



**CITY COUNCIL MEETING AGENDA
TUESDAY, MAY 24, 2016, 7:00 P. M.
SAN DIMAS COUNCIL CHAMBERS
245 E. BONITA AVENUE**

COUNCIL:

Mayor Curtis W. Morris
Mayor Pro Tem Emmett Badar
Councilmember Denis Bertone
Councilmember John Ebner
Councilmember Jeff Templeman

1. CALL TO ORDER AND FLAG SALUTE

2. RECOGNITIONS/PRESENTATIONS

- **Mary Miller Girl Scouts Gold Award - Presentation on Human Trafficking**
- **City to Present Proclamation to the San Dimas Historical Society for 50th Anniversary**
- **Matt Kozlo – Food Drive Coordinator San Dimas Post Office to Give Update on the Food Drive**

3. ORAL COMMUNICATIONS (Members of the audience are invited to address the City Council on any item not on the agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda. However, your concerns may be referred to staff or set for discussion at a later date. If you desire to address the City Council on an item on this agenda, other than a scheduled public hearing item you may do so at this time or asked to be heard when that agenda item is considered. Comments on public hearing items will be considered when that item is scheduled for discussion. The Public Comment period is limited to 30 minutes. Each speaker shall be limited to three (3) minutes.)

a. Members of the Audience

4. CONSENT CALENDAR

(All items on the Consent Calendar are considered to be routine and will be enacted by one motion unless a member of the City Council or member of the audience requests separate discussion.)

a. Resolutions and ordinances read by title, further reading waived, passage and adoption recommended as follows:

- 1) **RESOLUTION 2016-27, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS APPROVING CERTAIN DEMANDS FOR THE MONTH OF MAY 2015.**
- 2) **ORDINANCE 1245, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES REPEALING SECTION 13.16.040 FIREWORKS-EXPLOSIVES AND ADDING SECTION 9.27 – FIREWORKS PROHIBITED**

b. Approval of minutes for regular meeting of May 10, 2016.

- c. **Approval of City's Statement of Investment Policy-This investment statement outlines the policies for maximizing the efficiency of the City's cash management system.**

END OF CONSENT CALENDAR

5. PUBLIC HEARINGS

(The following item has been advertised and/or posted. The meeting will be opened to receive public testimony.)

- a. **Public Hearing regarding Open Space Maintenance District No. 1 (Tract 32818, Boulevard) and the Adoption of the Resolution confirming the assessment.**

RESOLUTION 2016-28, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, CONFIRMING THE DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2016-2017 FOR OPEN SPACE MAINTENANCE DISTRICT NO. 1 (TRACT 32818, BOULEVARD)

- b. **Public Hearing regarding Open Space Maintenance District No. 1 Annexation No. 3 (Tract 32841, Northwoods) and the Adoption of a Resolution confirming the assessment.**

RESOLUTION 2016-29, RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, CONFIRMING THE DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2016-2017 FOR OPEN SPACE MAINTENANCE DISTRICT NO. 1 ANNEXATION NO. 3 (TRACT 32841, NORTHWOODS.)

RECOMMENDED ACTION: Adopt Resolution 2016-28 and 2016-29 confirming the diagram assessment rate for Open Space Maintenance District 1 (Boulevard 32818) and Open Space Maintenance District No. 1 Annexation No. 3 (Northwoods, Tract 32841).

- c. **Adoption of a Resolution Setting the Special City Wide Parcel Tax for Fiscal Year 2016-2017**

RESOLUTION 2016-30, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, SETTING THE SPECIAL CITY WIDE PARCEL TAX FOR FISCAL YEAR 2016-2017 TO BE USED FOR LANDSCAPE MAINTENANCE PURPOSE

RECOMMENDED ACTION: Adopt Resolution 2016-30 setting the City Wide Landscape Parcel Tax for FY 2016–2017 including the 1.7% consumer price index adjustment (Option 2).

6. OTHER MATTERS

- a. **Consider Increase to Business License Fees.**

RESOLUTION 2016-31, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, SETTING THE BUSINESS LICENSE FEES RATES FOR FISCAL YEAR 2016-17

RECOMMENDED ACTION: Adopt Resolution 2016-31 setting business license fees rates for Fiscal Year 2016-17

b. Consider Continuation of the 1% Public, Educational and Government (PEG) Fee for Public Access Support.

RESOLUTION 2016-32, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, SETTING THE PUBLIC ACCESS FEE FOR FISCAL YEAR 2015-2016 TO BE USED FOR PEG PURPOSES.

RECOMMENDED ACTION: Adopt Resolution 2016-32 setting the Public Access Fee for Fiscal Year 2016-17

7. PLANNING MATTERS

a. Consideration of Letters of Opposition Regarding Various Pending Housing Related Bills

RECOMMENDED ACTION: Direct Staff as deemed appropriate regarding letters of opposition and/or other actions.

b. 2015 Annual Housing Element Progress Report

RECOMMENDED ACTION: Receive and file report.

8. ORAL COMMUNICATIONS

a. Members of the Audience (Speakers are limited to five (5) minutes or as may be determined by the Chair.)

b. City Manager

c. City Attorney

d. Members of the City Council

- 1) Appointments to the Parks and Recreation and Senior Citizens Commission
- 2) Councilmembers' report on meetings attended at the expense of the local agency.
- 3) Individual Members' comments and updates.

9. ADJOURNMENT

The next meeting is 7:00 p.m. on June 14th, 2016.



Notice Regarding American with Disabilities Act: In compliance with the ADA, if you need assistance to participate in a city meeting, please contact the City Clerk's Office at (909) 394-6216. Early notification before the meeting you wish to attend will make it possible for the City to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA Title II].

Copies of documents distributed for the meeting are available in alternative formats upon request. Any writings or documents provided to the City Council regarding any item on this agenda will be made available for public inspection at the Administration Counter at City Hall and at the San Dimas Library during normal business hours. In addition most documents are posted on the City's website at cityofsandimas.com.

Posting Statement: On May 20, 2016 a true and correct copy of this agenda was posted on the bulletin board at 245 East Bonita Avenue (San Dimas City Hall), 145 North Walnut Avenue (Los Angeles County Library), 300 East Bonita Avenue (United States Post Office), Von's Shopping Center (Puente/Via Verde Avenue) and the City's website www.cityofsandimas.com/minutes.cfm

*San Dimas
Historical Society*

*Thank you for your dedication,
perseverance and willingness to keep
our city's valuable history alive.*

*Congratulations on your
50th Anniversary*

June 1966 - June 2016

Kevin Morris

Mayor

Debra Black

Attest

Assistant City Clerk

RESOLUTION 2016-27

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SAN DIMAS, CALIFORNIA, APPROVING
CERTAIN DEMANDS FOR THE MONTH OF MAY 2016**

WHEREAS, the following listed demands have been audited by the Director of Finance;
and

WHEREAS, the Director of Finance has certified as to the availability of funds for
payment thereto; and

WHEREAS, the register of audited demands have been submitted to the City Council for
approval.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San
Dimas does hereby approve a) Warrant Register 05/31/2016 in the amount of \$758,155.05.

PASSED, APPROVED AND ADOPTED this 24th, day of May 2016.

Curtis W. Morris, Mayor City of San Dimas

ATTEST:

Debra Black, Assistant City Clerk

I, DEBRA BLACK, ASSISTANT CITY CLERK, HEREBY CERTIFY that
Resolution 2016-27 was approved by vote of the City Council of the City of San Dimas at its
regular meeting of May 24th, 2016 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Debra Black, Assistant City Clerk

05/31/2016

WARRANT REGISTER

Ck#'s 155030-155157

Total: \$758,155.05

155030 05/31/16 ACCO ENGINEERED SYST

11121 MAY MAINT CITY HALL 2,000.00

11121 MAY MAINT CITY HALL, 2,663.00

155030 05/31/16 ACCO ENGINEERED SYST

11121 MAY MAINT CITY HALL, 2,663.00

*CHECK TOTAL

155031 05/31/16 ACOSTA/AL

.00011 UMPIRE FORFEIT FEE 5/1 20.00

1401149470

155032 05/31/16 ACT NOW! SIGNS

10136 DATE CHANGE ON BANNER 70.85

18917

155033 05/31/16 ALBERTSON'S

10488 CC'S CLOSE SESSION SNA 27.97

010802

155034 05/31/16 ALLSTEEL INC

10218 LATERAL FILE CABINET 889.23

097269

10505 CREDIT/UNIFORMS 14.00 CR

1401149470

14013364515

10506 TOWELS 4.80

130.70

14013364515

10507 TOWELS 4.80

52.886

14013364515

10508 TOWELS 4.80

52.886

14013364515

10509 TOWELS 4.80

69.956

14013364515

10510 TOWELS 4.80

32.456

14013364515

10511 TOWELS 4.80

56.955

14013364515

10512 TOWELS 4.80

17.956

14013364515

10513 TOWELS 4.80

39.840

14013364515

10514 TOWELS 4.80

58.755

14013364515

10515 TOWELS 4.80

90.000 CR

141100050374

10516 TOWELS 4.80

24.332

*CHECK TOTAL

10517 TOWELS 4.80

426.32

141100050374

10288 COFFEE SUPPLIES 178.55

1370922

14013364515

11914 S.D. DOWNTOWN MASTER P 405.69

21415

14013364515

11914 DUP EXTRA SVC 2/4/16 1,120.69

*CHECK TOTAL

14013364515

.00005 REIMB. MILES, MAR, APR, MA 20.25

758414

14013364515

11064 DURACELL COPPER TOPS 97.05

I-65927

14013364515

11064 AA 2500MAH, NI-MH 1.2 74.56

I-65797

14013364515

11064 DEKA, 60 MO 12V, GRP 65 84.30

I-65920

14013364515

12058 PARTS & SUPPLIES 560.50

758414

14013364515

.00009 REFUND, CUSTOMER W/DRE 108.50

108.50

14013364515

WARRANT DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM INVOICE	PO#	F 9 S ACCOUNT
155042	BANK OF AMERICA	12441 INSTR.PIANO MAY	360.40			M D 001.4420.020.000
155043		10797 REIMB.2016CCAC ANN.CON	84.89	4/26-4/29/2016		N D 001.4120.021.000
155044		10374 MUSIC LIC.5/1-4/30/20	336.00	28012352		N D 001.4190.016.000
155045		11212 PAPER INK JET 36X150	100.01	287000		N D 001.4310.033.000
155045		11212 950 Ft MYLAR 4 ML	408.21	287064		N D 001.4310.033.000
				*CHECK TOTAL		
155046		10217 REIMB.RECITAL INSTR.GI	90.00			N D 001.4420.034.001
155047		10715 40LBS TENNIS NET	409.50	97875994		N D 008.4414.033.000
155048		11930 CITY CLERK CONF.4/26-	643.55			N D 001.4120.021.000
155048		11930 SAFETY LUNCH GIFT CAR	282.86			N D 001.4120.021.000
155048		11930 SAFETY LUNCH MEALS 4/	766.08			N D 001.4120.021.000
155048		11930 SAFETY LUNCH GIFT CAR	175.00			N D 001.4120.021.000
155048		11930 EMPLOY AD CPRS WEBSITE	80.00			N D 001.4120.021.000
155048		11930 REGIST CITY MGR LACOUN	104.95			N D 001.4120.021.000
155048		11930 TIME WARNER 4/30-5/29	119.75			N D 001.4120.021.000
155048		11930 VERIZON WIRELESS#976 1/	150.00			N D 001.4120.021.000
155048		11930 REGIST APWA WKSHP 5/	62.00			N D 001.4120.021.000
155048		11930 IPHONE REPAIR	348.78			N D 001.4120.021.000
155048		11930 2TB HARD DR.REPLACEME	884.01			N D 001.4120.021.000
155048		11930 BIRCH INV#21333639	804.36			N D 001.4120.021.000
155048		11930 GO DADDY.COM	167.97			N D 001.4120.021.000
155048		11930 AMAZON.COM	34.62			N D 001.4120.021.000
155048		11930 APPLE IPHONE CABLE	82.83			N D 001.4120.021.000
155048		11930 WIRELESS KEYBRD&MOUSE	153.63			N D 001.4120.021.000
155048		11930 MAGNETS.FOOTHILL BRID	6,755.90			N D 012.4841.662.000
				*CHECK TOTAL		
155049		11406 REIMB.CREW PHONE CASES	89.68			N D 001.4310.021.000
155049		11406 LUNCH MTG BONITA PROJE	115.20			N D 001.4310.021.000
155050		12102 INSTR.LIFEGUARD5/12-5	394.40			M D 001.4430.020.000
155051		11051 S&R FLOOR PROJECT F 2,	850.00	10613		N D 021.4430.430.005
155052		.00010 REFUND,CUSTOMER W/DRE	107.00			N D 001.367.002
155053		11519 INSTR.SKATING 4/23-5/	238.00			N D 001.4420.020.000
155054		11523 NPDES/MS4 PMT VIOL 12,	636.00	55720		N D 001.210.001
155055		11525 INSTR.GYMNASTICS5/2 1,	623.84			N D 001.4420.020.000

WARRANT DATE VENDOR
BANK OF AMERICA

Disbursement Journal

DESCRIPTION	AMOUNT
11850 JUN SUDDHIPHAYAK SP#70	85.00
11850 JUN RESCHKE SP#142	296.00
11649 SVC FITNESS EQUIPMENT	175.00
10613 INSTR.PILATES,YOGA MA	786.08
10620 GETABOUT TIX#85129-1	200.00
10620 GETABOUT TIX#85129-2	800.00
11690 SIGNALS / APRIL	2,303.25
11690 STREET LIGHTS / APRIL	413.80
12300 RANGER,ACTIVATOR,TA	1,451.78
11961 CLASSIFIED ADVERTIS	6,330.90
11960 APR M.C.PROSECUTIONS	449.30
10155 FINGERPRINT APPS X1	32.00
12379 ENGINEER SVC BONITA	9,345.00
12379 CATCH'N FROG CALCUL	10,785.00
12210 LANDSCAPE CONCEPT,M	2,680.00
12145 DRIP IRRIGATION GLA	1,425.00
12145 DRIP IRRIGATION GLA	950.00
12145 CLEAN&PLANT RMVL.S.D	730.00
12145 CLEAN&PLANT RMVL.S.D	3,110.00
11402 CAR RENTAL 5/12 URREA	72.12
00012 REIMB.DEP.PERMITH#	25,000.00
12340 BRASS 90 STREET ELL	66.18
10432 INSTALL COMM.SIGN & R	150.00
12358 1 SHIPMENT	24.91
11221 209-168-7123-093011-5	139.99
11221 209-188-1874-110410-5	33.42
11221 213-181-2507-082406-5	59.99
11221 213-181-2507-082406-5	233.44

F 9 S ACCOUNT

PO#

CLAIM INVOICE

CLAIM	INVOICE	PO#	F 9 S ACCOUNT
*CHECK TOTAL			N D 034.341.034 N D 034.341.034
63235			N D 001.4430.015.000 M D 001.4420.020.000
GATI#X0316-5 GATI#X0316-5			N D 072.214.172 N D 072.4125.442.000
*CHECK TOTAL			N D 007.4345.020.003 N D 007.4341.020.003
29710892			N D 008.4415.020.006 N D 001.4120.010.000
0000270369			N D 001.4170.020.001 N D 001.4150.020.000
11276			N D 073.4841.650.001 N D 001.4190.041.003
164212			N D 001.4341.024.020 M D 001.4415.020.008 M D 001.4415.020.008 M D 001.4415.020.009
15021-2 15010-01			N D 001.4342.011.003 N D 110.214.907
*CHECK TOTAL			N D 008.4415.033.000 M D 001.4309.033.001 N D 001.4190.017.000
034-1			N D 001.4190.020.034 N D 001.4190.020.034 N D 001.4190.020.034
151 123 123			
*CHECK TOTAL			
4DT2D9			
1345682			
#EX87YA			
5-415-53706			
04/22-05/21/16 04/28-05/27/16 05/1-05/31/16			
*CHECK TOTAL			

