junior ADUs in residential zones, allowance for multiple ADUs in multi-family homes, and creation of a small homes building code. Require impact fees for ADUs and tiny homes to be charged (1) on a per-square-foot basis and (2) only on net new living area over 500 square feet per accessory unit.

5. Minimum Zoning Near Transit

- In neighborhoods served by high quality bus service, establish minimum zoning on all residential, commercial, and institutional zones to allow missing middle housing types up to 36 feet tall.
- In neighborhoods surrounding the region's major transit stops (rail stations and ferry terminals), establish minimum zoning to allow midrise residential housing up to 55 feet tall (75 feet tall with a density bonus).
- Allow sensitive communities to defer rezoning above 36 feet while they develop context-sensitive plans. On large commercial-zoned parcels located near job centers, make housing an allowable use.
- For projects with 20 units or more, require inclusion of affordable units.

6. Reforms to Housing-Approval Processes

- Establish 'good government' standards for the entitlement and permitting of zoning-compliant residential projects. Require transparency and consistency in how residential impact fees are set and enforced.

7. Expedited Approvals and Financial Incentives for Select Housing Types

- Ensure timely approval of zoning-compliant housing projects and create financial incentives for enabling on-site affordability and prevailing wages.

8. Unlock Public Land for Affordable Housing

- Promote increased utilization of public land (surplus and underutilized) for affordable housing through a variety of legislative and regulatory changes, as well as the creation of new regional coordination and planning functions.

9. Raise \$1.5 Billion Annually from a Range of Sources to Fund Implementation of the Compact

- Raise \$1.5 billion in new revenue annually from a broad range of sources, including property owners, developers, employers, local governments and the taxpayers, to fund implementation of the CASA Compact.
- The Compact identified several options:
 - Vacant Homes Tax levied on property owners;
 - Parcel Tax levied on property owners (residential and commercial);
 - Commercial Linkage Fee charged to developers;
 - Gross Receipts Tax levied on employers;
 - Head Tax levied on employers;
 - Revenue Set Asides for Redevelopment Agencies (local governments);

- Revenue Sharing Contribution into a region-wide housing program for local governments;
- Quarter-cent Sales Tax; and
- General Obligation Bonds, reissued every five years.

10. Establish a Regional Housing Enterprise

- Establish a regional leadership entity to implement the CASA Compact, track and report progress, and provide incentives and technical assistance.

CASA's Five Calls to Action

1. Redevelopment 2.0

- Pass legislation enabling the re-establishment of redevelopment in California to provide a significant source of new funding for affordable and mixed income development.

2. Lower the Voter Threshold for Housing Funding Measures

- Pass legislation that will provide voters statewide with the opportunity to apply a 55 percent threshold for investments in affordable housing and housing production.

3. Fiscalization of Land Use

- Pass legislation that will return e-commerce/internet sales tax revenues to the point of sale – not the point of distribution as currently mandated – to provide cities that have a significant residential base with a commensurate fiscal stimulus for new housing.

4. Homelessness Funding

- CASA's funding package must include resources that help produce housing for formerly homeless people, prevent homelessness when possible and make homelessness rare, brief and non-reoccurring.

5. Grow and Stabilize the Construction Labor Force

- Grow the workforce by increasing apprentice training, placement, and payment of prevailing wages when direct public funding, public land, fee abatement, tax abatement, CEQA exemptions, and other fiscal/economic development incentives are provided for housing.
- Discourage the underground economy and require compliance with existing wage and workforce laws.
- Create a CASA/State labor workgroup charged with coordinating implementation of CASA policies and needed labor force expansion consistent with CASA principles.
- Call upon the state to use its workforce development and training programs to improve the construction employment pipeline and create improved pathways from secondary education into apprentice training programs.

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REPORT

DATE: March 28, 2019

TO: SGVCOG Planning Technical Advisory Committee

FROM: Marisa Creter, Executive Director

RE: **AB 377: MICROENTERPRISE HOME KITCHEN OPERATION (MEHKO)**

RECOMMENDED ACTION

For information and discussion.

BACKGROUND ON MEHKOs

This past September, Assembly Bill 626 (Garcia) was signed into law by Governor Jerry Brown. AB 626 regulates the operation of Microenterprise Home Kitchen Operations, also known by its acronym of MEHKO. MEHKOs are a new type of limited food service and distribution facility which allows residents in a private home or dwelling to prepare food and serve food to customers for profit, but in a limited manner. MEHKOs, like regular commercial or retail food service facilities, must comply with the California Retail Food Code (CRFC), and this includes the requirement that they obtain an operational permit from their respective local enforcement agency. In Los Angeles County, most cities contract out to the Department of Public Health Environmental Health for permitting, inspection, and compliance services for food service facilities.

While MEHKOs are now allowed to apply for service permits, and to operate as a food service facility, there are restrictions placed upon MEHKOs in order to limit their operations. Below is a summary of the most notable and pertinent restrictions on MEHKOs, as stipulated by AB 626:

- MEHKOs cannot have more than one full-time food employee.
- MEHKOs cannot exceed \$50,000 in gross annual sales.
- MEHKOs may only sell food directly to private consumers.
- These food facilities may only produce a maximum of 30 meals per day and 60 meals per week.
- Food must be consumed at the location of the MEHKO, or can be picked up by a local small-party customer.

AB 626 permits counties and local municipalities to enact an ordinance or resolution to authorize the local enforcement entity to issue public health permits and conduct inspections. Due to this, and the fact that local cities will now have to consider the implications and impacts that MEHKOs could have on their communities, the Planners TAC had this as a discussion item on the agenda at the January 2019 TAC meeting. The purpose of this discussion was for SGV Planners to hear about any possible ideas and plans pertaining to any regulation that cities might have for MEHKOs, including any ordinances or resolutions.

AB 377

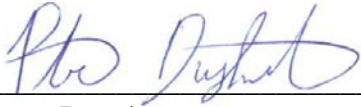
Due to the fact that the language in AB 626 is nebulous and ambiguous, specifically pertaining to

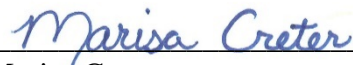
the permitting of MEHKO, and since there were some operational issues with the original AB 626 legislation, the LA County Department of Public Health (DPH) has been working with the California Conference of Directors of Environmental Health (CCDEH) and the County Health Executives Association of California (CHEAC) to address these issues. These organizations have been working in a collaborative manner with Assembly Member Garcia, who was the author of AB 626, to draft an urgency bill to deal with some of the aforementioned issues and to improve the regulations for MEHKOs.

This urgency bill has been introduced into the California State Assembly as AB 377 (Garcia). Since the bill is an urgency statute, it would take effect immediately upon signature from Governor Newsom if the bill is passed by both chambers of the California State Legislature. However, this urgency bill will need to garner two-thirds of the vote in each legislative chamber in order to pass. It should also be noted that AB 377 has been amended twice, once on March 11, and for a second time on March 25. The bill would modify the conditions for a city or county to permit MEHKOs within its jurisdiction. The bill would also amend the inspections and food safety standards which are applicable to microenterprise home kitchen operation businesses. Additionally, AB 377 would disallow MEHKOs from being able to cater food or use the word “catering” in their advertisements, and would also ban third-party delivery services, such as Uber Eats and GrubHub, from delivering food which is prepared by MEHKOs to customers.

NEXT STEPS

The LA County Department of Public Health suggests that cities delay adopting an ordinance or resolution on MEHKO until AB 377 has been chaptered into State law. It is anticipated that this urgency bill will be signed into law by Governor Newsom in June, and since it will take effect immediately, it will impact the MEHKO market, and cities’ role in the permitting process, right away. SGVCOG staff is presenting information pertaining to AB 377 for both information and discussion. Some San Gabriel Valley cities have expressed concerns with both AB 626 and AB 377, which is AB 626’s urgency statute. The concerns relate to city local control as it relates to MEHKOs, including retaining of city autonomy.

Prepared by: 
Peter Duyshart
Project Assistant

Approved by: 
Marisa Creter
Executive Director

ATTACHMENT

- Attachment A – AB 377 Legislation Text
- Attachment B – AB 377 Legislative History

AMENDED IN ASSEMBLY MARCH 25, 2019

AMENDED IN ASSEMBLY MARCH 11, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 377

Introduced by Assembly Member Eduardo Garcia

February 5, 2019

An act to amend Sections 114367.1, 114367.2, ~~114367.3~~, 114367.5, and 114367.6 of, ~~to add Section 114367.7 to~~, and to repeal and add ~~Section~~ *Sections 114367 and 114367.3* of, the Health and Safety Code, relating to retail food facilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 377, as amended, Eduardo Garcia. Microenterprise home kitchen operations.

(1) The California Retail Food Code (code) authorizes the governing body of a city, county, or city and county, by ordinance or resolution, to permit microenterprise home kitchen operations if certain conditions are met. The code requires microenterprise home kitchen operations, as a restricted food service facility, to meet specified food safety standards. A violation of the code is generally a misdemeanor.