WARRANT DATE	VENDOR	DESCRIPTION	AMOUNT	PO#	CLAIM INVOICE	F 9 S ACCOUNT
155074	BANK OF AMERICA	FRONTIER	144.56		04/25-05/24/16	N D 001.4410.023.003
155074		FRONTIER	108.31		04/25-05/24/16	N D 001.4410.023.003
155074		FRONTIER	189.30		04/25-05/24/16	N D 001.4410.023.003
155074		FRONTIER	197.10		04/25-05/24/16	N D 001.4410.023.003
155074		FRONTIER	580.32		04/25-05/24/16	N D 001.4410.023.003
		*CHECK TOTAL				
155075	GALVEZ/VICTORIA	INSTR. ZUMBA MAY	204.00			M D 001.4420.020.000
155076	GARWICK/SHARI	FLASHLIGHTS PW DEPT	66.44			N D 001.4310.033.000
155076	GARWICK/SHARI	SGV COUNCIL OF GOV. LON	86.44			N D 001.4310.021.000
		*CHECK TOTAL				
155077	GAS COMPANY/THE	163 717 4800 1	1,800.46			N D 001.4430.022.002
155077	GAS COMPANY/THE	110 1 3300 0	522.82			N D 001.4410.023.003
155077	GAS COMPANY/THE	111 1 3300 0	227.92			N D 001.4410.023.003
155077	GAS COMPANY/THE	112 1 3300 0	576.25			N D 001.4410.023.003
155077	GAS COMPANY/THE	113 1 3300 0	576.25			N D 001.4410.023.003
155077	GAS COMPANY/THE	115 1 3300 0	2,885.89			N D 001.4434.022.002
		*CHECK TOTAL				
155078	GEO-ADVANTEC INC.	PERCOLATION TEST PR	7,000.00		551	N D 001.4341.024.020
155078	STAT	414805000006	40.47		44115.033.004	N D 001.4411.033.004
155078	STAT	6997745200008	162.15		44115.033.004	N D 001.4411.033.004
155078	STAT	7997745200008	324.30		44115.033.004	N D 001.4411.033.004
155078	STAT	509241745200008	377.90		44115.033.004	N D 001.4411.033.004
155078	STAT	109241745200008	755.80		44115.033.004	N D 001.4411.033.004
155078	STAT	209241745200008	1,211.60		44115.033.004	N D 001.4411.033.004
155078	STAT	309241745200008	1,605.00		44115.033.004	N D 001.4411.033.004
155078	STAT	409241745200008	1,695.00		44115.033.004	N D 001.4411.033.004
155078	STAT	509241745200008	2,077.50		44115.033.004	N D 001.4411.033.004
155078	STAT	609241745200008	3,862.90		44115.033.004	N D 001.4411.033.004
155078	STAT	709241745200008	117.00		44115.033.004	N D 001.4411.033.004
155078	STAT	809241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	909241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	009241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	109241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	209241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	309241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	409241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	509241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	609241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	709241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	809241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	909241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	009241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	109241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	209241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	309241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	409241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	509241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	609241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	709241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	809241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	909241745200008			44115.033.004	N D 001.4411.033.004
155078	STAT	009241745200008			44115.033.004	N D 001.4411.033.004

Disbursement Journal

ACS FINANCIAL SYSTEM
05/18/2016 15:05:39

F 9 S ACCOUNT

CLAIM INVOICE

AMOUNT

DESCRIPTION

WARRANT DATE VENDOR

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM INVOICE	PO#
155079	05/11/16	BANK OF AMERICA	STATE	68.45		
155079	05/11/16	BANK OF AMERICA	STATE	407.87		
155079	05/11/16	BANK OF AMERICA	STATE	79.87		
155079	05/11/16	BANK OF AMERICA	STATE	307.91		
155079	05/11/16	BANK OF AMERICA	STATE	258.5		
155079	05/11/16	BANK OF AMERICA	STATE	1,028.5		
155079	05/11/16	BANK OF AMERICA	STATE	3,235.0		
155079	05/11/16	BANK OF AMERICA	STATE	666.7		
155079	05/11/16	BANK OF AMERICA	STATE	182.1		
155079	05/11/16	BANK OF AMERICA	STATE	1185.2		
155079	05/11/16	BANK OF AMERICA	STATE	1152.4		
155079	05/11/16	BANK OF AMERICA	STATE	1210.4		
155079	05/11/16	BANK OF AMERICA	STATE	1210.4		
155079	05/11/16	BANK OF AMERICA	STATE	1382.4		
155079	05/11/16	BANK OF AMERICA	STATE	57.3		
155079	05/11/16	BANK OF AMERICA	STATE	138.0		
155079	05/11/16	BANK OF AMERICA	STATE	57.4		
155079	05/11/16	BANK OF AMERICA	STATE	57.4		
155079	05/11/16	BANK OF AMERICA	STATE	68.45		
155079	05/11/16	BANK OF AMERICA	STATE	494.69		
155079	05/11/16	BANK OF AMERICA	STATE	15,570.42		
155080	05/31/16	GOLDEN STATE WATER	WATER	12,566.77		
155081	05/31/16	GRAINGER	CELL PHONE CASE / IPHO	14.12	9100826149	
155081	05/31/16	GRAINGER	CELL PHONE CASE / IPHO	28.24	3100826156	
155082	05/31/16	GRIFFIN STRUCTURES I	12176 S & R CLUB ASSESME	7,056.00	GSI-SDSR-03	
155083	05/31/16	GROVER & ASSOCIATES/	12320 T.E. SERVICES	1,800.00	16226-IN	
155084	05/31/16	GUADEZ/LAMBERT	11058 INSTR.DANCE 4/5-5/31	217.60		
155085	05/31/16	GUESS/WENDY	10435 REIMB.TROPHIES &I MED	385.35	34045-18	

*CHECK TOTAL

*CHECK TOTAL

N D 053.4410.022.004
N D 001.4342.033.000
N D 001.4342.033.000
N D 021.4430.430.006
N D 001.4345.020.001
M D 001.4420.020.000
N D 110.213.148

WARRANT DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM INVOICE	PO#
BANK OF AMERICA					
155135	05/31/16	SMITH/BARD			
155136	05/31/16	SOCAL COMPLIANCE SER	244.80		
155137	05/31/16	SONSRAY MACHINERY LL	300.00	00004928	
155138	05/31/16	SOUTHEAST CONSTR PRO	95.30	P10982-02	
155139	05/31/16	SOUTHERN CALIF EDIISO	150.42	1110390-1	
155139	05/31/16	SOUTHERN CALIF EDIISO	566.36		
155139	05/31/16	SOUTHERN CALIF EDIISO	69.85		
155139	05/31/16	SOUTHERN CALIF EDIISO	31.02		
155139	05/31/16	SOUTHERN CALIF EDIISO	49.24		
155139	05/31/16	SOUTHERN CALIF EDIISO	61.86		
155139	05/31/16	SOUTHERN CALIF EDIISO	40.88		
155139	05/31/16	SOUTHERN CALIF EDIISO	59.79		
155139	05/31/16	SOUTHERN CALIF EDIISO	145.77		
155139	05/31/16	SOUTHERN CALIF EDIISO	183.77		
155139	05/31/16	SOUTHERN CALIF EDIISO	26.46		
155139	05/31/16	SOUTHERN CALIF EDIISO	27.20		
155139	05/31/16	SOUTHERN CALIF EDIISO	287.21		
155139	05/31/16	SOUTHERN CALIF EDIISO	41,195.49		
155139	05/31/16	SOUTHERN CALIF EDIISO	42,909.06		
*CHECK TOTAL					
10995		REBUILD HYDRAULIC CYL	470.00	160272	
10916		INSTR. SHOOT'N STARS M	367.20		
10307		REIMB. UCLA EXT. CLASS	635.00	266296W	
10393		INSTR. DANCE 4/5-5/2	1,548.36		
11214		INSTR. GOLF 5/3-5/23	155.80		
12055		RESET & CLEAN FIRE AL	780.00	371951	
17056		SDI01 NEW TICKET CHAR	115.50	420160642	
12322		SHOOT'NSTAR CAMP DE	2,800.00	REG-0010204592	
17098		ADULT SOFTBALL TROPHIE	65.40	21183	
11118		RELAY KEY PAD REPAIR	150.00	25256	
11204		BIKE RACKS, BENCHES	11,913.64	S134231	
17172		ACRIGLO EGGSHELL WHITE	55.02	2016-735362-00	
155140	05/31/16	SOUTHWEST WEAR PARTS			
155141	05/31/16	SPAHR/CANDIDA			
155142	05/31/16	STEVENS/LARRY			
155143	05/31/16	TIPPI TOES			
155144	05/31/16	TOGETHER GROWING THE			
155145	05/31/16	TRL SYSTEMS, INC			
155146	05/31/16	UNDERGROUND SERVICE			
155147	05/31/16	USA SUMMER CAMPS			
155148	05/31/16	VALLEY TROPHY			
155149	05/31/16	VAN GAALEN CONSTRUCT			
155150	05/31/16	VICTOR STANLEY, INC.			
155151	05/31/16	VISTA PAINT CORPORAT			

WARRANT	DATE	VENDOR	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#
155152	05/31/16	BANK OF AMERICA	INSTR.KARATE MAY	872.10			
155153	05/31/16	WALCZAK/BEVERLY	INSTR.KARATE MAY	872.10			
155154	05/31/16	WALCZAK/JEROME	HYPOCHLORITE SOLUTION	343.22		5336630	
155154	05/31/16	WATERLINE TECHNOLOGI	HYPOCHLORITE SOLUTION	332.49		5337435	
155154	05/31/16	WATERLINE TECHNOLOGI		675.71		*CHECK TOTAL	
155155	05/31/16	WITROW/ALLAN	REFUND CITE#111124554	45.00		7GVA080	
155156	05/31/16	YOUNG REMBRANDTS	INSTR.DRAWING 4/18-5/	856.80			
155157	05/31/16	ZALLO/ROBERT W	INSTR.TAI CHI MAY	163.20			
		BANK OF AMERICA	TOTAL	758,155.05			

F 9 S ACCOUNT

ACS FINANCIAL SYSTEM
05/18/2016 15:05:39
WARRANT DATE VENDOR
REPORT TOTALS:

GL540R-V07.27 PAGE
12
CITY OF SAN DIMAS
F 9 S ACCOUNT

DESCRIPTION	Disbursement Journal	CLAIM	INVOICE	PO#
	AMOUNT			
	758,155.05			

RECORDS PRINTED - 000357

Disbursement Journal

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL FUND	593,113.70
002	WALKER HOUSE	1,128.97
003	SEWER EXPANSION	1,208.41
007	CITY WIDE LIGHTING DISTRICT	41,800.44
008	LANDS WIDE PARCEL TAX PLACEMENT	11,477.03
012	INTEGRATED UTILITY DEVELOPMENT	1,772.00
020	COMMUNITY PARK (N & W)	5,289.21
027	OPEN SPACE #1 PARKING DIST	1,746.74
034	CIVILICENTER AUTHORITY 2-1-12	1,401.91
038	HOUSING AGENCY CC OPERATIO	12,787.98
053	SUCCESSOR AGENCY CC OPERATIO	3,941.79
070	SOFT COURSE REPLACEMENT	3,203.25
072	FOOTPRINT REPLACEMENT	37,543.86
073	PROP A LOCAL TRANSPORTATION	
110	PROP C LOCAL TRANSPORTATION	
	TRUST AND AGENCY	
	TOTAL ALL FUNDS	758,155.05

BANK	NAME	DISBURSEMENTS
CHEK	BANK OF AMERICA	758,155.05
	TOTAL ALL BANKS	758,155.05

ORDINANCE 1245

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES REPEALING SECTION 13.16.040 – FIREWORKS- EXPLOSIVES AND ADDING SECTION 9.27 – FIREWORKS PROHIBITED

The City Council of the City of San Dimas, County of Los Angeles does hereby ordain as follows:

SECTION 1. Section 13.16.040 of Chapter 13.16 of the San Dimas Municipal Code is hereby repealed.

SECTION 2. Title 9 of the San Dimas Municipal Code is hereby amended by adding thereto a new Chapter 9.27 to read as follows:

9.27: Fireworks Prohibited

No person shall manufacture, possess, sell, offer for sale, store, display, dispose of, give away, keep stock, discharge, explode, fire or set off any fireworks within the City of San Dimas, including to but not limited to, safe and sane, dangerous, and exempt fireworks as defined by Sections 12505, 12508, 12511 and 12529 of the Health and Safety Code of the State of California. No public displays of fireworks shall be permitted.

SECTION 3. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 4. EFFECTIVE DATE AND PUBLICATION. This Ordinance shall take effect 30 days after its final passage, and within 15 days after its passage the City Clerk shall cause it or a summary to be published in the Inland Valley Daily Bulletin, a newspaper of general circulation (GC§40806) in the City of San Dimas hereby designated for that purpose.

PASSED, APPROVED AND ADOPTED by the City Council of the City of San Dimas this 24th, day of May, 2016.

Curtis W. Morris, Mayor City of San Dimas

ATTEST:

APPROVED AS TO FORM:

Debra Black, Assistant City Clerk

Adrian Guerra, City Attorney

I, DEBRA BLACK, ASSISTANT CITY CLERK of the City of San Dimas, do hereby certify that Ordinance was introduced at a regular meeting of the City Council of the City of San Dimas on the 10th day of May, 2016, and thereafter passed, approved and adopted at a regular meeting of said City Council held on the 24th, day of May, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Black, Assistant City Clerk



**REGULAR CITY COUNCIL MINUTES
TUESDAY MAY 10, 2016, 7:00 P. M.
SAN DIMAS COUNCIL CHAMBERS
245 E. BONITA AVE.**

CITY COUNCIL:

Mayor Curtis W. Morris
Mayor Pro Tem Emmett Badar
Councilmember Denis Bertone
Councilmember John Ebiner
Councilmember Jeff Templeman

STAFF:

City Manager Blaine Michaelis
Assistant City Manager Ken Duran
Assistant City Manager of Development Service Larry Stevens
City Attorney Mark Steres
Director of Parks and Recreation Theresa Bruns
Director of Public Works Krishna Patel
Associate Planner Luis Torrico
Assistant

1. CALL TO ORDER AND FLAG SALUTE

Mayor Morris called the meeting to order at 7:00 p.m. and led the flag salute.

2. ORAL COMMUNICATIONS (Members of the audience are invited to address the City Council on any item not on the agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda. However, your concerns may be referred to staff or set for discussion at a later date. If you desire to address the City Council on an item on this agenda, other than a scheduled public hearing item you may do so at this time and ask to be heard when that agenda item is considered. Comments on public hearing items will be considered when that item is scheduled for discussion. The Public Comment period is limited to 30 minutes. Each speaker shall be limited to three (3) minutes.)

a. Members of the Audience

- Evan Celaya San Dimas High School activities and announcements
- Michael Kelly Principal of San Dimas High School announcement of Evan Celaya's acceptance to University of Southern California
- Nancy Munoz, Teen and Adult Services Programs with the Los Angeles County Library activities and announcements
- Margie Green McKinley Children's Center activities and announcements

- Resident Gabriel Flores requested that she and fellow residents Nicole Mayer, Jim Robertson, Chelsea Todd, Claudia Flores be contacted with information on the upcoming MetroLink meeting
- Terri Muse Waste Management announcement of recent truck fire
- Bob Pence Field Representative/Caseworker with Congresswoman Grace F. Napolitano Invitation to 5th Annual Veterans Forum

3. CONSENT CALENDAR

(All items on the Consent Calendar are considered to be routine and will be enacted by one motion unless a member of the City Council requests separate discussion.)

a. Resolutions read by title, further reading waived, passage and adoption recommended as follows:

RESOLUTION 2016-23, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, CALIFORNIA, APPROVING CERTAIN DEMANDS FOR THE MONTHS OF APRIL AND MAY 2016

- b. Approval of minutes for the April 12, 2016 Regular City Council Meeting, April 25, 2016 Staff Retreat and April 26, 2016 Regular City Council Meeting.**
- c. Waiver of Formal Bid Process to Purchase Signal Poles and Signal Equipment from McCain, Inc. for Traffic Signal Improvement Equipment at Foothill Blvd at San Dimas Canyon Road and Cienega Ave at Lone Hill Ave**
- d. ORDINANCE 1244, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES ADOPTING MUNICIPAL CODE TEXT AMENDMENT 15-10 TO ALLOW ALCOHOLIC BEVERAGE MANUFACTURING AND TASTING ROOMS IN THE M-1 ZONE, CREATIVE GROWTH ZONE, AREA 4, SPECIFIC PLAN NO. 6, AREAS 1, 3, AND 4, SPECIFIC PLAN NO. 21, AND SPECIFIC PLAN NO. 24, AREAS 2 AND 3 (SECOND READING AND ADOPTION)**
- e. Reject claim for damages filed by Syed Ahmed (1934950)**

END OF CONSENT CALENDAR

Councilmember Ebner requested the following modifications be made to the Special City Council Minutes of April 25, 2016: Councilmember Ebner returned to the room after discussion of items four and ten.

Action: Motion/second by Councilmember Ebner/Badar to approve the consent calendar with the requested modifications to the Special Minutes of April 25, 2016. The motion carried unanimously.

Yes: Badar, Bertone, Ebner, Templeman, Morris

Noes: None

Absent: None

Abstain: None

4. PUBLIC HEARINGS

- a. **Tentative Tract Map 70583 Revision No. 1- Revision to Tentative Tract Map 70583, Brasada, a request to increase the number of lots from 61 to 65 within the existing grading footprint on property located at the northerly terminus of Cataract Avenue on approximately 270 acres in the Northern Foothills**

RESOLUTION 2016-24, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES RECOMMENDING APPROVAL OF REVISION NO. 1 TO TENTATIVE TRACT MAP NO. 70583, A REQUEST TO INCREASE THE NUMBER OF LOTS FROM 61 TO 65 WITHIN THE EXISTING GRADING FOOTPRINT ON PROPERTY LOCATED AT THE NORTHERLY TERMINUS OF CATARACT AVENUE ON APPROXIMATELY 270 ACRES IN THE NORTHERN FOOTHILLS

Recommendation: Staff and Planning Commission recommend adoption of Resolution 2016-21, approval of Tentative Tract Map 70583, Revision #1 subject the recommended Conditions of Approval

Assistant City Manager Community Development Larry Stevens presented staff's report on this item.

Mayor Morris opened the public hearing for those in support of the project to speak (7:25 pm)

- Stan Stringfellow representative for NJD highlighted some of the enhancements of the project and thanked staff for helping to make this happen.

Seeing no one else come forward to speak **Mayor Morris** closed the public hearing and brought the item back to council for discussion. There being no discussion Mayor Morris called for a vote.

Action: Motion/second by Councilmember Badar/Templeman to waive further reading and adopt Resolution 2016-21, A Resolution of the City Council of the City of San Dimas, county of Los Angeles Recommending Approval of Revision No. 1 to Tentative Tract Map No. 70583, a Request to Increase the Number of Lots from 61 to 65 within the Existing Grading Footprint on Property Located at the Northerly Terminus of Cataract Avenue on Approximately 270 Acres in the Northern Foothills. The motion carried by vote of five to zero. (5-0)

Yes: Badar, Bertone, Ebner, Templeman, Morris
Noes: None
Absent: None
Abstain: None

5. PLANNING MATTERS

a. Mills Act Contract 15-01 – Consideration of a Mills Act Contract for property located at 528 N. San Dimas Avenue (APN: 8387-005-008)

RESOLUTION 2016-25, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, APPROVING THE ATTACHED HISTORIC PROPERTY PRESERVATION AGREEMENT, PURSUANT TO THE MILLS ACT, FOR THE SINGLE FAMILY RESIDENCE AT 528 NORTH SAN DIMAS AVENUE.

Recommendation: Approve Resolution 2016-25 and authorize the City Manager to execute the Mills Act Contract with the property owners of 528 N. San Dimas Avenue on behalf of the City.

Councilmember Ebiner left the dais at 7:32 p.m. because of conflict of interest.

Associate Planner Luis Torrico presented staff's report along with a PowerPoint presentation. He pointed out a correction to be made to Section 2 of Resolution 2016-25, from Mayor to City Manager.

Councilmember Templeman emphasized the importance of the property owner's awareness of the improvement materials to be used in meeting the guidelines of this project. He asked staff to make sure that the city has an architect familiar with this type of project that can assist staff.

Assistant City Manager Development Services Larry Stevens responded that the city does have historic architects as resources.

Homeowner Amanda Redd confirmed that she understood the requirements and guidelines associated with this project.

Action: Motion/seconded by Councilmember Templeman/Bertone to waive further reading and approve Resolution 2016-25, Approving the Attached Historic Property Preservation Agreement, Pursuant to the Mills Act, for the Single Family Residence at 528 North San Dimas Avenue. The motion carried by vote of four to zero. (4-0)

Yes: Badar, Bertone, Templeman, Morris
Noes: None
Absent: None
Abstain: Ebiner

Councilmember Ebiner returned to the dais at 7:42 pm.

6. OTHER MATTERS

a. Increase Dog License Fee

RESOLUTION 2016-26, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, APPROVING AN

INCREASE IN DOG LICENSE FEES FOR THE CITY OF SAN DIMAS

Ken Duran presented staff's report on this item.

Recommendation: Approve Resolution 2016-26 increasing the dog license fees effective July 1, 2016.

Action: By motion/second by Councilmembers Bertone/Ebner to waive further reading and approve Resolution 2016-26, Approving an Increase in Dog License Fees for the City Of San Dimas. The motion carried by vote of five to zero. (5-0)

Yes: Badar, Bertone, Ebner, Templeman, Morris
Noes: None
Absent: None
Abstain: None

b. San Dimas Dial-a-Cab Fee Increase

Ken Duran presented staff's report on this item

Recommendation: Approve \$0.50 fare increase for all rider categories effective July 1, 2016.

Action: By motion/second by Councilmembers Bertone/Badar to approve \$0.50 fare increase for San Dimas Dial-a-Cab. The motion carried by vote of four to one. (4-1)

Yes: Badar, Bertone, Ebner, Templeman
Noes: Ebner
Absent: None
Abstain: None

Councilmember Ebner explained that he could not support an increase at this point because of the effect on the Seniors who use this service. He would support no increase or lowering the amount of the increase.

c. Amend the Municipal Code to Clarify the Prohibition of Fireworks in the City

ORDINANCE 1245, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES REPEALING SECTION 13.16.040 – FIREWORKS-EXPLOSIVES AND ADDING SECTION 9.27 – FIREWORKS PROHIBITED

Ken Duran presented staff's report on this item.

Recommendation: First reading and introduce Ordinance 1245.

Action: Motion/seconded by Councilmembers Templeman/Ebiner to read by title and introduce Ordinance 1245, An Ordinance of the City Council of the City of San Dimas, County of Los Angeles Repealing Section 13.16.040 – Fireworks-Explosives and Adding Section 9.27 – Fireworks Prohibited. The motion carried by vote of five to zero. (5-0)

Yes: Badar, Bertone, Ebiner, Templeman, Morris
Noes: None
Absent: None
Abstain: None

7. ORAL COMMUNICATIONS

Members of the Audience (Speakers are limited to five (5) minutes or as may be determined by the Chair.)

No one presented.

c. City Manager

Mayor's Call in Show cancelled this week.

d. City Attorney

Announcement of closed session and absence from meeting of May 24, 2016.

d. Members of the City Council

1) Councilmembers' report on meetings attended at the expense of the local agency.

Nothing reported.

2) Individual Members' comments and updates

Councilmember Bertone announced the Teacher of the Year event sponsored by the Chamber of Commerce.

The meeting adjourned to closed session at 8:15 p.m.

8. CLOSED SESSION

a. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR – G.C. 54956.8**

Property: Portions of Horsethief Canyon Park

Negotiating Parties:

For City: Blaine Michaelis, City Manager; Larry Stevens Assistant City Manager for Development Services; Mark Steres City Attorney.

For Buyer: John Graham San Dimas Urban Village Partners

Under Negotiation: Possible sale of property and terms and conditions associated with that possible sale.

b. **CONFERENCE WITH LABOR NEGOTIATOR – G.C. Section 54957.6**

City Representative: Blaine Michaelis, City Manager

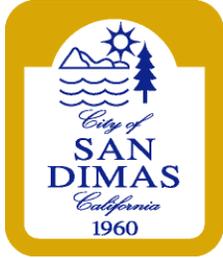
Employee Group: San Dimas Employees' Association

Council reconvened in Council Chambers at 9:35 p.m., where the City Attorney announced that there were no actions taken and nothing to report on the two items listed on the agenda. The meeting adjourned at 9:40 p.m.

Respectfully submitted,

Debra Black
Assistant City Clerk

Curtis W. Morris
Mayor



Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
For the Meeting of May 24, 2016

From: Blaine Michaelis, City Manager

Initiated by: Michael O'Brien

Subject: Proposed City Investment Policy for Fiscal Year ending June 30, 2017

SUMMARY

Annual approval of Statement of Investment Policy

BACKGROUND

The City is required each year to have our Statement of Investment Policy approved by City Council. Attached is a copy of the Policy for FY 2016 – 17.

DISCUSSION/ANALYSIS

The attached Investment Policy includes updates to the listing of authorized investments and an expanded definition of objectives for investing. The Investment policy also expands its guidelines for diversification of securities and maturities including a maturity matrix to guide our investment decision making. This investment policy adds a guideline for authorization and delegation of investing authority, performance standards and investment reporting.

RECOMMENDATION

It is therefore recommended that the City Council receive, approve and file the attached Statement of Investment Policy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael O'Brien". The signature is written in a cursive, flowing style.

Michael O'Brien, Administrative Services Manager

Attachments:

(A) Proposed Investment Policy for Fiscal Year ending June 30, 2017



CITY OF SAN DIMAS

STATEMENT OF INVESTMENT POLICY

1. **POLICY:** It is the policy of the City of San Dimas to invest public funds in a manner that will provide an optimal combination of security and investment return while meeting the daily cash flow demands of the City and conforming to all State and local statutes governing the investment of public funds.
2. **SCOPE:** This investment policy applies to the investment of all financial assets of the City, except for those of the City's deferred compensation plans, the management of which is distinct and is not governed by this Investment Policy, and bond and financing proceeds, which will be made in accordance with the provisions of the applicable indentures. For the purpose of investment of bond and financing proceeds into vehicles authorized by the provisions of the applicable indentures but not by this policy, all funds are pooled with the General Fund to facilitate ease of handling and to minimize costs of maintaining multiple investment accounts. Earnings on the pool of funds are allocated on a periodic basis to the respective individual funds.
3. **PRUDENCE:** California Government Code section 53600.3 classifies all governing bodies of local agencies or persons authorized to make investment decision on behalf of those local agencies investing public funds as trustees, and therefore fiduciaries subject to the prudent investor standard. The prudent investor standard requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.
4. **OBJECTIVES:** The Chief objectives, in priority order, of the City's Investment activities shall be:
 - **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments to minimize the risk of loss resulting from over concentration of assets in a specific maturity range, of a specific issuer, or in a specific class of securities.
 - **Liquidity:** The City's investment portfolio will be managed to ensure sufficient liquidity to enable the City to meet all reasonably anticipated operating

requirements, and should consist of securities with an active secondary or resale market.

- Return on Investment: The City's investment portfolio shall be designed with the objective of attaining an optimal return throughout budgetary and economic cycles within established portfolio safety and liquidity parameters.
5. AUTHORIZATION AND DELEGATION OF AUTHORITY: Under and as specified by California Government Code Section 53601, the legislative body of a local agency (i.e., the City Council) is authorized to invest money in its treasury that is not required for immediate needs. As permitted under California Government Code Section 53607, the City Council with the approval of this Policy delegates management responsibility for the investment program for a concurrent and renewable period of one-year to the City Treasurer or in his/her designee, who shall assume full responsibility for those transactions until the delegation of the authority is revoked or expires, and who shall make a monthly report of those transactions to the city Council.
 6. ETHICS AND CONFLICTS OF INTEREST: All City officers and employees involved in the City's investment process shall act responsibly as custodians of the public trust, and refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment and portfolio management decisions.
 7. AUTHORIZED AND SUITABLE INVESTMENTS: The City is empowered by statute (California Government Code Section 53600 et se.) to invest money in certain types of securities and funds. Within that empowerment, the City restricts eligible securities and funds to those listed below. Each type listed is subject to various specific requirements and restrictions, imposed by the above referenced California Government Code Section, and by the City by way of this Investment Policy.
 - U.S. Treasury Securities
 - Federal Agency and U.S. Government-Sponsored Enterprise Obligations
 - Medium Term Notes
 - Commercial Paper
 - Time Deposits (including non-negotiable Certificates of Deposit)
 - Negotiable Certificates of Deposit
 - Bankers' Acceptances
 - Local Agency Investment Fund (LAIF)
 - Cal Trust
 - Shares of Beneficial Interest issued by a Joint Powers Authority
 - Repurchase Agreements
 - Mutual Funds
 - Money Market Mutual Funds
 - U.S. Supranational Securities

Except as specifically authorized by the City Council in advance, no investment shall be made in any security that at the time of investment has a term remaining to maturity in excess of five years.

As a Local Agency, the City is specifically prohibited from investing in inverse floaters, range notes, mortgage-derived interest-only strips, or any securities that could result in zero interest accrual if held to maturity (California Government Code section 53601.6).

- 8. **SAFEKEEPING AND CUSTODY:** All security transactions shall be conducted on a deliver-versus-payment (DVP) basis. Securities shall be held by a third party qualified custodian and evidenced by monthly safekeeping statements.
- 9. **DIVERSIFICATION OF SECURITIES AND MATURITIES:** The City shall maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity range, of a specific issuer, or in a specific security type.

The City employs a passive investment strategy, by which the City's full intent at the time of purchase is to hold all investments until maturity. Investments shall be made and maintained to match the City's projected cash flow requirements. Investments shall be made in realization that market prices of securities will vary depending on economic and interest rate conditions at any point in time. In the context of both the City's immediate and/or projected cash flow requirements at any point in time and the City's primary investment goals (safety, liquidity, return on investment), the sale of individual securities prior to maturity for purposes of portfolio reconfiguration may be appropriate.

The City's maturity matrix guideline ranges are as follows:

<u>Maturity Range</u>	<u>Guideline Portfolio Percentage</u>
1 Day to 1 Year	30% - 100%
1 Year to 3 Years	5% - 60%
3 Years to 5 Years	0% - 40%

- 10. **INTERNAL CONTROLS:** Internal policies and procedures shall be maintained to assure that appropriate controls are in place to document and confirm all transactions. Transaction authority shall be separated from accounting and record keeping. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity and compliance with policies and procedures.
- 11. **PERFORMANCE STANDARDS:** Given the City's passive investment strategy and the strategy for maturities diversification, the average weighted maturity of the portfolio will normally approximate two years. The basis used by the Treasurer to determine whether market yields are being achieved shall be to bench mark portfolio returns as of the end of the month and the average of portfolio returns for the last twelve month ends against comparable two year Treasury Constant Maturity Yields.

12. **REPORTING:** The City Treasurer or his/her designee shall provide the City Council and the City Manager a monthly Investment Report within 30 days following the end of the month covered by the report. Each report shall be certified the City Treasurer or his/her designee, signifying compliance with the City's Investment Policy.

Each report shall include the type of investment, issuer, Par and dollar amount invested maturity date and interest rate. In accordance with California Government Code Section 53646, the City shall provide a copy of its Investment Policy and will supersede previous applicable language.

13. **LEGISLATIVE CHANGES:** Any State of California legislative action that further restricts allowable securities, investments, portfolio limits or any other elements of this policy will be incorporated in the City's Investment Policy and will supersede previous applicable language.

14. **INVESTMENT POLICY ADOPTION:** The City's Investment Policy shall be reviewed at least annually and adopted by resolution of the City Council at a public meeting. Any modification to the Investment Policy must be considered by the City Council at a public meeting.



Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
For the meeting of May 24, 2016

From: Blaine Michaelis, City Manager

Initiated by: Theresa Bruns, Director of Parks and Recreation

Subject: Public Hearing regarding Open Space Maintenance District No. 1 (Tract 32818, Boulevard) and the Adoption of the Resolution confirming the assessment.

SUMMARY

Conduct a Public Hearing and consider adopting a Resolution confirming the diagram and assessment for fiscal year 2016-17 for Open Space Maintenance District No. 1, Tract No. 32818, Boulevard.

BACKGROUND

On April 26, 2016 the City Council adopted Resolution No. 2016-21 approving the Engineer's Report and declaring its intention to levy and collect an assessment for fiscal year 2016-2017 for Open Space Maintenance District No. 1 (Tract No. 32818 - Boulevard) and set a Public Hearing for May 24, 2016.

The Engineer's Report was prepared with the scope of work to include general landscape maintenance, tree trimming, water, and electricity. No increase is proposed in the Assessment rate. The 2015-2016 assessment rate was \$532.58 per parcel and the rate proposed for 2016-2017 will remain at \$532.58. The last increase was adopted for fiscal year 2013-14 at 1.3%, or \$6.83.

A notice of the public hearing was published and mailed to each property owner within the district.