This bill would modify the conditions for a city, county, or city and county to permit microenterprise home kitchen operations within its jurisdiction. ~~The bill would require an enforcement agency that is permitting and inspecting microenterprise home kitchen operations to report specified information about the operations within its jurisdiction and post a link to a report on the homepage of its internet website.~~ The bill would modify the inspections and food safety standards applicable

to microenterprise home kitchen operations. The bill would prohibit an internet food service intermediary or a microenterprise home kitchen operation from using the word “catering” or any variation of that word in a listing or advertisement of a microenterprise home kitchen operation’s offer of food for sale. The bill would require a microenterprise home kitchen operation to include specific information, including its permit number, in its advertising. The bill would prohibit a third-party delivery service from delivering food produced by a microenterprise home kitchen operation. By expanding the scope of a crime for a violation of the code, this bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 114367 of the Health and Safety Code
2 is repealed.
3 SEC. 2. Section 114367 is added to the Health and Safety Code,
4 to read:
5 114367. The governing body of a city, county, or city and
6 county that is designated as the enforcement agency, as defined
7 in Section 113773, may authorize, by ordinance or resolution,
8 within its jurisdiction the permitting of microenterprise home
9 kitchen operations in accordance with this chapter. If a governing
10 body of a city, county, or city and county authorizes the permitting
11 of microenterprise home kitchen operations, the authorization shall
12 apply to all areas within its jurisdiction, including being applicable
13 to all cities within a county that authorizes microenterprise home
14 kitchen operations, regardless of whether each city located within
15 the jurisdiction of the county separately authorizes them.
16 SEC. 3. Section 114367.1 of the Health and Safety Code is
17 amended to read:

1 114367.1. (a) A microenterprise home kitchen operation, as
2 defined in Section 113825, shall be considered a restricted food
3 service facility for purposes of, and subject to all applicable
4 requirements of, Chapter 1 (commencing with Section 113700) to
5 Chapter 9 (commencing with Section 114265), inclusive, and
6 Chapter 13 (commencing with Section 114380), except as
7 otherwise provided in this chapter.

8 (b) A microenterprise home kitchen operation shall be exempt
9 from all of the following provisions:

10 (1) Handwashing facilities requirements, as required in Section
11 113953, provided that a handwashing sink is supplied with warm
12 water and located in the toilet room and supplied, as specified in
13 Section 113953.2.

14 (2) Any provision in this part relating to sinks, warewashing
15 machines, and manual or machine sanitation, including, but not
16 limited to, Sections 114099, 114099.2, 114099.4, 114101.1,
17 114101.2, 114103, 114107, 114123, 114125, 114163, and 114279,
18 provided that all of the following conditions are met:

19 (A) Utensils and equipment are able to be properly cleaned and
20 sanitized.

21 (B) The sink in a microenterprise home kitchen operation has
22 hot and cold water and is fully operable.

23 (C) If a dishwasher is used, it shall be operated in accordance
24 with the manufacturer's specifications.

25 (3) Prohibition on the presence of persons unnecessary to the
26 food facility operation in the food preparation, food storage, or
27 warewashing areas, as specified in Section 113945.1, provided
28 that the ~~permit holder~~ *permitholder* takes steps to avoid any
29 potential contamination to food, clean equipment, utensils, and
30 unwrapped single-service and single-use articles and prevents a
31 person suffering from symptoms associated with acute
32 gastrointestinal illness or person known to be infected with a
33 communicable disease that is transmissible through food to enter
34 the food preparation area while food is being prepared as part of
35 a microenterprise home kitchen operation.

36 (4) No smoking sign posting requirements, as specified in
37 Section 113978.

38 (5) Limitations on employee consumption of food, drink, or
39 tobacco outside of designated areas, as specified in Sections 113977
40 and 114256, provided that the ~~permit holder~~ *permitholder* takes

1 steps to avoid any potential contamination to food, clean
2 equipment, utensils, and unwrapped single-service and single-use
3 articles and prevents a person suffering from symptoms associated
4 with acute gastrointestinal illness or person known to be infected
5 with a communicable disease that is transmissible through food
6 to enter the food preparation area while food is being prepared as
7 part of a microenterprise home kitchen operation.

8 (6) Limitations on consumer access to the food facility through
9 food preparation areas, as specified in Section 113984.1, provided
10 that the ~~permit holder~~ *permitholder* takes steps to avoid any
11 potential contamination to food, clean equipment, utensils, and
12 unwrapped single-service and single-use articles and prevents a
13 person suffering from symptoms associated with acute
14 gastrointestinal illness or person known to be infected with a
15 communicable disease that is transmissible through food to enter
16 the food preparation area while food is being prepared as part of
17 a microenterprise home kitchen operation.

18 (7) Display guard, cover, and container requirements, as
19 specified in Section 114060, provided that any food on display
20 that is not protected from the direct line of a consumer's mouth
21 by an effective means is not served or sold to any subsequent
22 consumer.

23 ~~(8) Limitations on outdoor display and sale of foods, as specified~~
24 ~~in Section 114069, provided that food is protected to prevent~~
25 ~~contamination and that any potentially hazardous food that is~~
26 ~~displayed or sold outdoors is maintained at the required~~
27 ~~temperatures. Food items from the outdoor display shall be stored~~
28 ~~inside the kitchen when not operating the microenterprise home~~
29 ~~kitchen operation.~~

30 ~~(9)~~

31 (8) Requirements to provide clean drinking cups and tableware
32 for second portions and beverage refills, as specified in Section
33 114075.

34 ~~(10)~~

35 (9) Requirements pertaining to the characteristics and
36 certification of utensils and equipment, as specified in Sections
37 114130 and 114139, provided that utensils and equipment are
38 designed to retain their characteristic qualities under normal use
39 conditions.

40 ~~(11)~~

- 1 (10) Requirements pertaining to the characteristics, construction,
2 and multiuse of food-contact and nonfood-contact surfaces, as
3 specified in Sections 114130.3 and 114130.4, provided that food
4 contact surfaces are smooth, easily cleanable, and in good repair.
5 ~~(12)~~
- 6 (11) Requirements pertaining to the characteristics, construction,
7 and disassembly of clean in place (CIP) equipment, as specified
8 in Section 114130.5.
9 ~~(13)~~
- 10 (12) Limitations on the use of wood as a food contact surface
11 and in connection with other equipment, as specified in Section
12 ~~114132~~. 114132, *provided that hard maple or equivalent wood is*
13 *approved for use in direct contact with food during preparation.*
14 ~~(14)~~
- 15 (13) Any provision in this part relating to ventilation, including,
16 but not limited to, Article 2 (commencing with Section 114149)
17 of Chapter 6, provided that gases, odors, steam, heat, grease,
18 vapors, and smoke are able to escape from the kitchen.
19 ~~(15)~~
- 20 (14) Requirements that cold or hot holding equipment used for
21 potentially hazardous food be equipped with integral or
22 permanently affixed temperature measuring device or product
23 mimicking sensors, as specified in subdivision (c) of Section
24 114157.
25 ~~(16)~~
- 26 (15) Requirements pertaining to the installation of fixed,
27 floor-mounted, and table-mounted equipment, as specified in
28 Section 114169.
29 ~~(17)~~
- 30 (16) Dedicated laundry facility requirements, as specified in
31 Section 114185.5, provided that linens used in connection with
32 the microenterprise home kitchen operation shall be laundered
33 separately from the household and other laundry.
34 ~~(18)~~
- 35 (17) Requirements pertaining to water, plumbing, drainage, and
36 waste, as specified in Sections 114193, 114193.1, and 114245.7.
37 ~~(19)~~
- 38 (18) Any requirement that a microenterprise home kitchen
39 operation have more than one toilet facility or that access to the
40 toilet facility not require passage through the food preparation,

1 food storage, or utensil washing areas, including, but not limited
2 to, the requirements specified in Sections 114250 and 114276.

3 ~~(20)~~

4 (19) Light intensity, light source, and lightbulb requirements,
5 as specified in Sections 114252 and 114252.1, provided that food
6 preparation areas are well lighted by natural or artificial light
7 whenever food is being prepared.

8 ~~(21)~~

9 (20) Requirements to provide and use lockers, storage facilities,
10 and designated dressing areas, and that food facility premises be
11 free of litter and items that are unnecessary to the operation, as
12 specified in Sections 114256.1 and 114257.1, provided that
13 personal effects and clothing not ordinarily found in a home kitchen
14 are placed or stored away from food preparation areas and dressing
15 takes place outside of the kitchen.

16 ~~(22)~~

17 (21) Limitations on the presence and handling of animals, such
18 as domestic, service, or patrol animals, as specified in Sections
19 114259.4 and 114259.5, provided that all animals are kept outside
20 of the kitchen during food service and preparation.

21 ~~(23)~~

22 (22) Requirements pertaining to floor, wall, and ceiling surfaces,
23 as specified in Sections 114268, 114269, and 114271, provided
24 that the floor, wall, and ceiling surfaces of the kitchen, storage,
25 and toilet areas are smooth, of durable construction, and easily
26 cleanable with no limitations on the use of wood, tile, and other
27 nonfiber floor surfaces ordinarily used in residential settings.

28 ~~(24)~~

29 (23) Any local evaluation or grading system for food facilities,
30 as authorized by Section 113709.