RECOMMENDATION

Staff recommends that the City Council conduct a public hearing on the proposed assessment rate for Open Space Maintenance District No. 1 (Tract No. 32818, Boulevard). At the conclusion of the public hearing the City Council may adopt the Resolution confirming the diagram and assessment for fiscal year 2016-2017 for Open Space Maintenance District No. 1 (Tract 32818, Boulevard).

Respectfully submitted,



Theresa Bruns
Director of Parks and Recreation

Attachments:

- (A) Resolution 20XX-XX
- (B) Engineer's Report for Fiscal Year 2016-2017 for Open Space Maintenance District No.1, Tract 32818, Boulevard

RESOLUTION 2016-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, CONFIRMING THE DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2016-2017 FOR OPEN SPACE MAINTENANCE DISTRICT NO. 1 (TRACT NO. 32818, BOULEVARD)

WHEREAS, The City Council of the City of San Dimas, County of Los Angeles, formed Open Space Maintenance District No. 1, pursuant to the Landscape and Lighting Act of 1972, by adopting Resolution No. 77-57; and

WHEREAS, by Resolution No. 2016-21, adopted on April 26, 2016, the City Council approved the Engineer's Report which indicates the amount of the proposed assessments for the fiscal year 2016-2017, the district boundary, the assessment zones, and detailed description of improvements; and

WHEREAS, in said Resolution No. 2016-21, the City Council did declare its intention to levy and collect an assessment within Open Space District 1, for fiscal year 2016-2017, and fixed the 24th day of May, 2016, at 7:00p.m., as the date and time, and the San Dimas Council Chamber as the place for hearing any objections to the levy of the proposed assessment; and

WHEREAS, notice of said hearing has been posted and published in accordance with law; and

WHEREAS, the said City Council has held said hearing, has afforded all interested persons the opportunity to hear and be heard, and has considered all oral statements and all written protests made or filed by any interested person.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of San Dimas, does hereby resolve that:

1. The assessments, as shown in the Engineer's Report, a copy of which is attached hereto, are approved, and the adoption of this resolution constitutes the levy of said assessments for the 2016-2017 fiscal year.
2. The City Clerk of the City of San Dimas is hereby authorized and directed to file a certified copy of the diagram and assessments with the County Auditor of the County of Los Angeles no later than the 1st day August, 2016.
3. The City Council hereby orders the annual maintenance program work as set forth in said resolution of intention to be done.

PASSED, APPROVED AND ADOPTED this 24th day of May, 2016.

Curtis W. Morris, Mayor City of San Dimas

ATTEST:

Debra Black, Assistant City Clerk

I, Debra Black, Assistant City Clerk, hereby certify that Resolution 2016-28 was adopted by the City Council of San Dimas at its regular meeting of May 24th, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Black, Assistant City Clerk

CITY OF SAN DIMAS
OPEN SPACE MAINTENANCE DISTRICT NO. 1
(TRACT 32818, BOULEVARD DEVELOPMENT)

**ENGINEER'S REPORT
FISCAL YEAR 2016-2017**

SECTION 1. AUTHORITY FOR REPORT

This report is prepared pursuant to the order of the City Council of the City of San Dimas, and in compliance with the requirements of Article 4, Chapter 1, Landscaping and Lighting Act of 1972, and Article XIII D of the California Constitution.

SECTION 2. THE IMPROVEMENTS

The improvements consist of an irrigation system and landscaping within Lot 20 of Tract No. 32818, which was required to be installed by the developer and accepted for maintenance by the City. The plans and specifications for the landscaping are in conformance with the requirements of the conditions of approval of said Tract No. 32818, and City Standards. Reference is hereby made to the said plans and specifications for the exact location and nature of the landscape improvements. Said plans and specifications by reference are hereby made a part of this report, and are on file in the office of the City Engineer.

SECTION 3. DIAGRAM FOR THE ASSESSMENT DISTRICT

A copy of the assessment diagram is on file in the office of the City Engineer.

SECTION 4. ESTIMATE OF COSTS OF THE IMPROVEMENTS

The cost of the initial landscaping of Lot 20 of Tract 32818 was borne by the subdivider; therefore, all assessments relate to maintenance only.

Direct Maintenance Costs:

General Maintenance (by Contract)	\$	3,860
Tree Trimming	\$	600
Utilities - Electrical	\$	320
Utilities - Water	\$	3,000
Irrigation Repair	\$	-
Total of Direct Maintenance Costs	\$	7,780

CURRENT ASSESSMENT:	\$	10,119	(\$532.58/parcel)
2016-17 ANNUAL ASSESSMENT:	\$	10,119	(\$532.58/parcel)

2016-17 Fund Balance	\$2,339
Prior Fund Balance	\$7,490
Ending Fund Balance	\$9,829

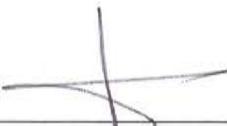
The City has funded an unrealized balance over time based upon the approval of an annual adjustment to reflect changes in the Consumer Price Index to eventually recuperate this balance over time, and to then begin to develop a fund balance for future extraordinary expenses.

SECTION 5. ASSESSMENT

The following information regarding assessments to individual lots for the 2016-2017 Fiscal Year is contained herein and is to be levied on July 1, 2016. The net amount estimated to be assessed upon the assessable lands within the district is \$10,119 which is apportioned to all assessable lots shown on the attached Assessment Roll.

The landscape district was developed for the benefit and enjoyment of all properties included within the assessment district boundaries, and all parcels benefit equally from the improvements.

Respectfully submitted,



KRISHNA PATEL
DIRECTOR OF PUBLIC WORKS

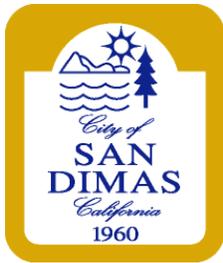


DOMINIC C. MILANO P.E.
CITY ENGINEER

**CITY OF SAN DIMAS ASSESSMENT ROLL FOR
OPEN SPACE MAINTENANCE DISTRICT NO. 1**

Boulevard

ADDRESS	TRACT 32818, LOT NO.	ASSESSOR'S REFERENCE	2015-2016 ASSESSMENT	2016-2017 ASSESSMENT INCREASE	TOTAL 2016-2017 ASSESSMENT
1204 Via Verde	4	8448-021-027	532.58	0.00	532.58
1228 Via Verde	7	8448-021-032	532.58	0.00	532.58
1236 Via Verde	8	8448-021-033	532.58	0.00	532.58
1244 Via Verde	9	8448-021-034	532.58	0.00	532.58
1252 Via Verde	10	8448-021-035	532.58	0.00	532.58
1260 Via Verde	11	8448-021-036	532.58	0.00	532.58
1306 Via Verde	12	8448-021-037	532.58	0.00	532.58
1318 Via Verde	13	8448-021-038	532.58	0.00	532.58
1322 Via Verde	14	8448-021-039	532.58	0.00	532.58
1330 Via Verde	15	8448-021-040	532.58	0.00	532.58
1338 Via Verde	16	8448-021-041	532.58	0.00	532.58
1346 Via Verde	17	8448-021-042	532.58	0.00	532.58
1354 Via Verde	18	8448-021-043	532.58	0.00	532.58
1362 Via Verde	19	8448-021-044	532.58	0.00	532.58
1219 Paseo Dorado	1	8448-021-046	532.58	0.00	532.58
1203 Paseo Dorado	3	8448-021-047	532.58	0.00	532.58
1220 Via Verde	6	8448-021-048	532.58	0.00	532.58
1211 Paseo Dorado	2	8448-021-049	532.58	0.00	532.58
1212 Via Verde	5	8448-021-050	532.58	0.00	532.58
			10119.02	0.00	10119.02



Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
For the meeting of May 24, 2016

From: Blaine Michaelis, City Manager

Initiated by: Theresa Bruns, Director of Parks and Recreation

Subject: Public Hearing regarding Open Space Maintenance District No. 1 Annexation No. 3 (Tract 32841, Northwoods) and the Adoption of a Resolution confirming the assessment.

SUMMARY

Conduct a Public Hearing and consider adopting a Resolution confirming the diagram and assessment for fiscal year 2016-17 for Open Space Maintenance District No. 1 Annexation No. 3 (Tract No. 32841, Northwoods).

BACKGROUND

On April 26, 2016 the City Council adopted Resolution No. 2016-22 approving the Engineer's Report and declaring its intention to levy and collect an assessment for fiscal year 2016-2017 for Open Space Maintenance District No. 1 Annexation No. 3 (Tract No. 32841, Northwoods) and set a Public Hearing for May 24, 2016.

The Engineer's Report was prepared with the scope of work to include general landscape maintenance, tree trimming, water, and electricity. No increase is proposed in the assessment rate. The 2015-2016 assessment rate was \$898.42 per parcel and the rate proposed for 2016-2017 will remain at \$898.42.

A notice of the public hearing was published and mailed to each property owner within the district

RECOMMENDATION

Staff recommends that the City Council conduct a public hearing on the proposed assessment rate for Open Space Maintenance District No. 1 Annexation No. 3 (Tract No. 32841, Northwoods). At the conclusion of the Public Hearing the City Council may adopt a Resolution confirming the diagram and assessment for fiscal year 2016-2017 for Open Space Maintenance District No. 1 Annexation No. 3 (Tract 32841, Northwoods).

Respectfully submitted,



Theresa Bruns
Director of Parks and Recreation

Attachments:

- (A) Resolution 20XX-XX
- (B) Engineer's Report for Fiscal Year 2016-2017 for Open Space Maintenance District No.1, Annexation No. 3, Tract 32841, Northwoods

RESOLUTION 2016-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, CONFIRMING THE DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2016-2017 FOR OPEN SPACE MAINTENANCE DISTRICT NO. 1 ANNEXATION NO. 3 (TRACT NO. 32841, NORTHWOODS)

WHEREAS, The City Council of the City of San Dimas, County of Los Angeles, formed Open Space Maintenance District No. 1, Annexation No. 3, pursuant to the terms and provisions of the Landscaping and Lighting Act of 1972, by adopting Resolution No. 78-38; and

WHEREAS, by Resolution No. 2016-22, adopted on April 26, 2016, the City Council approved the Engineer's Report which indicates the amount of the proposed assessments for the fiscal year 2016-2017, the district boundary, the assessment zones, and detailed description of improvements; and

WHEREAS, in said Resolution No. 2016-22, the City Council did declare its intention to levy and collect assessments within Open Space District 1, Annexation No. 3, for fiscal year 2016-2017, and fixed the 24th day of May, 2016, at 7:00p.m., as the date and time, and the San Dimas Council Chamber as the place for hearing any objections to the levy of the proposed assessment; and

WHEREAS, notice of said hearing has been posted and published in accordance with law; and

WHEREAS, the said City Council has held said hearing, has afforded all interested persons the opportunity to hear and be heard, and has considered all oral statements and all written protests made or filed by any interested person.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of San Dimas, does hereby resolve that:

1. The assessments, as shown in the Engineer's Report, a copy of which is attached hereto, are approved, and the adoption of this resolution constitutes the levy of said assessments for the 2016-2017 fiscal year.
2. The City Clerk of the City of San Dimas is hereby authorized and directed to file a certified copy of the diagram and assessments with the County Auditor of the County of Los Angeles no later than the 1st day August, 2016.
3. The City Council hereby orders the annual maintenance program work as set forth in said resolution of intention to be done.

PASSED, APPROVED AND ADOPTED this 24th, day of May, 2016.

Curtis W. Morris, Mayor City of San Dimas

ATTEST:

Debra Black, Assistant City Clerk

I, Debra Black, Assistant City Clerk, hereby certify that Resolution 20XX-XX was adopted by the City Council of San Dimas at its regular meeting of May 24th, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Black, Assistant City Clerk

CITY OF SAN DIMAS
OPEN SPACE MAINTENANCE DISTRICT NO.1, ANNEXATION NO. 3
(TRACT 32841, NORTHWOODS DEVELOPMENT)

**ENGINEER'S REPORT
FISCAL YEAR 2016-2017**

SECTION 1 AUTHORITY FOR REPORT

This report is prepared pursuant to the order of the City Council of the City of San Dimas, and in compliance with the requirements of Article 4, Chapter 1, Landscaping and Lighting Act of 1972, and Article XIII D of the California Constitution.

SECTION 2 THE IMPROVEMENTS

The improvements consist of an irrigation system and landscaping of easements within Tract No. 32841, which was required to be installed by the developer and accepted for maintenance by the City. The plans and specifications for the landscaping are in conformance with the requirements of the conditions of approval of said Tract No. 32841, and City Standards. Reference is hereby made to the said plans and specifications for the exact location and nature of the landscape improvements. Said plans and specifications by reference are hereby made a part of this report, and are on file in the office of the City Engineer.

SECTION 3 DIAGRAM FOR THE ASSESSMENT DISTRICT

A copy of the assessment diagram is on file in the office of the City Engineer.

SECTION 4 ESTIMATE OF COSTS OF THE IMPROVEMENTS

The cost of the initial landscaping of Tract 32841 was borne by the subdivider; therefore, all assessments relate to maintenance only.

Direct Maintenance Costs:

General Maintenance (by Contract)	\$16,900
Utilities – Electrical	\$ 950
Utilities – Water	\$15,000
Tree Trimming	\$ 2,500
New Planting	\$ 0
Irrigation Repairs or Upgrades	\$ 3,000
Total of Direct Maintenance Costs:	\$38,350

CURRENT ASSESSMENT:	\$34,140 (\$898.42/parcel)
2016-17 ANNUAL ASSESSMENT:	\$34,140 (\$898.42/parcel)

2016-17 Fund Balance <\$4,210>

Prior Fund Balance	\$ 9,845
Ending Fund Balance	\$ 5,635

SECTION 5 ASSESSMENT

The following information regarding assessments to individual lots for the 2016-2017 Fiscal Year is contained herein and is to be levied on July 1, 2016. The net amount estimated to be assessed upon the assessable lands within the district is \$34,140, which is apportioned to all assessable lots shown on the attached Assessment Roll.

The landscape district was developed for the benefit and enjoyment of all properties included within the assessment district boundaries, and all parcels benefit equally from the improvements.

Respectfully submitted,



KRISHNA PATEL
DIRECTOR OF PUBLIC WORKS



DOMINIC C MILANO P.E.
CITY ENGINEER

CITY OF SAN DIMAS ASSESSMENT ROLL FOR			
OPEN SPACE MAINTENANCE DISTRICT NO. 1, ANNEXATION No. 3			
Northwoods			
ADDRESS	TRACT 32841, LOT NO.	ASSESSOR'S REFERENCE	2016-2017 ASSESSMENT
1793 Calle Alto	1	8395-023-002	898.42
1789 Calle Alto	2	8395-023-003	898.42
1785 Calle Alto	3	8395-023-004	898.42
1781 Calle Alto	4	8395-023-005	898.42
1777 Calle Alto	5	8395-023-006	898.42
1773 Calle Alto	6	8395-023-007	898.42
1767 Calle Alto	7	8395-023-008	898.42
1765 Calle Alto	8	8395-023-009	898.42
1761 Calle Alto	9	8395-023-010	898.42
1757 Calle Alto	10	8395-023-011	898.42
1753 Calle Alto	11	8395-023-012	898.42
1749 Calle Alto	12	8395-023-013	898.42
1745 Calle Alto	13	8395-023-014	898.42
1741 Calle Alto	14	8395-023-015	898.42
1737 Calle Alto	15	8395-023-016	898.42
1733 Calle Alto	16	8395-023-017	898.42
1729 Calle Alto	17	8395-023-018	898.42
1725 Calle Alto	18	8395-023-019	898.42
1721 Calle Alto	19	8395-023-020	898.42
1719 Calle Alto	20	8395-023-021	898.42
1702 Calle Alto	21	8395-023-022	898.42
1706 Calle Alto	22	8395-023-023	898.42
1710 Calle Alto	23	8395-023-024	898.42
1714 Calle Alto	24	8395-023-025	898.42
1718 Calle Alto	25	8395-023-026	898.42
1722 Calle Alto	26	8395-023-027	898.42
1726 Calle Alto	27	8395-023-028	898.42
1730 Calle Alto	28	8395-023-029	898.42
1121 Paseo Sandi	29	8395-023-030	898.42
1113 Paseo Sandi	30	8395-023-031	898.42
1105 Paseo Sandi	21	8395-023-032	898.42
1102 Paseo Sandi	32	8395-023-033	898.42
1110 Paseo Sandi	33	8395-023-034	898.42
1118 Paseo Sandi	34	8395-023-035	898.42
1780 Calle Alto	35	8395-023-036	898.42
1784 Calle Alto	36	8395-023-037	898.42
1788 Calle Alto	37	8395-023-038	898.42
1792 Calle Alto	38	8395-023-039	898.42
			34,139.96

OPEN SPACE MAINTENANCE DISTRICT NO. 1, ANNEXATION NO. 3
(TRACT 32841, NORTHWOODS DEVELOPMENT)





Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
For the Meeting of May 24, 2016

From: Blaine Michaelis, City Manager

Initiated by: Theresa Bruns, Director of Parks and Recreation

Subject: Adoption of a Resolution Setting the City Wide Landscape Parcel Tax for Fiscal Year 2016-2017

SUMMARY

Ordinance No. 1086 requires that the voter approved City Wide Landscape Parcel Tax shall be set annually by the City Council following a public hearing. A Resolution is presented for Council consideration and adoption.

BACKGROUND

In November 1997 the voters of the City of San Dimas by a 71% affirmative vote, approved Ordinance No. 1086 adopting a special parcel tax to be levied against properties in the city. The revenues collected from the tax are exclusively used to improve and maintain landscaping and trees in parkways, parks and other public areas.

Ordinance No. 1086 requires that commencing with FY 1999–2000; the special tax shall be set annually by the City Council following a public hearing. The rate of the tax was established by Ordinance No. 1086 but can be adjusted annually to reflect changes in the Consumer Price Index by an amount equal to the increase in the CPI for the period extending from April 1 of the previous year through March 31 of the current year, which was 1.7% for this year.

Staff requests that the City Council review two options for the City Wide Landscape Parcel Tax rates for FY 2016–2017.

Option 1 - Maintain the landscape parcel tax at the same rate without adjustment for FY 2016-2017.

Option 2 - Adjust the tax by increasing the rate to reflect the change in the Consumer Price Index of 1.7% for March 2016.

Rates based on property classification are indicated in the following chart:

<u>Property Classification</u>	<u>Option 1</u> <u>Tax Amount</u>	<u>Option 2</u> <u>Tax Amount</u>	<u>Increase</u>
Single Family Residential	\$56.11	\$57.06	\$0.95/home
Commercial/Industrial, per front foot	\$ 1.69	\$ 1.72	\$0.03/foot
Non-Profit/Tax Exempt Parcels, per front foot	\$ 0.35	\$ 0.36	\$0.01/foot
Multi-Family Residential, per unit	\$41.08	\$41.78	\$0.70/unit
Mobile home Parks, per front foot	\$ 1.31	\$ 1.33	\$0.02/foot

Option 1: The current estimated revenue for Option 1 is approximately \$812,000. This amount is the same as the adopted budget for FY 2015-16.

Option 2: The revenue estimated for Option 2 is approximately \$825,804, for a total increase of \$13,804.

DISCUSSION/ANALYSIS

Even with the proposed Option 2 rate increase, the parcel tax collections do not cover the total cost for city-wide landscape maintenance. The additional cost is borne by a very minimal fund balanced and the general fund.

The city-wide landscape parcel tax revenue and expense is reflected in Fund 8 of the City budget. In addition to the assessment revenue, other revenue in Fund 8 includes reimbursement from the Bonita Unified School District for a share of the SportsPlex maintenance costs.

The total estimated expenditures in Fund 8 for FY 2016-2017 are \$900,610.

Should no increase in the parcel tax be approved (Option 1), total revenue is projected at \$834,041. Expenditures will exceed revenues by an estimated \$66,569. This difference will be covered by the projected 2015-2016 fund balance of \$80,204, leaving a fund balance of \$13,635 projected for the end of fiscal year 2016-2017.

Total revenue of Option 2 with the increase of 1.7% in the assessment rate, is projected at \$847,845. Expenditures will exceed revenues even with the proposed increase. The estimated \$52,765 difference will be covered by the projected 2015-2016 fund balance of \$80,204, leaving a fund balance of \$27,439 projected for the end of fiscal year 2016-2017.

Concluding the Public Hearing, City Council may adopt a Resolution to maintain the landscape parcel tax for FY 2016-2017 at the same rate as FY 2015–2016, (Option 1), or with a 1.7% consumer price index adjustment (Option 2).

RECOMMENDATION

Staff recommends adoption of a Resolution setting the City Wide Landscape Parcel Tax for FY 2016–2017 including the 1.7% consumer price index adjustment (Option 2).

Respectfully submitted,



Theresa Bruns
Director of Parks and Recreation

Attachments:

- (A) Resolution 20XX-XX - option 1, no rate increase
- (B) Resolution 20XX-XX – option 2, with a 1.7% rate increase

RESOLUTION NO. 2016-30

(Option 1 - no increase)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, SETTING THE SPECIAL CITY WIDE PARCEL TAX FOR FISCAL YEAR 2016-2017 TO BE USED FOR LANDSCAPE MAINTENANCE PURPOSE

WHEREAS, at the November 1997 City election, the voters of the City of San Dimas approved Ordinance No. 1086 adopting a special parcel tax to be levied against the properties in the City, with the revenues to be used to improve and maintain parkway trees, landscaping, public parks and other public areas;

WHEREAS, Ordinance No. 1086 requires that commencing with fiscal year 1999-2000, the special tax shall be set annually by the San Dimas City Council following a public hearing; and

WHEREAS, the public hearing to set the annual special tax has been properly noticed for the City Council meeting of May 24, 2016; and

WHEREAS, the public hearing was held and testimony received, if any at the May 24, 2016 City Council meeting; and

WHEREAS, the City Council desires to levy the special parcel tax at the same rates for fiscal year 2015-2016.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of San Dimas does hereby resolve that:

For fiscal year 2016-2017 the following special parcel tax shall be levied against property in the City of San Dimas:

PROPERTY CLASSIFICATION	AMOUNT OF TAX
Single Family Residential	\$56.11
Commercial/ Industrial, per front foot	\$ 1.69
Non-Profit/Tax Exempt Parcels, per front foot	\$ 0.35
Multi-Family Residential, per unit	\$41.08
Mobil Home Parks, per front foot	\$ 1.31

PASSED, APPROVED AND ADOPTED this 24th, day of May, 2016

Curtis W. Morris, Mayor City of San Dimas

ATTEST:

Debra Black, Assistant City Clerk

I, Debra Black, Assistant City Clerk, hereby certify that Resolution 2016-30 was adopted by the City Council of San Dimas at its regular meeting of May 24th, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Black, Assistant City Clerk

RESOLUTION NO. 2016-30

(Option 2 – with increase)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, COUNTY OF LOS ANGELES, SETTING THE SPECIAL CITY WIDE PARCEL TAX FOR FISCAL YEAR 2016-2017 TO BE USED FOR LANDSCAPE MAINTENANCE PURPOSE

WHEREAS, at the November 1997 City election, the voters of the City of San Dimas approved Ordinance No. 1086 adopting a special parcel tax to be levied against the properties in the City, with the revenues to be used to improve and maintain parkway trees, landscaping, public parks and other public areas;

WHEREAS, Ordinance No. 1086 requires that commencing with fiscal year 1999-2000, the special tax shall be set annually by the San Dimas City Council following a public hearing; and

WHEREAS, Ordinance No. 1086 provides that annually, without further voter approval, the amount of the tax may be adjusted by the City Council to reflect changes in the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics, and

WHEREAS, the Consumer Price Index for the period of April 1, 2015 to March 31, 2016 was 1.7%, and

WHEREAS, the public hearing to set the annual special tax has been properly noticed for the City Council meeting of May 24, 2016; and

WHEREAS, the public hearing was held and testimony received, if any at the May 24, 2016 City Council meeting; and

WHEREAS, the City Council desires to increase the rate of the special parcel tax at the Consumer Price Index rate of 1.7% for fiscal year 2016-2017 as authorized by the provisions of Ordinance No. 1086.

NOW, THEREFORE, BE IT FURTHER RESOLVED the City Council of the City of San Dimas does hereby resolve that:

For fiscal year 2016-2017 the following special parcel tax shall be levied against property in the City of San Dimas:

PROPERTY CLASSIFICATION	AMOUNT OF TAX
Single Family Residential	\$57.06
Commercial/ Industrial, per front foot	\$ 1.72
Non-Profit/Tax Exempt Parcels, per front foot	\$ 0.36
Multi-Family Residential, per unit	\$41.78
Mobil Home Parks, per front foot	\$ 1.33

PASSED, APPROVED AND ADOPTED this 24th, day of May, 2016.

Curtis W. Morris, Mayor of the City of San Dimas

ATTEST:

Debra Black, Assistant City Clerk

I, Debra Black, Assistant City Clerk, hereby certify that Resolution 2016-30 was adopted by the City Council of San Dimas at its regular meeting of May 24th, 2016 by the following vote:

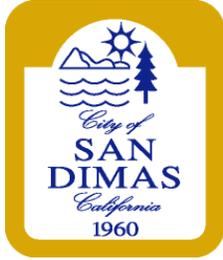
AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Black, Assistant City Clerk



Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
For the Meeting of May 24, 2016

From: Blaine Michaelis, City Manager

Initiated by: Ken Duran, Assistant City Manager

Subject: Increase to Business License Fees

SUMMARY

Ordinance No. 956, provides that basic business license fees may be increased by an amount equal to the increase in the Consumer Price Index of the period extending from April 1st of the previous year through March 31st of the current year. At the May 24, 2016 City Council Special Session, the Council agreed to consider an increase to Business License Fees. Per the request of the City Council, the Increase to Business License Fees is presented for Council consideration and review.

BACKGROUND

The current business license fees were established by Ordinance No. 956 adopted in 1991. The ordinance established the fees for the various categories of business licenses and built in automatic increases up through 1993. The ordinance then allowed for an annual increase in business license fees in the amount of the annual Consumer Price Index (CPI) beginning the year 1994. The fees were adjusted by CPI in 1994, but were not adjusted from 1995-2002. They were adjusted the pasted four years.

DISCUSSION/ANALYSIS

Ordinance No. 956 provides the basic business license fees may be increased by an amount equal to the increase in the Consumer Price Index of the period extending from April 1st of the previous year through March 31st of the current year. The Consumer Price Index for the period of April 1, 2015 to March 31, 2016 was 1.7%.

RECOMMENDATION

Staff would like Council to review the two options for the business license fees:

- Option 1 maintain the business license fees at the same rate without adjustment for fiscal year 2015-2016.

- Option 2 would adjust the fees by increasing the rate to reflect the change of the Consumer Price Index of 1.7%, April 1, 2015 to March 31, 2016.

Exhibit "A" reflects Current, or Option 1, and Proposed, Option 2. Business License Fees

Staff would like City Council to review the Options for the Business License Fees for fiscal year 2016-2017. The total net increase in revenue to the City if the license is increased would be approximately \$7,100. Staff recommends Option 2, to increase the business license fees by the 1.7% CPI as permitted by Ordinance 956.

Respectfully submitted,

Ken Duran, Assistant City Manager

Attachment:
(A) Business License Fee Resolution

RESOLUTION 2016-31

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS,
COUNTY OF LOS ANGELES, APPROVING THE CITY BUSINESS
LICENSE FEE RATE INCREASE FOR FISCAL YEAR 2016-2017**

WHEREAS, Section A of the San Dimas Municipal Code Section 5.24.060 relating to business license fees provides that basic fees may be increased by an amount equal to the increase in the Consumer Price Index for the period extending from April 1st of the previous year through March 31st of the current year; and

WHEREAS, the Consumer Price Index for the period of April 1, 2015 to March 31, 2016 was 1.7%; and

WHEREAS, the City Council of the City of San Dimas did review the rate options for business license fees;

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of San Dimas does hereby resolve that:

SECTION 1. For fiscal year 2016-2017 the City of San Dimas hereby adopts the following fee schedule, adjusted to reflect the 1.7% Consumer price Index from April 1, 2015 to March 31, 2016, as shown in the following exhibit:

A. Exhibit “A” Proposed Business License Fee Rates

PASSED, APPROVED AND ADOPTED this 24th day of May, 2016.

Curtis W. Morris, Mayor City of San Dimas

ATTEST:

Debra Black, Assistant City Clerk

I, Debra Black, Assistant City Clerk, hereby certify that Resolution 2016-31 was adopted by the City Council of San Dimas at its regular meeting of May 24, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Black, Assistant City Clerk

City of San Dimas
Business License Fee Comparison
Current and Proposed Rates

EXHIBIT A

Rate	Description		OPTION 1	OPTION 2
			Current 2015-2016 Fees	Proposed Increase @ 1.7% CPI 2016- 2017 Fees*
C01	Billiard & Pool Hall	for 1st table	\$ 90.40	\$92.00
		for each additional table	\$ 11.40	\$11.60
C02	Bowling Alley	for 1st 5 lanes	\$ 124.80	\$127.00
		for each additional lane over 5	\$ 18.70	\$19.10
C03	Business with employees	business fee	\$ 124.80	\$127.00
		per employee or partner	\$ 9.30	\$9.50
C04	Apartment & Business Rentals	business fee	\$ 124.80	\$127.00
		for each unit over 2	\$ 11.40	\$11.60
C05	Mini Storage	for each 100 sq ft of storage space	\$ 2.50	\$2.60
C06	Hotels, Motels, Hospitals, and Retirement Care Homes	business fee	\$ 83.40	\$84.90
		for each bed	\$ 8.60	\$8.80
C07	Movie Filming	per day	\$ 347.20	\$353.20
C08	Recreational Vehicle Park	per space	\$ 8.70	\$8.90
C09	Solicitors	principal solicitor	\$ 207.80	\$211.40
		each additional solicitor permit	\$ 138.50	\$140.90
C10	Mobile Home Park	per space	\$ 10.70	\$10.90
C11	RV Parking Space at Storage Lots	per space	\$ 5.90	\$6.10
C12	Deliveries	per vehicle	\$ 104.00	\$105.80
C13	Rubbish, Waste, Garage Collection	not permitted unless license is in effect	\$ -	\$0.00
C14	Non-Profit Public Marketplace	per space	\$ 54.10	\$55.10
C15	Communication Sites	business fee	\$ 124.80	\$127.00
	cell towers, antenna sites, pay phones	per site or unit	\$ 9.40	\$9.60
F01	Contractors	flat fee	\$ 131.70	\$134.00
F02	Bar & Lounge	flat fee	\$ 253.60	\$258.00
F03	Dance Hall	flat fee	\$ 249.20	\$253.50
F04	Theatres	flat fee	\$ 276.80	\$281.60
F05	Home Occupation	flat fee	\$ 124.80	\$127.00
F06	Exempt or Non-Profit	flat fee	\$ 1.00	\$1.00
F07	Consignment businesses	flat fee	\$ 276.80	\$281.60
F08	Entertainment	flat fee	\$ 20.60	\$21.00
F09	Secondhand Dealer	flat fee	\$ 138.50	\$140.90

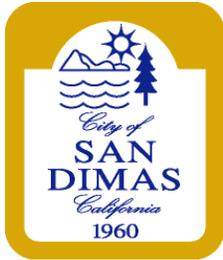
* Rounding up to the nearest tenth

City of San Dimas
 Business License Fee Comparison
 Current and Proposed Rates

EXHIBIT A

Rate	Description		OPTION 1	OPTION 2
			Current 2015-2016 Fees	Proposed Increase @ 1.7% CPI 2016- 2017 Fees*
F10	Special Permit Fee	flat fee	\$ 20.60	\$21.00
G01	Gross Receipts	\$0-\$15,999	\$ 83.50	\$85.00
		\$16,000-\$30,999	\$ 97.20	\$98.90
		\$31,000-\$50,999	\$ 111.10	\$113.00
		\$51,000-\$75,999	\$ 124.80	\$127.00
		\$76,000-\$100,999	\$ 138.60	\$141.00
		\$101,000-\$200,999	\$ 152.60	\$155.20
		\$201,000-\$300,999	\$ 169.30	\$172.20
		\$301,000-\$400,999	\$ 180.00	\$183.10
		\$401,000-\$500,999	\$ 193.90	\$197.20
		\$501,000-\$600,999	\$ 207.80	\$211.40

* Rounding up to the nearest tenth



Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
For the Meeting of May 24, 2016

From: Blaine Michaelis, City Manager

Initiated by: Ken Duran, Assistant City Manager

Subject: Resolution setting the amount of the Public Access Fee for Fiscal Year 2016-17

SUMMARY

In September 2006, the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) law went in to effect which allowed video service providers to obtain a state issued franchise to provide video services in a local community. DIVCA establishes the California Public Utilities Commission (CPUC) as the sole franchising authority for video service providers' state wide; however it delegated certain limited rights to local authorities. Those rights needed to be established by a local ordinance to be enforceable on state video franchise holders. In October 2008 the City Council adopted Ordinance 1183 establishing San Dimas rights under DIVCA.