31 ~~(25)~~

32 (24) All prohibitions and limitations on the use of a kitchen in
33 a private home as a food facility, including, but not limited to,
34 prohibitions and limitations specified in Section 114285, provided
35 that food is not prepared in designated sleeping quarters. Open
36 kitchens adjacent to living and sleeping areas, kitchens in
37 efficiency, studio, and loft-style residences, and kitchens without
38 doors at all points of ingress and egress may be used in
39 microenterprise home kitchen operations.

40 ~~(26)~~

1 (25) Planning and permitting provisions of Sections 114380
2 and 114381.2.

3 (c) A microenterprise home kitchen operation may operate an
4 open-air barbecue or outdoor wood-burning oven, pursuant to the
5 requirements of Section 114143.

6 (d) The operator of a microenterprise home kitchen operation
7 shall successfully pass an approved and accredited food safety
8 certification examination, as specified in Section 113947.1.

9 (e) Any individual, other than the operator, who is involved in
10 the preparation, storage, or service of food in a microenterprise
11 home kitchen operation shall be subject to the food handler card
12 requirements specified in Section 113948.

13 (f) *A microenterprise home kitchen operation shall only offer*
14 *for sale or sell food that was prepared during a food demonstration*
15 *or preparation event to a consumer who was present at that food*
16 *demonstration or preparation event.*

17 SEC. 4. Section 114367.2 of the Health and Safety Code is
18 amended to read:

19 114367.2. (a) A microenterprise home kitchen operation shall
20 not be open for business unless it has obtained a permit issued
21 from the enforcement agency.

22 (b) The department shall post on its internet website the
23 requirements for the permitting of a microenterprise home kitchen
24 operation, pursuant to this chapter and any ordinance, resolution,
25 or rules adopted by any city, county, or city and county, that has
26 authorized the permitting of microenterprise home kitchen
27 operations, which shall be written at a high school level.

28 (c) The applicant shall submit to the enforcement agency written
29 standard operating procedures that include all of the following
30 information:

31 (1) All food types or products that will be handled.

32 (2) The proposed procedures and methods of food preparation
33 and handling.

34 (3) Procedures, methods, and schedules for cleaning utensils,
35 equipment, and for the disposal of refuse.

36 (4) How food will be maintained at the required holding
37 temperatures, as specified in Section 113996, pending pickup by
38 consumer or during delivery.

39 (5) *Days and times that the home kitchen may potentially be*
40 *utilized as a microenterprise home kitchen operation. The stated*

1 *days and times are not binding on the permit holder and shall be*
2 *used for information purposes only.*

3 (d) (1) The enforcement agency shall issue a permit after an
4 initial inspection has determined that the proposed microenterprise
5 home kitchen operation and its method of operation comply with
6 the requirements of this chapter.

7 (2) An enforcement agency shall not require a microenterprise
8 home kitchen operation to comply with food safety requirements
9 that are different from, or in addition to, the requirements of this
10 chapter.

11 (e) For purposes of permitting, the permitted area includes the
12 home kitchen, onsite consumer eating area, food storage, utensils
13 and equipment, toilet room, janitorial or cleaning facilities, and
14 refuse storage area. Food operations shall not be conducted outside
15 of the permitted areas.

16 (f) An enforcement agency may require a microenterprise home
17 kitchen operation to renew its permit annually.

18 (g) A permit, once issued, is nontransferable. A permit shall be
19 valid only for the person and location specified by that permit,
20 and, unless suspended or revoked for cause, for the time period
21 indicated.

22 (h) The permit, or an accurate copy thereof, shall be retained
23 by the operator onsite and displayed at all times the microenterprise
24 home kitchen operation is in operation.

25 (i) An enforcement agency may collect a fee for the issuance
26 of a permit pursuant to this chapter in an amount that does not
27 exceed the reasonable administrative costs by the enforcement
28 agency in issuing the permit.

29 ~~SEC. 5. Section 114367.3 of the Health and Safety Code is~~
30 ~~amended to read:~~

31 ~~114367.3. (a) Notwithstanding any other law, a microenterprise~~
32 ~~home kitchen operation shall not be subject to more than one~~
33 ~~prescheduled, routine inspection each year by the enforcement~~
34 ~~agency, except in cases in which the enforcement agency has valid~~
35 ~~reason, such as a consumer complaint, to suspect that adulterated~~
36 ~~or otherwise unsafe food has been produced or served by the~~
37 ~~microenterprise home kitchen operation or that the microenterprise~~
38 ~~home kitchen operation has otherwise been in violation of this~~
39 ~~part.~~

40 (b)