BACKGROUND

Among other things DIVCA allowed the city to adopt an up to 1% PEG fee to be paid by all video subscribers to fund public access. The fee requires customers to pay up to 1% of the cable portion of their bill. The fee can only be used for capital expenses associated with public access and not operating expenses, such as personnel. The fee is only imposed on video subscribers who have the PEG channel available to them. Residents who do not subscribe to Verizon or Time Warner and therefore, do not have the channel available to them are not impacted by the fee.

DISCUSSION/ANALYSIS

The 1% public access fee was adopted by the City Council and became effective in 2009. The enabling Ordinance requires the City Council to set the amount of the fee annually. The Council

has the option of imposing the full 1%, something less than 1% or not imposing the fee in any given year. It is estimated that a 1% fee would generate approximately \$88,000 in FY2016-17.

The City currently has a contract with the University of La Verne for the management of the City's public access channel. The current annual contract expires in December of 2016. This includes expenses for personnel costs, rent, equipment and supplies. All of these expenses with the exception of the personnel costs are eligible for use of the public access fee. In addition, funds collected from the fee are used for equipment associated with the operations of access channel and filming of City Council meetings.

RECOMMENDATION

The City will be incurring ongoing expenses for the management and operation of the City's public access channel as well as the need to replace aging equipment. Therefore, staff recommends that the City Council approve the public access fee in the amount of 1% for fiscal year 2016-2017 by adoption of Resolution.

Respectfully submitted,

Ken Duran, Assistant City Manager

Attachments:

(A) PEG Fee Resolution

RESOLUTION 2016-32

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS,
COUNTY OF LOS ANGELES, SETTING THE PUBLIC ACCESS FEE FOR
FISCAL YEAR 2016-2017 TO BE USED FOR PEG PURPOSES.**

WHEREAS, the City Council approved Ordinance No. 1183 adding Section 5.60.380 to the San Dimas Municipal Code establishing franchise and PEG fees and customer service penalties for state franchise holders providing video service within the City of San Dimas, and

WHEREAS, Ordinance No. 1183 states that for any state video franchise holder operating within the boundaries of the City of San Dimas, there shall be a fee paid to the City equal to up to percent of the gross revenue of the state video franchise holder, which fee shall be used by the City for PEG purposes consistent with state or federal law, and

WHEREAS, Ordinance No. 1183 requires the percentage amount of the fee to be set annually by the City Council, and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of San Dimas does hereby resolve that: for Fiscal Year 2016-2017 the percentage amount of the PEG fee shall be 1%.

PASSED, APPROVED AND ADOPTED this 24th day of May, 2016.

Curtis W. Morris, Mayor City of San Dimas

ATTEST:

Debra Black, Assistant City Clerk

I, Debra Black, Assistant City Clerk, hereby certify that Resolution 2016-32 was adopted by the City Council of San Dimas at its regular meeting of May 24, 2016 by the following vote:

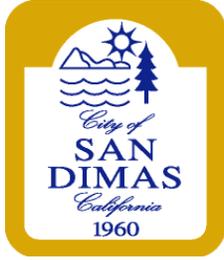
AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Black, Assistant City Clerk



Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
May 24, 2016

From: Blaine Michaelis, City Manager

Initiated by: Community Development Department
Larry Stevens, Assistant City Manager for Community Development

Subject: Consideration of Letters of Opposition regarding Various Pending Housing Related Bills

SUMMARY

Housing legislation is rampant in the legislature this year. The League has identified several bills that warrant opposition related to density bonuses and various forms of second units.

Draft letters have been prepared for Council consideration on SB 1069, AB 2501, AB 2522, AB 2697 & AB 1934.

BACKGROUND

The League of California Cities has indicated that the California legislature has made this the year of housing. A number of measures are moving forward which seem to have a common thread to reduce local control and create mandates for local government. The clear theme is that housing advocates feel that the best way to create housing production is to circumvent the public engagement process, to increase the possibility of endless litigation and remove local authority by easing restrictions on housing production (without burdening the State general fund).

DISCUSSION/ANALYSIS

Staff has identified seven active pieces of legislation which may be appropriate to consider Council action on. Five of the seven are designated as OPPOSE by the League while the other two are currently designated as WATCH or CONCERN. The housing topics do represent areas of concern discussed by the City Council in the past.

The OPPOSE bills are summarized in the following Table:

SB 1069	Wieckowski	Renames second units as “Accessory Dwelling Units” (ADUs). Bill repeals the ability of local governments to prohibit second dwelling units; imposes a burdensome requirement to act on an application within 90 days of submittal; prohibits imposition of parking standards for certain units; prohibits collection of separate sewer and water connection fees.
AB 1934	Santiago	Provides that when a commercial developer partners with an affordable housing developer that the commercial developer (in addition to any bonuses required to be granted to the housing developer) be granted density bonuses such as fee reductions, FAR increases, reduced parking, etc. Developments must be within one mile to partner.
AB 2299	Bloom	Prohibits local government from requiring parking for second units within ½ mile of public transit or shopping or within historic districts. Prohibits requiring a setback greater than five feet from side or rear property lines for second units located above garages. Allows any required parking to be covered, uncovered, tandem or via an automobile lift.
AB 2501	Bloom/Low	Amends density bonus law to require agencies to adopt procedures to expeditiously process development applications including density bonuses; provides burden of proof is on agency when not granting a density bonus; clarifies various definitions and methods of calculating density bonuses; provides that density bonus law be liberally interpreted in favor of maximum number of units.
AB 2697	Bonilla	Requires successor agencies to create a first right of refusal process for disposal of land in favor of low and moderate income housing developers

The WATCH/CONCERN bills are summarized in this Table:

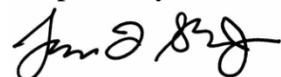
AB 2406 WATCH	Thurmond	Specifies that a “Junior Accessory Dwelling Unit” (JADU) is NOT a second unit and is a unit established within the existing walls of an existing residence. Maximum size of 500 square feet. Efficiency kitchen limited to maximum 15” sink, 1.5” waste line, electrical service not to exceed 120 volts. Prohibits requiring additional parking. Allows cities to adopt JADU ordinances (not required – yet).
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AB 2442 CONCERN	Holden	Amends density bonus law to allow bonuses when affordable housing developers provide units for transitional foster youth, disabled veterans or homeless persons.
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RECOMMENDATION

Direct Staff as deemed appropriate regarding letters of opposition and/or other actions.

Respectfully submitted,



Larry Stevens,
Assistant City Manager for Community development

Attachments:

- A. Bill copies & associated legislative analysis
- B. Draft Letters of Opposition for SB 1069, AB 2501, AB 2522, AB 2697 & AB 1934

AMENDED IN SENATE APRIL 26, 2016

AMENDED IN SENATE APRIL 13, 2016

AMENDED IN SENATE APRIL 6, 2016

SENATE BILL**No. 1069**

Introduced by Senator Wieckowski
(Coauthor: Assembly Member Atkins)

February 16, 2016

An act to amend Sections 65582.1, 65583.1, 65589.4, 65852.150, 65852.2, and 66412.2 of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 1069, as amended, Wieckowski. Land use: zoning.

The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified. That law makes findings and declarations with respect to the value of 2nd units to California's housing supply.

This bill would replace the term "second unit" with "accessory dwelling unit" throughout the law. The bill would add to those findings and declarations ~~that~~ *that, among other things*, allowing accessory dwelling units in single-family or multifamily residential zones provides additional rental housing stock and these units are an essential component of housing supply in California.

The Planning and Zoning Law authorizes the ordinance for the creation of 2nd units in single-family and multifamily residential zones to include specified provisions regarding areas where accessory dwelling units may be located, standards, including the imposition of parking standards, and lot density. Existing law, when a local agency has not adopted an ordinance governing 2nd units as so described, requires the local agency to approve or disapprove the application ministerially, as provided.

This bill would ~~instead require an~~ ordinance for the creation of accessory dwelling units to include ~~specified provisions regarding areas where accessory dwelling units may be located, standards, and lot density.~~ *the provisions described above.* The bill would ~~prohibit the imposition of parking standards under specified circumstances.~~ The bill would revise requirements for the approval or disapproval of an accessory dwelling unit application when a local agency has not adopted an ordinance. The bill would also require the ministerial approval of an application for a building permit to create an accessory dwelling unit within the existing space of a single family residence or accessory structure, as specified. ~~By~~

By increasing the duties of local officials, this bill would impose a state-mandated local program.

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.

Attachment A

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

P2 1 SECTION 1. Section 65582.1 of the *Government Code* is
 2 amended to read:
 3 65582.1. The Legislature finds and declares that it has provided
 4 reforms and incentives to facilitate and expedite the construction
 5 of affordable housing. Those reforms and incentives can be found
 6 in the following provisions:
 7 (a) Housing element law (Article 10.6 (commencing with
 8 Section 65580) of Chapter 3).
 9 (b) Extension of statute of limitations in actions challenging the
 10 housing element and brought in support of affordable housing
 11 (subdivision (d) of Section 65009).
 12 (c) Restrictions on disapproval of housing developments
 13 (Section 65589.5).
 P3 1 (d) Priority for affordable housing in the allocation of water and
 2 sewer hookups (Section 65589.7).
 3 (e) Least cost zoning law (Section 65913.1).
 4 (f) Density bonus law (Section 65915).
 5 (g) Accessory dwelling units (Sections 65852.150 and 65852.2).
 6 (h) By-right housing, in which certain multifamily housing are
 7 designated a permitted use (Section 65589.4).
 8 (i) No-net-loss-in zoning density law limiting downzonings and
 9 density reductions (Section 65863).
 10 (j) Requiring persons who sue to halt affordable housing to pay
 11 attorney fees (Section 65914) or post a bond (Section 529.2 of the
 12 Code of Civil Procedure).
 13 (k) Reduced time for action on affordable housing applications
 14 under the approval of development permits process (Article 5
 15 (commencing with Section 65950) of Chapter 4.5).
 16 (l) Limiting moratoriums on multifamily housing (Section
 17 65858).
 18 (m) Prohibiting discrimination against affordable housing
 19 (Section 65008).
 20 (n) California Fair Employment and Housing Act (Part 2.8
 21 (commencing with Section 12900) of Division 3).
 22 (o) Community redevelopment law (Part 1 (commencing with
 23 Section 33000) of Division 24 of the Health and Safety Code, and
 24 in particular Sections 33334.2 and 33413).
 25 SEC. 2. Section 65583.1 of the *Government Code* is amended
 26 to read:
 27 65583.1. (a) The Department of Housing and Community
 28 Development, in evaluating a proposed or adopted housing element
 29 for substantial compliance with this article, may allow a city or
 30 county to identify adequate sites, as required pursuant to Section
 31 65583, by a variety of methods, including, but not limited to,
 32 redesignation of property to a more intense land use category and
 33 increasing the density allowed within one or more categories. The
 34 department may also allow a city or county to identify sites for
 35 accessory dwelling units based on the number of accessory
 36 dwelling units developed in the prior housing element planning
 37 period whether or not the units are permitted by right, the need for
 38 these units in the community, the resources or incentives available

39 for their development, and any other relevant factors, as determined
 40 by the department. Nothing in this section reduces the responsibility
 P4 1 of a city or county to identify, by income category, the total number
 2 of sites for residential development as required by this article.

3 (b) Sites that contain permanent housing units located on a
 4 military base undergoing closure or conversion as a result of action
 5 pursuant to the Defense Authorization Amendments and Base
 6 Closure and Realignment Act (Public Law 100-526), the Defense
 7 Base Closure and Realignment Act of 1990 (Public Law 101-510),
 8 or any subsequent act requiring the closure or conversion of a
 9 military base may be identified as an adequate site if the housing
 10 element demonstrates that the housing units will be available for
 11 occupancy by households within the planning period of the
 12 element. No sites containing housing units scheduled or planned
 13 for demolition or conversion to nonresidential uses shall qualify
 14 as an adequate site.

15 Any city, city and county, or county using this subdivision shall
 16 address the progress in meeting this section in the reports provided
 17 pursuant to paragraph (1) of subdivision (b) of Section 65400.

18 (c) (1) The Department of Housing and Community
 19 Development may allow a city or county to substitute the provision
 20 of units for up to 25 percent of the community’s obligation to
 21 identify adequate sites for any income category in its housing
 22 element pursuant to paragraph (1) of subdivision (c) of Section
 23 65583 where the community includes in its housing element a
 24 program committing the local government to provide units in that
 25 income category within the city or county that will be made
 26 available through the provision of committed assistance during
 27 the planning period covered by the element to low- and very low
 28 income households at affordable housing costs or affordable rents,
 29 as defined in Sections 50052.5 and 50053 of the Health and Safety
 30 Code, and which meet the requirements of paragraph (2). Except
 31 as otherwise provided in this subdivision, the community may
 32 substitute one dwelling unit for one dwelling unit site in the
 33 applicable income category. The program shall do all of the
 34 following:

35 (A) Identify the specific, existing sources of committed
 36 assistance and dedicate a specific portion of the funds from those
 37 sources to the provision of housing pursuant to this subdivision.

38 (B) Indicate the number of units that will be provided to both
 39 low- and very low income households and demonstrate that the
 P5 1 amount of dedicated funds is sufficient to develop the units at
 2 affordable housing costs or affordable rents.

3 (C) Demonstrate that the units meet the requirements of
 4 paragraph (2).

5 (2) Only units that comply with subparagraph (A), (B), or (C)
 6 qualify for inclusion in the housing element program described in
 7 paragraph (1), as follows:

8 (A) Units that are to be substantially rehabilitated with
 9 committed assistance from the city or county and constitute a net
 10 increase in the community’s stock of housing affordable to low-
 11 and very low income households. For purposes of this
 12 subparagraph, a unit is not eligible to be “substantially
 13 rehabilitated” unless all of the following requirements are met:

14 (i) At the time the unit is identified for substantial rehabilitation,
 15 (I) the local government has determined that the unit is at imminent

16 risk of loss to the housing stock, (II) the local government has
 17 committed to provide relocation assistance pursuant to Chapter 16
 18 (commencing with Section 7260) of Division 7 of Title 1 to any
 19 occupants temporarily or permanently displaced by the
 20 rehabilitation or code enforcement activity, or the relocation is
 21 otherwise provided prior to displacement either as a condition of
 22 receivership, or provided by the property owner or the local
 23 government pursuant to Article 2.5 (commencing with Section
 24 17975) of Chapter 5 of Part 1.5 of Division 13 of the Health and
 25 Safety Code, or as otherwise provided by local ordinance; provided
 26 the assistance includes not less than the equivalent of four months'
 27 rent and moving expenses and comparable replacement housing
 28 consistent with the moving expenses and comparable replacement
 29 housing required pursuant to Section 7260, (III) the local
 30 government requires that any displaced occupants will have the
 31 right to reoccupy the rehabilitated units, and (IV) the unit has been
 32 found by the local government or a court to be unfit for human
 33 habitation due to the existence of at least four violations of the
 34 conditions listed in subdivisions (a) to (g), inclusive, of Section
 35 17995.3 of the Health and Safety Code.

36 (ii) The rehabilitated unit will have long-term affordability
 37 covenants and restrictions that require the unit to be available to,
 38 and occupied by, persons or families of low- or very low income
 39 at affordable housing costs for at least 20 years or the time period
 40 required by any applicable federal or state law or regulation.

P6 1 (iii) Prior to initial occupancy after rehabilitation, the local code
 2 enforcement agency shall issue a certificate of occupancy indicating
 3 compliance with all applicable state and local building code and
 4 health and safety code requirements.

5 (B) Units that are located either on foreclosed property or in a
 6 multifamily rental or ownership housing complex of three or more
 7 units, are converted with committed assistance from the city or
 8 county from nonaffordable to affordable by acquisition of the unit
 9 or the purchase of affordability covenants and restrictions for the
 10 unit, are not acquired by eminent domain, and constitute a net
 11 increase in the community's stock of housing affordable to low-
 12 and very low income households. For purposes of this
 13 subparagraph, a unit is not converted by acquisition or the purchase
 14 of affordability covenants unless all of the following occur:

15 (i) The unit is made available for rent at a cost affordable to
 16 low- or very low income households.