1 ~~Access provided under this section is limited to the permitted~~
2 ~~area of the microenterprise home kitchen operation during the time~~
3 ~~when the microenterprise home kitchen operation is operating~~
4 ~~under the permit and not as a private home, and solely for the~~
5 ~~purpose of enforcing or administering this part. Access may be~~
6 ~~allowed outside of the time when the microenterprise home kitchen~~
7 ~~operation is operating under the permit if the permit holder reaches~~
8 ~~an agreement with the enforcement agency on a mutually~~
9 ~~acceptable time for the inspection to occur.~~

10 ~~(e) An enforcement agency may seek recovery from a~~
11 ~~microenterprise home kitchen operation of an amount that does~~
12 ~~not exceed the enforcement agency's reasonable costs of inspecting~~
13 ~~the microenterprise home kitchen operation for compliance with~~
14 ~~this part if the microenterprise home kitchen operation is found to~~
15 ~~be in violation of this part.~~

16 *SEC. 5. Section 114367.3 of the Health and Safety Code is*
17 *repealed.*

18 ~~114367.3. (a) Notwithstanding any other law, after the initial~~
19 ~~inspection for purposes of determining compliance with this~~
20 ~~chapter, a microenterprise home kitchen operation shall not be~~
21 ~~subject to routine inspections, except that a representative of a~~
22 ~~local enforcement agency may access, for inspection purposes, the~~
23 ~~permitted area of a microenterprise home kitchen operation after~~
24 ~~the occurrence of either of the following:~~

25 ~~(1) The representative has provided the microenterprise home~~
26 ~~kitchen operation with reasonable advance notice.~~

27 ~~(2) The representative has a valid reason, such as a consumer~~
28 ~~complaint, to suspect that adulterated or otherwise unsafe food has~~
29 ~~been produced or served by the microenterprise home kitchen~~
30 ~~operation, or that the microenterprise home kitchen operation has~~
31 ~~otherwise been in violation of this part.~~

32 ~~(b) Notwithstanding any other law, a microenterprise home~~
33 ~~kitchen operation shall not be subject to more than one inspection~~
34 ~~each year by the local enforcement agency, except in cases in~~
35 ~~which the local enforcement agency has valid reason, such as a~~
36 ~~consumer complaint, to suspect that adulterated or otherwise unsafe~~
37 ~~food has been produced or served by the microenterprise home~~
38 ~~kitchen operation, or that the microenterprise home kitchen~~
39 ~~operation has otherwise been in violation of this part.~~

1 ~~(e) The local enforcement agency shall document the reason~~
2 ~~for the inspection, keep that documentation on file with the~~
3 ~~microenterprise home kitchen operation's permit, and provide the~~
4 ~~reason in writing to the operator of the microenterprise home~~
5 ~~kitchen operation.~~

6 ~~(d) Access provided under this section is limited to the permitted~~
7 ~~area of the microenterprise home kitchen operation, during the~~
8 ~~posted operating hours of the microenterprise home kitchen~~
9 ~~operation, and solely for the purpose of enforcing or administering~~
10 ~~this part.~~

11 ~~(e) A local enforcement agency may seek recovery from a~~
12 ~~microenterprise home kitchen operation of an amount that does~~
13 ~~not exceed the local enforcement agency's reasonable costs of~~
14 ~~inspecting the microenterprise home kitchen operation for~~
15 ~~compliance with this part if the microenterprise home kitchen~~
16 ~~operation is found to be in violation of this part.~~

17 *SEC. 6. Section 114367.3 is added to the Health and Safety*
18 *Code, to read:*

19 *114367.3. (a) Notwithstanding any other law, a*
20 *microenterprise home kitchen operation shall only be subject to*
21 *the three following types of inspections by the enforcement agency:*

22 *(1) A routine inspection for the purpose of allowing the*
23 *enforcement agency to observe the permitholder engage in the*
24 *usual activities of a microenterprise home kitchen operation,*
25 *including, but not limited to, active food preparation. The*
26 *enforcement agency shall provide notice to a permitholder before*
27 *a routine inspection and shall conduct the routine inspection at a*
28 *mutually agreeable date and time. A microenterprise home kitchen*
29 *operation shall not be subject to more than one routine inspection*
30 *within 12 months. This paragraph shall not be deemed to require*
31 *the enforcement agency to conduct a routine inspection.*

32 *(2) An investigation inspection for the purpose of allowing the*
33 *enforcement agency to perform an inspection when the enforcement*
34 *agency has just cause that adulterated or otherwise unsafe food*
35 *has been produced or served by the microenterprise home kitchen*
36 *operation or that the permitholder has otherwise violated this part.*
37 *One or more consumer complaints may constitute just cause for*
38 *an investigation inspection. The enforcement agency shall provide*
39 *notice to a permitholder before an investigation inspection and*

1 shall conduct the investigation inspection at a mutually agreeable
2 date and time.