17 (ii) At the time the unit is identified for acquisition, the unit is
 18 not available at an affordable housing cost to either of the
 19 following:

20 (I) Low-income households, if the unit will be made affordable
 21 to low-income households.

22 (II) Very low income households, if the unit will be made
 23 affordable to very low income households.

24 (iii) At the time the unit is identified for acquisition the unit is
 25 not occupied by low- or very low income households or if the
 26 acquired unit is occupied, the local government has committed to
 27 provide relocation assistance prior to displacement, if any, pursuant
 28 to Chapter 16 (commencing with Section 7260) of Division 7 of
 29 Title 1 to any occupants displaced by the conversion, or the
 30 relocation is otherwise provided prior to displacement; provided
 31 the assistance includes not less than the equivalent of four months'

32 rent and moving expenses and comparable replacement housing
 33 consistent with the moving expenses and comparable replacement
 34 housing required pursuant to Section 7260.

35 (iv) The unit is in decent, safe, and sanitary condition at the
 36 time of occupancy.

37 (v) The unit has long-term affordability covenants and
 38 restrictions that require the unit to be affordable to persons of low-
 39 or very low income for not less than 55 years.

P7 1 (vi) For units located in multifamily ownership housing
 2 complexes with three or more units, or on or after January 1, 2015,
 3 on foreclosed properties, at least an equal number of
 4 new-construction multifamily rental units affordable to lower
 5 income households have been constructed in the city or county
 6 within the same planning period as the number of ownership units
 7 to be converted.

8 (C) Units that will be preserved at affordable housing costs to
 9 persons or families of low- or very low incomes with committed
 10 assistance from the city or county by acquisition of the unit or the
 11 purchase of affordability covenants for the unit. For purposes of
 12 this subparagraph, a unit shall not be deemed preserved unless all
 13 of the following occur:

14 (i) The unit has long-term affordability covenants and
 15 restrictions that require the unit to be affordable to, and reserved
 16 for occupancy by, persons of the same or lower income group as
 17 the current occupants for a period of at least 40 years.

18 (ii) The unit is within an "assisted housing development," as
 19 defined in paragraph (3) of subdivision (a) of Section 65863.10.

20 (iii) The city or county finds, after a public hearing, that the unit
 21 is eligible, and is reasonably expected, to change from housing
 22 affordable to low- and very low income households to any other
 23 use during the next five years due to termination of subsidy
 24 contracts, mortgage prepayment, or expiration of restrictions on
 25 use.

26 (iv) The unit is in decent, safe, and sanitary condition at the
 27 time of occupancy.

28 (v) At the time the unit is identified for preservation it is
 29 available at affordable cost to persons or families of low- or very
 30 low income.

31 (3) This subdivision does not apply to any city or county that,
 32 during the current or immediately prior planning period, as defined
 33 by Section 65588, has not met any of its share of the regional need
 34 for affordable housing, as defined in Section 65584, for low- and
 35 very low income households. A city or county shall document for
 36 any housing unit that a building permit has been issued and all
 37 development and permit fees have been paid or the unit is eligible
 38 to be lawfully occupied.

39 (4) For purposes of this subdivision, "committed assistance"
 40 means that the city or county enters into a legally enforceable
 P8 1 agreement during the period from the beginning of the projection
 2 period until the end of the second year of the planning period that
 3 obligates sufficient available funds to provide the assistance
 4 necessary to make the identified units affordable and that requires
 5 that the units be made available for occupancy within two years
 6 of the execution of the agreement. "Committed assistance" does
 7 not include tenant-based rental assistance.

8 (5) For purposes of this subdivision, "net increase" includes

9 only housing units provided committed assistance pursuant to
10 subparagraph (A) or (B) of paragraph (2) in the current planning
11 period, as defined in Section 65588, that were not provided
12 committed assistance in the immediately prior planning period.

13 (6) For purposes of this subdivision, "the time the unit is
14 identified" means the earliest time when any city or county agent,
15 acting on behalf of a public entity, has proposed in writing or has
16 proposed orally or in writing to the property owner, that the unit
17 be considered for substantial rehabilitation, acquisition, or
18 preservation.

19 (7) In the third year of the planning period, as defined by Section
20 65588, in the report required pursuant to Section 65400, each city
21 or county that has included in its housing element a program to
22 provide units pursuant to subparagraph (A), (B), or (C) of
23 paragraph (2) shall report in writing to the legislative body, and
24 to the department within 30 days of making its report to the
25 legislative body, on its progress in providing units pursuant to this
26 subdivision. The report shall identify the specific units for which
27 committed assistance has been provided or which have been made
28 available to low- and very low income households, and it shall
29 adequately document how each unit complies with this subdivision.
30 If, by July 1 of the third year of the planning period, the city or
31 county has not entered into an enforceable agreement of committed
32 assistance for all units specified in the programs adopted pursuant
33 to subparagraph (A), (B), or (C) of paragraph (2), the city or county
34 shall, not later than July 1 of the fourth year of the planning period,
35 adopt an amended housing element in accordance with Section
36 65585, identifying additional adequate sites pursuant to paragraph
37 (1) of subdivision (c) of Section 65583 sufficient to accommodate
38 the number of units for which committed assistance was not
39 provided. If a city or county does not amend its housing element
40 to identify adequate sites to address any shortfall, or fails to
P9 1 complete the rehabilitation, acquisition, purchase of affordability
2 covenants, or the preservation of any housing unit within two years
3 after committed assistance was provided to that unit, it shall be
4 prohibited from identifying units pursuant to subparagraph (A),
5 (B), or (C) of paragraph (2) in the housing element that it adopts
6 for the next planning period, as defined in Section 65588, above
7 the number of units actually provided or preserved due to
8 committed assistance.

9 (d) A city or county may reduce its share of the regional housing
10 need by the number of units built between the start of the projection
11 period and the deadline for adoption of the housing element. If the
12 city or county reduces its share pursuant to this subdivision, the
13 city or county shall include in the housing element a description
14 of the methodology for assigning those housing units to an income
15 category based on actual or projected sales price, rent levels, or
16 other mechanisms establishing affordability.

17 SEC. 3. Section 65589.4 of the *Government Code* is amended
18 to read:

19 65589.4. (a) An attached housing development shall be a
20 permitted use not subject to a conditional use permit on any parcel
21 zoned for an attached housing development if local law so provides
22 or if it satisfies the requirements of subdivision (b) and either of
23 the following:

24 (1) The attached housing development satisfies the criteria of

25 Section 21159.22, 21159.23, or 21159.24 of the Public Resources
 26 Code.

27 (2) The attached housing development meets all of the following
 28 criteria:

29 (A) The attached housing development is subject to a
 30 discretionary decision other than a conditional use permit and a
 31 negative declaration or mitigated negative declaration has been
 32 adopted for the attached housing development under the California
 33 Environmental Quality Act (Division 13 (commencing with Section
 34 21000) of the Public Resources Code). If no public hearing is held
 35 with respect to the discretionary decision, then the negative
 36 declaration or mitigated negative declaration for the attached
 37 housing development may be adopted only after a public hearing
 38 to receive comments on the negative declaration or mitigated
 39 negative declaration.

P10 1 (B) The attached housing development is consistent with both
 2 the jurisdiction’s zoning ordinance and general plan as it existed
 3 on the date the application was deemed complete, except that an
 4 attached housing development shall not be deemed to be
 5 inconsistent with the zoning designation for the site if that zoning
 6 designation is inconsistent with the general plan only because the
 7 attached housing development site has not been rezoned to conform
 8 with the most recent adopted general plan.

9 (C) The attached housing development is located in an area that
 10 is covered by one of the following documents that has been adopted
 11 by the jurisdiction within five years of the date the application for
 12 the attached housing development was deemed complete:

- 13 (i) A general plan.
- 14 (ii) A revision or update to the general plan that includes at least
- 15 the land use and circulation elements.
- 16 (iii) An applicable community plan.
- 17 (iv) An applicable specific plan.

18 (D) The attached housing development consists of not more
 19 than 100 residential units with a minimum density of not less than
 20 12 units per acre or a minimum density of not less than eight units
 21 per acre if the attached housing development consists of four or
 22 fewer units.

23 (E) The attached housing development is located in an urbanized
 24 area as defined in Section 21071 of the Public Resources Code or
 25 within a census-defined place with a population density of at least
 26 5,000 persons per square mile or, if the attached housing
 27 development consists of 50 or fewer units, within an incorporated
 28 city with a population density of at least 2,500 persons per square
 29 mile and a total population of at least 25,000 persons.

30 (F) The attached housing development is located on an infill
 31 site as defined in Section 21061.0.5 of the Public Resources Code.

32 (b) At least 10 percent of the units of the attached housing
 33 development shall be available at affordable housing cost to very
 34 low income households, as defined in Section 50105 of the Health
 35 and Safety Code, or at least 20 percent of the units of the attached
 36 housing development shall be available at affordable housing cost
 37 to lower income households, as defined in Section 50079.5 of the
 38 Health and Safety Code, or at least 50 percent of the units of the
 39 attached housing development available at affordable housing cost
 40 to moderate-income households, consistent with Section 50052.5
 P11 1 of the Health and Safety Code. The developer of the attached

2 housing development shall provide sufficient legal commitments
 3 to the local agency to ensure the continued availability and use of
 4 the housing units for very low, low-, or moderate-income
 5 households for a period of at least 30 years.

6 (c) Nothing in this section shall prohibit a local agency from
 7 applying design and site review standards in existence on the date
 8 the application was deemed complete.

9 (d) The provisions of this section are independent of any
 10 obligation of a jurisdiction pursuant to subdivision (c) of Section
 11 65583 to identify multifamily sites developable by right.

12 (e) This section does not apply to the issuance of coastal
 13 development permits pursuant to the California Coastal Act
 14 (Division 20 (commencing with Section 30000) of the Public
 15 Resources Code).

16 (f) This section does not relieve a public agency from complying
 17 with the California Environmental Quality Act (Division 13
 18 (commencing with Section 21000) of the Public Resources Code)
 19 or relieve an applicant or public agency from complying with the
 20 Subdivision Map Act (Division 2 (commencing with Section
 21 66473)).

22 (g) This section is applicable to all cities and counties, including
 23 charter cities, because the Legislature finds that the lack of
 24 affordable housing is of vital statewide importance, and thus a
 25 matter of statewide concern.

26 (h) For purposes of this section, "attached housing development"
 27 means a newly constructed or substantially rehabilitated structure
 28 containing two or more dwelling units and consisting only of
 29 residential units, but does not include an accessory dwelling unit,
 30 as defined by paragraph (4) of subdivision (i) of Section 65852.2,
 31 or the conversion of an existing structure to condominiums.

32 SEC. 4. Section 65852.150 of the *Government Code* is amended
 33 to read:

34 65852.150. (a) The Legislature finds and declares all of the
 35 following:

36 (1) Accessory dwelling units are a valuable form of housing in
 37 California.

38 (2) Accessory dwelling units provide housing for family
 39 members, students, the elderly, in-home health care providers, the
 P12 1 disabled, and others, at below market prices within existing
 2 neighborhoods.

3 (3) Homeowners who create accessory dwelling units benefit
 4 from added income, and an increased sense of security.

5 (4) Allowing accessory dwelling units in single-family or
 6 multifamily residential zones provides additional rental housing
 7 stock in California.

8 (5) California faces a severe housing crisis.

9 (6) The state is falling far short of meeting current and future
 10 housing demand with serious consequences for the state's
 11 economy, our ability to build green infill consistent with state
 12 greenhouse gas reduction goals, and the well-being of our citizens,
 13 particularly lower and middle-income earners.

14 (7) Accessory dwelling units offer lower cost housing to meet
 15 the needs of existing and future residents within existing
 16 neighborhoods, while respecting architectural character.

17 (8) Accessory dwelling units are, therefore, an essential
 18 component of California's housing supply.

19 (b) It is the intent of the Legislature that an accessory dwelling
20 unit-ordinance adopted by a local agency has the effect of providing
21 for the creation of accessory dwelling units and that provisions in
22 this ordinance relating to matters including unit size, parking, fees
23 and other requirements, are not so arbitrary, excessive, or
24 burdensome so as to unreasonably restrict the ability of
25 homeowners to create accessory dwelling units in zones in which
26 they are authorized by local ordinance.

27 SEC. 5. Section 65852.2 of the *Government Code* is amended
28 to read:

29 65852.2. (a) (1) A local agency may, by ordinance, provide
30 for the creation of accessory dwelling units in single-family and
31 multifamily residential zones. The ordinance shall do all of the
32 following:

33 (A) Designate areas within the jurisdiction of the local agency
34 where accessory dwelling units may be permitted. The designation
35 of areas may be based on criteria, that may include, but are not
36 limited to, the adequacy of water and sewer services and the impact
37 of accessory dwelling units on traffic flow and public safety.

38 (B) Impose standards on accessory dwelling units that include,
39 but are not limited to, parking, height, setback, lot coverage,
40 architectural review, maximum size of a unit, and standards that

P13 1 prevent adverse impacts on any real property that is listed in the
2 California Register of Historic Places. However, notwithstanding
3 subdivision (d), a local agency shall not impose parking standards
4 for an accessory dwelling unit in any of the following instances:

5 (i) The accessory dwelling unit is located within one-half mile
6 of public transit or shopping.

7 (ii) The accessory dwelling unit is located within an
8 architecturally and historically significant historic district.

9 (iii) The accessory dwelling unit is part of the existing primary
10 residence.

11 (iv) When on-street parking permits are required, but not offered
12 to the occupant of the accessory dwelling unit.

13 (v) When there is a car share vehicle located within one block
14 of the accessory dwelling unit.

15 (C) Provide that accessory dwelling units do not exceed the
16 allowable density for the lot upon which the accessory dwelling
17 unit is located, and that accessory dwelling units are a residential
18 use that is consistent with the existing general plan and zoning
19 designation for the lot.

20 (2) The ordinance shall not be considered in the application of
21 any local ordinance, policy, or program to limit residential growth.

22 (3) When a local agency receives its first application on or after
23 July 1, 2003, for a permit pursuant to this subdivision, the
24 application shall be considered ministerially without discretionary
25 review or a hearing, notwithstanding Section 65901 or 65906 or
26 any local ordinance regulating the issuance of variances or special
27 use permits, within 90 days of submittal of a complete building
28 permit application. A local agency may charge a fee to reimburse
29 it for costs that it incurs as a result of amendments to this paragraph
30 enacted during the 2001-02 Regular Session of the Legislature,
31 including the costs of adopting or amending any ordinance that
32 provides for the creation of accessory dwelling units.

33 (b) (1) When a local agency that has not adopted an ordinance
34 governing accessory dwelling units in accordance with subdivision

35 (a) receives its first application on or after July 1, 1983, for a permit
 36 pursuant to this subdivision, the local agency shall accept the
 37 application and approve or disapprove the application ministerially
 38 without discretionary review pursuant to this subdivision unless
 39 it adopts an ordinance in accordance with subdivision (a) within
 40 90 days after receiving the application. Notwithstanding Section

P14

1 65901 or 65906, every local agency shall ministerially approve
 2 the creation of an accessory dwelling unit if the accessory dwelling
 3 unit complies with all of the following:

4 (A) The unit is not intended for sale separate from the primary
 5 residence and may be rented.

6 (B) The lot is zoned for single-family or multifamily use.

7 (C) The lot contains an existing single-family dwelling.

8 (D) The accessory dwelling unit is either attached to the existing
 9 dwelling and located within the living area of the existing dwelling
 10 or detached from the existing dwelling and located on the same
 11 lot as the existing dwelling.

12 (E) The increased floor area of an attached accessory dwelling
 13 unit shall not exceed 50 percent of the existing living area.

14 (F) The total area of floorspace for a detached accessory
 15 dwelling unit shall not exceed 1,200 square feet.

16 (G) Requirements relating to height, setback, lot coverage,
 17 architectural review, site plan review, fees, charges, and other
 18 zoning requirements generally applicable to residential construction
 19 in the zone in which the property is located.

20 (H) Local building code requirements that apply to detached
 21 dwellings, as appropriate.

22 (I) Approval by the local health officer where a private sewage
 23 disposal system is being used, if required.

24 (2) No other local ordinance, policy, or regulation shall be the
 25 basis for the denial of a building permit or a use permit under this
 26 subdivision.