3 (3) An emergency inspection for the purpose of allowing the
4 enforcement agency to perform a limited inspection when the
5 enforcement agency has just cause that the microenterprise home
6 kitchen operation poses a serious hazard or immediate threat to
7 public health. To the extent that notice of an emergency inspection
8 is reasonable under the circumstances, the enforcement agency
9 shall provide notice to a permit holder before an emergency
10 inspection. The scope of emergency inspection shall be limited in
11 duration and scope to address the facts giving just cause that the
12 microenterprise home kitchen operation poses a serious hazard
13 or immediate threat to public health.

14 (b) The enforcement agency shall only inspect the permitted
15 area of the microenterprise home kitchen operation for the purpose
16 of enforcing or administering this part.

17 (c) The enforcement agency may seek recovery from a
18 microenterprise home kitchen operation of an amount that does
19 not exceed the enforcement agency's reasonable costs of inspecting
20 the microenterprise home kitchen operation for compliance with
21 this part if the microenterprise home kitchen operation is found
22 to be in violation of this part.

23 ~~SEC. 6.~~

24 SEC. 7. Section 114367.5 of the Health and Safety Code is
25 amended to read:

26 114367.5. (a) A person delivering food on behalf of a
27 microenterprise home kitchen operation with a permit issued
28 pursuant to Section 114367.2 shall be an employee of the
29 microenterprise home kitchen operation or a family member or
30 household member of the ~~permit holder~~. *permitholder*.

31 (b) Food produced in a microenterprise home kitchen operation
32 shall not be delivered by a third-party delivery service.

33 ~~SEC. 7.~~

34 SEC. 8. Section 114367.6 of the Health and Safety Code is
35 amended to read:

36 114367.6. (a) An internet food service intermediary that lists
37 or promotes a microenterprise home kitchen operation on its
38 internet website or mobile application shall meet all of the
39 following requirements:

1 (1) Be registered with the department. *A registration, once*
2 *issued, is nontransferable. A registration shall be valid only for*
3 *the person and type of business specified by that registration, and*
4 *unless suspended or revoked for cause by the department.*

5 (2) Prior to the listing or publication of a microenterprise home
6 kitchen operation's offer of food for sale, clearly and conspicuously
7 post on its internet website or mobile application the requirements
8 for the permitting of a microenterprise home kitchen specified in
9 this chapter, which shall be written at the high school level and be
10 provided by the department.

11 (3) Clearly and conspicuously post on its internet website or
12 mobile application the fees associated with using its platform in a
13 manner that allows both the consumer and the microenterprise
14 home kitchen operation to see and understand the amount being
15 charged for the services provided by the internet food service
16 intermediary. The internet food service intermediary shall notify
17 ~~the~~ microenterprise home kitchen ~~operations~~ operation of any
18 changes to these fees exceeding a 2-percent increase in writing
19 and no later than one month before the changes take effect.

20 (4) Clearly and conspicuously post on its internet website or
21 mobile application whether or not it has liability insurance that
22 would cover any incidence arising from the sale or consumption
23 of food listed or promoted on its internet website or mobile
24 application.

25 (5) Provide a dedicated field on its platform for a microenterprise
26 home kitchen operation to post the permit ~~number, and shall~~
27 ~~provide notice to the microenterprise home kitchen operation of~~
28 ~~the requirement that the permit number be updated annually.~~
29 *number and the name of the county of the enforcement agency that*
30 *issued the permit.*

31 (6) Clearly and conspicuously post on its internet website or
32 mobile application how a consumer can contact the internet food
33 service intermediary through its internet website or mobile
34 application if the consumer has a food safety or hygiene complaint
35 and a link to the department's internet website that contains
36 information for how to file a complaint with the enforcement
37 agency.

38 (7) Submit the name and permit number of a microenterprise
39 home kitchen operation to the enforcement agency ~~if it~~ *that issued*
40 *the permit to the microenterprise home kitchen operation if the*

1 *internet food service intermediary* receives, through its internet
2 website or mobile application, three or more unrelated individual
3 food safety or hygiene complaints in a calendar year from
4 consumers that have made a purchase through its internet website
5 or mobile application. The internet food service intermediary shall
6 submit this information to the enforcement agency within two
7 weeks of the third complaint received.

8 (8) If it is notified by the enforcement agency of significant
9 food safety related complaints from a verified consumer that has
10 made a purchase through its internet website or mobile application,
11 submit to the enforcement agency the name and permit number of
12 microenterprise home kitchen operation where the food was
13 purchased, and a list of consumers who purchased food on the
14 same day from that microenterprise home kitchen operation through
15 its internet website or mobile application.

16 (9) Prior to the listing or publication of a microenterprise home
17 kitchen operation's offer of food for sale, obtain consent from the
18 microenterprise home kitchen operation to make the disclosures
19 to government entities required pursuant to this section.

20 (10) Shall not permit the use of the word "catering" or any
21 variation of that word in a listing or publication of a
22 microenterprise home kitchen operation's offer of food for sale.

23 (11) Shall not use, or knowingly facilitate the use of, a
24 third-party delivery service for food produced by the
25 microenterprise home kitchen operation.

26 (b) For purposes of this chapter, an "internet food service
27 intermediary" means an entity that provides a platform on its
28 internet website or mobile application through which a
29 microenterprise home kitchen operation may choose to offer food
30 for sale and from which the internet food service intermediary
31 derives revenues, including, but not limited to, revenues from
32 advertising and fees for services offered to a microenterprise home
33 kitchen operation. Services offered by an internet food service
34 intermediary to a microenterprise home kitchen operation may
35 include, but are not limited to, allowing a microenterprise home
36 kitchen operation to advertise its food for sale and providing a
37 means for potential consumers to arrange payment for the food,
38 whether the consumer pays directly to the microenterprise home
39 kitchen operation or to the internet food service intermediary.
40 Merely publishing an advertisement for the microenterprise home

1 kitchen operation or food cooked therein does not make the
2 publisher an internet food service intermediary.

3 (c) (1) A microenterprise home kitchen operation that advertises
4 to the public, including, but not limited to, advertising by website,
5 internet, social media platform, newspaper, newsletter, or other
6 public announcement, shall include all of the following within the
7 advertisement:

8 (A) Name of the enforcement ~~agency~~; *agency that issued the*
9 *permit*.

10 (B) Permit number.

11 (C) Statement that the food prepared is “Made in a Home
12 Kitchen” in a clear and conspicuous font and location within a
13 written advertisement and an audible and comprehensible manner
14 in a verbal advertisement.

15 (2) A microenterprise home kitchen operation shall not use the
16 word “catering” or any variation of that word in an advertisement
17 relating to the microenterprise home kitchen operation’s offer of
18 food for sale.

19 ~~SEC. 8. Section 114367.7 is added to the Health and Safety~~
20 ~~Code, to read:~~

21 ~~114367.7. (a) (1) On or before January 1, 2022, an~~
22 ~~enforcement agency permitting and inspecting microenterprise~~
23 ~~home kitchen operations in accordance with this chapter shall~~
24 ~~report to the Legislature all of the following relating to~~
25 ~~microenterprise home kitchen operations within its jurisdiction:~~

26 ~~(A) Number of permits issued.~~

27 ~~(B) Foods authorized to be prepared.~~

28 ~~(C) Number and nature of violations of this chapter.~~

29 ~~(2) The report shall be submitted in compliance with Section~~
30 ~~9795 of the Government Code.~~

31 ~~(b) Within seven business days of submitting the report pursuant~~
32 ~~to subdivision (a), an enforcement agency shall post a conspicuous~~
33 ~~link on the homepage of its internet website to an electronic copy~~
34 ~~of the report.~~

35 SEC. 9. No reimbursement is required by this act pursuant to
36 Section 6 of Article XIII B of the California Constitution because
37 the only costs that may be incurred by a local agency or school
38 district will be incurred because this act creates a new crime or
39 infraction, eliminates a crime or infraction, or changes the penalty
40 for a crime or infraction, within the meaning of Section 17556 of

1 the Government Code, or changes the definition of a crime within
2 the meaning of Section 6 of Article XIII B of the California
3 Constitution.

4 SEC. 10. This act is an urgency statute necessary for the
5 immediate preservation of the public peace, health, or safety within
6 the meaning of Article IV of the California Constitution and shall
7 go into immediate effect. The facts constituting the necessity are:

8 To ensure a uniform implementation of the health and food safety
9 responsibilities of microenterprise home kitchen operations
10 throughout the state, it is necessary that this act take effect
11 immediately.

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Date	Action
03/25/19	From committee chair, with author's amendments: Amend, and re-refer to Com. on HEALTH. Read second time and amended.
03/12/19	Re-referred to Com. on HEALTH.
03/11/19	From committee chair, with author's amendments: Amend, and re-refer to Com. on HEALTH. Read second time and amended.
02/15/19	Referred to Com. on HEALTH.
02/06/19	From printer. May be heard in committee March 8.
02/05/19	Read first time. To print.