27 (3) This subdivision establishes the maximum standards that
 28 local agencies shall use to evaluate proposed accessory dwelling
 29 units on lots zoned for residential use that contain an existing
 30 single-family dwelling. No additional standards, other than those
 31 provided in this subdivision or subdivision (a), shall be utilized or
 32 imposed, except that a local agency may require an applicant for
 33 a permit issued pursuant to this subdivision to be an

34

~~owner-occupant. owner-occupant or that the property be used for
 rentals of terms longer than 30 days.~~

35
 36 ~~(4) No changes in zoning ordinances or other ordinances or any
 37 changes in the general plan shall be required to implement this
 38 subdivision. A local agency may amend its zoning ordinance or
 39 general plan to incorporate the policies, procedures, or other
 40 provisions applicable to the creation of accessory dwelling units
 if these provisions are consistent with the limitations of this
 subdivision.~~

P15

1 (5) An accessory dwelling unit that conforms to this subdivision
 2 shall not be considered to exceed the allowable density for the lot
 3 upon which it is located, and shall be deemed to be a residential
 4 use that is consistent with the existing general plan and zoning
 5 designations for the lot. The accessory dwelling units shall not be
 6 considered in the application of any local ordinance, policy, or
 7 program to limit residential growth.
 8
 9

10 (c) A local agency may establish minimum and maximum unit
 11 size requirements for both attached and detached accessory
 12 dwelling units. No minimum or maximum size for an accessory
 13 dwelling unit, or size based upon a percentage of the existing
 14 dwelling, shall be established by ordinance for either attached or
 15 detached dwellings that does not otherwise permit at least a
 16 500-foot accessory dwelling unit or a 500-foot efficiency unit to
 17 be constructed in compliance with local development standards.
 18 Accessory dwelling units shall not be required to provide fire
 19 sprinklers if they are not required for the primary residence.

20 (d) Parking requirements for accessory dwelling units shall not
 21 exceed one parking space per unit or per bedroom. These spaces
 22 may be provided as tandem parking on an existing driveway.
 23 Off-street parking shall be permitted in setback areas in locations
 24 determined by the local agency or through tandem parking, unless
 25 specific findings are made that parking in setback areas or tandem
 26 parking is not feasible based upon fire and life safety conditions.
 27 This subdivision shall not apply to a unit that complies with
 28 paragraph (1) of subdivision (b).

29 (e) Notwithstanding subdivisions (a) to (d), inclusive, a local
 30 agency shall ministerially approve an application for a building
 31 permit to create within a single-family residential zone one
 32 accessory dwelling unit per single-family lot if the unit is contained
 33 within the existing space of a single-family residence or accessory
 34 structure, has independent exterior access from the existing
 35 residence, and the side and rear setbacks are sufficient for fire
 36 safety. Accessory dwelling units shall not be required to provide
 37 fire sprinklers if they are not required for the primary residence.

38 (f) Fees charged for the construction of accessory dwelling units
 39 shall be determined in accordance with Chapter 5 (commencing
 40 with Section 66000). Accessory dwelling units shall not be
 P16 1 considered new residential uses for the purposes of calculating
 2 private or public utility connection fees, including water and sewer
 3 service.

4 (g) This section does not limit the authority of local agencies
 5 to adopt less restrictive requirements for the creation of accessory
 6 dwelling units.

7 (h) Local agencies shall submit a copy of the ordinances adopted
 8 pursuant to subdivision (a) to the Department of Housing and
 9 Community Development within 60 days after adoption.

10 (i) As used in this section, the following terms mean:

11 (1) "Living area," means the interior habitable area of a dwelling
 12 unit including basements and attics but does not include a garage
 13 or any accessory structure.

14 (2) "Local agency" means a city, county, or city and county,
 15 whether general law or chartered.

16 (3) For purposes of this section, "neighborhood" has the same
 17 meaning as set forth in Section 65589.5.

18 (4) "Accessory dwelling unit" means an attached or a detached
 19 residential dwelling unit which provides complete independent
 20 living facilities for one or more persons. It shall include permanent
 21 provisions for living, sleeping, eating, cooking, and sanitation on
 22 the same parcel as the single-family dwelling is situated. An
 23 accessory dwelling unit also includes the following:

24 (A) An efficiency unit, as defined in Section 17958.1 of Health
 25 and Safety Code.

26 (B) A manufactured home, as defined in Section 18007 of the
27 Health and Safety Code.

28 (j) Nothing in this section shall be construed to supersede or in
29 any way alter or lessen the effect or application of the California
30 Coastal Act (Division 20 (commencing with Section 30000) of
31 the Public Resources Code), except that the local government shall
32 not be required to hold public hearings for coastal development
33 permit applications for second units.

34 SEC. 6. Section 66412.2 of the *Government Code* is amended
35 to read:

36 66412.2. This division shall not apply to the construction,
37 financing, or leasing of dwelling units pursuant to Section 65852.1
38 or accessory dwelling units pursuant to Section 65852.2, but this
39 division shall be applicable to the sale or transfer, but not leasing,
40 of those units.

P17 1 SEC. 7. No reimbursement is required by this act pursuant to
2 Section 6 of Article XIII B of the California Constitution because
3 a local agency or school district has the authority to levy service
4 charges, fees, or assessments sufficient to pay for the program or
5 level of service mandated by this act, within the meaning of Section
6 17556 of the Government Code.

O

BILL ANALYSIS

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|SENATE RULES COMMITTEE | SB 1069|
|Office of Senate Floor Analyses |
|(916) 651-1520 Fax: (916) |
|327-4478 |
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THIRD READING

Bill No: SB 1069
 Author: Wieckowski (D), et al.
 Amended: 4/26/16
 Vote: 21

SENATE TRANS. & HOUSING COMMITTEE: 10-1, 4/19/16
 AYES: Beall, Cannella, Allen, Gaines, Galgiani, Leyva,
 McGuire, Mendoza, Roth, Wieckowski
 NOES: Bates

SENATE GOVERNANCE & FIN. COMMITTEE: 6-0, 4/20/16
 AYES: Hertzberg, Nguyen, Beall, Hernandez, Lara, Moorlach
 NO VOTE RECORDED: Pavley

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Land use: zoning

SOURCE: Bay Area Council

DIGEST: This bill requires an ordinance for the creation of
 accessory dwelling units (ADUs) to include specified provisions
 regarding areas where ADUs may be located, standards, and lot
 density. This bill revises requirements for the approval or
 disapproval of an ADU application when a local agency has not
 adopted an ordinance.

ANALYSIS:

Existing law:

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- 1) Defines "second unit" as an attached or a detached residential dwelling unit, which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. Permits a local agency, by ordinance, to provide for the creation of second units in single-family and multifamily residential zones as specified.
- 2) Requires, if a local agency adopts a second-unit ordinance, that applications be considered ministerially without discretionary review or a hearing. Additionally, nothing may be construed to require a local government to adopt or amend an ordinance regulating the issuance of variances or special-use permits for second units.
- 3) Requires a local agency that has not adopted a second-unit ordinance to accept and approve or disapprove the application ministerially, without discretionary review or hearing, within 120 days after receiving the application.
- 4) Requires every local agency to grant a variance or special permit for the creation of a second unit if the second unit complies with all of the following:
 - a) The unit is not intended for sale and may be rented.
 - b) The lot is zoned for single-family or multifamily use.
 - c) The lot contains an existing single-family dwelling.
 - d) The second unit is either attached to the existing dwelling and located within the living area of the existing dwelling or detached and located on the same lot as the existing dwelling.
 - e) The increased floor area of an attached second unit shall not exceed 30% of the existing living area.
 - f) The total area floor space shall not exceed 1,200

- square feet.
- g) Requirements applicable to residential construction in the zone in which the property is located.
 - h) Local building code requirements that apply to detached dwellings.
 - i) The unit is approved by the local health officer where a private sewage disposal system is being used.

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- 5) Provides that no local agency may adopt an ordinance that totally precludes second units unless the ordinance contains findings and acknowledges that the ordinance may limit housing opportunities of the region, and further contains findings that specific adverse impacts on the public health, safety, and welfare would result.
- 6) Provides that a local agency may establish maximum and minimum unit size requirements for both attached and detached second units. Establishes the maximum standards that local agencies shall use to evaluate proposed accessory dwelling units on lots zoned for residential use that contain an existing single-family dwelling. No additional standards shall be utilized or imposed, except that a local agency may require an applicant for a permit to be an owner-occupant. Provides that parking requirements shall not exceed one parking space per unit or per bedroom, but that additional parking may be required with a finding that additional parking requirements are directly related to the use of the second unit and consistent with existing neighborhood standards.

This bill:

- 1) Replaces "second units" with "accessory dwelling units" (ADUs) throughout the chapter.
- 2) Requires a local agency, in its ADU ordinance, to do the following:
 - a) Designate areas within the jurisdiction where ADUs may be permitted, which may be based upon criteria including but not limited to the adequacy of water and sewer services and the impact of ADUs on traffic flow and public safety.
 - b) Impose standards on ADUs including but not limited to parking, height, setback, lot coverage, architectural review, and maximum size of the unit. Notwithstanding parking restrictions under this chapter, a local agency may not impose parking standards in the following instances:
 - i) The ADU is located within mile of public

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- transit or shopping
 - ii) The ADU is located within an architecturally and historically significant historic district
 - iii) The ADU is part of an existing primary residence
 - iv) When on-street parking permits are required, but not offered to the occupant of the accessory dwelling unit
 - v) When there is a car-share vehicle located within one block of the ADU
- c) Provide that second units do not exceed the allowable density for the lot upon which the second unit is located, and that the second unit is consistent with the existing general plan and zoning designation for the lot.
- 3) Requires a local agency with an ADU ordinance to consider permits within 90 days of submittal of a complete building permit application.
- 4) Provides that a local agency that has not adopted an ADU ordinance, upon receipt of its first application shall accept or disapprove the application ministerially without discretionary review, unless it adopts an ordinance in accordance with this chapter within 90 days after receiving the application.
- 5) Requires a local agency that has not adopted an ADU

ordinance to approve the creation of an ADU if the ADU meets the following requirements:

- a) The unit is not intended for sale separate from the primary residence and may be rented.
- b) The lot is zoned for single-family or multifamily use.
- c) The lot contains an existing single-family dwelling.
- d) The ADU is either attached to the existing dwelling and located within the living area of the existing dwelling or detached and located on the same lot as the existing dwelling.
- e) The increased floor area of an attached ADU shall not exceed 50% of the existing living area.
- f) The total area floor space of the ADU shall not exceed 1,200 square feet.
- g) Requirements applicable to residential construction in the zone in which the property is located.

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Page 5

- h) Local building code requirements, which apply to detached dwellings as appropriate.
 - i) Approved by the local health officer where a private sewage disposal system is being used.
- 6) Removes the exemption for a local agency to adopt an ADU upon findings that the ordinance may limit housing opportunities of the region, and further contains findings that specific adverse impacts on the public health, safety, and welfare would result.
- 7) Provides that a local agency may establish maximum and minimum unit size requirements for both attached and detached ADUs. No maximum or minimum size for an ADU, or size based upon a percentage of the existing dwelling unit, shall be established by ordinance for either attached or detached dwellings that does not permit at least a 500-foot ADU or a 500-foot efficiency unit to be constructed in compliance with local development standards. ADUs shall not be required to provide fire sprinklers if they are not required for the primary residence.
- 8) Establishes the maximum standards that local agencies shall use to evaluate proposed accessory dwelling units on lots zoned for residential use that contain an existing single-family dwelling. No additional standards shall be utilized or imposed, except that a local agency may require an applicant for a permit to be an owner-occupant or that the property be used for rentals or terms longer than 30 days.
- 9) Removes the provision permitting additional parking upon a finding that additional parking is required related to the use of the ADU and consistent with existing neighborhood standards. Parking may be provided, however, as tandem parking in an existing driveway. Offstreet parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon fire and life safety conditions.
- 10) Requires ministerial approval by a local agency for a building permit to create an ADU if the ADU is contained within an existing single-family home, has independent

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Page 6

exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. ADUs shall not be required to provide fire sprinklers if they are not required for the primary residence.

- 11) Provides that ADUs shall not be considered new residential uses for the purposes of calculating private or public utility connection fees, including water and sewer service.

Comments

Purpose. According to the author, housing in California is becoming increasingly unaffordable. The average California home currently costs about 2.5 times the national average home price

and the monthly rent is 50% higher than the rest of the nation. Rent in San Francisco, San Jose, Oakland, and Los Angeles are among the top 10 most unaffordable in the nation. With rising population growth, California must not only provide housing but also ensure affordability. While existing law enables accessory dwellings as a source of housing, recent studies show that local standards, perhaps unintentionally, prevent homeowners from building ADUs with standards like lot coverage, large set-backs, off-street parking, or costly construction requirements.

Eliminating barriers to ADU construction is a common-sense, cost-effective approach that will permit homeowners to share empty rooms in their homes and property, add incomes to meet family budgets, and make good use of the property in the Bay Area and across California while easing the housing crisis. SB 1069 approaches the housing crisis by easing regulatory barriers for homeowners who choose to build affordable housing in their own backyards.

What are ADUs? ADUs, also known as accessory apartments, accessory dwellings, mother-in-law units, or granny flats, are additional living spaces on single-family lots that have a separate kitchen, bathroom, and exterior access independent of the primary residence. These spaces can either be attached to or detached from the primary residence.

Relaxing ADU requirements. According to a UC Berkeley study,

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Yes in My Backyard: Mobilizing the Market for Secondary Units, second units are a means to accommodate future growth and encourage infill development in developed neighborhoods. Despite existing state law, which requires each city in the state to have a ministerial process for approving second units, the study found that local regulations often impede development. Easing these burdens to permit more ADUs could permit a family to rent out the unit (about 49% of the units) or provide housing for a family member (about 51% of the units). In fact, the study found that the average second unit was advertised at a rental rate that makes it affordable to a household earning 62% of the area median income. About 30% were affordable to households in the very low-income category, and that 49% were in the low-income category. The study, which evaluated five adjacent cities in the East Bay, concluded that there is a substantial market of interested homeowners; cities could reduce parking requirements without contributing to parking issues; second units could accommodate future growth and affordable housing; and that scaling up second-unit strategy could mean economic and fiscal benefits for cities.

Home rule. Local governments must balance competing priorities when determining the conditions attached to the development of accessory dwelling units. Cities must look at the potential impacts on the community that result from these units: impaired neighborhood character, spillover effects on nearby homes and businesses due to inadequate parking, and loss of privacy for existing homeowners. Some local governments have adopted more involved processes for permitting second units to allow for consideration of these important factors. SB 1069 would prevent local governments from considering these impacts by requiring ministerial permits for many accessory dwelling units. Without some discretion, elected local leaders will be unable to weigh the tradeoffs between enhanced density that accessory dwelling units may provide and any community problems they create.

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

SUPPORT: (Verified5/11/16)

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Bay Area Council (source)
AARP
Abode Services
American Planning Association - California Chapter
BHV Center Street Properties, Inc.
Bishop Ranch
Blue Shield of California

Bridge Housing
 Building Industry Association - Bay Area
 California Association of Realtors
 California Building Industry Association
 California Chamber of Commerce
 California Housing Consortium
 California Infill Federation
 California Renters Legal Advocacy & Education Fund
 Center for Creative Land Recycling
 Chase Communications
 Colliers International
 Comcast
 Cushman & Wakefield
 East Bay Leadership Council
 Eden Housing
 Emerald Fund
 Facebook
 Greenbelt Alliance
 Hanson Bridgett
 HKS
 The Home Depot
 Housing Trust Silicon Valley
 Joint Venture -Silicon Valley Network
 Junius & Rose, LLP
 Kaiser Permanente
 LA-M?s
 Lennar Urban
 Lily Pad Homes
 MacKenzie Communications, Inc.
 Main Street Property Services
 Manatt
 Marvell
 McKinsey & Company
 Natural Resources Defense Council
 Nehemiah Corporation of America
 New Avenue
 Nibbi

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Non-Profit Housing Association of Northern California
 North Bay Leadership Council
 Orange County Business Council
 Pier 39
 PLANT
 Plumbing, Heating and Cooling Contractors
 Polaris Pacific
 Reuben, Junius & Rose, LLP
 Rhodes Planning Group
 San Francisco Chamber of Commerce
 San Francisco Housing Action Coalition
 San Mateo County Economic Development Association
 Sares Regis Homes
 Scott Weiner, Supervisor - District 8, San Francisco
 SPUR
 Summer Hill Housing Group
 SVAngel
 SV@Home
 Technology Credit Union
 Turner Center for Housing Innovation
 TMG Partners
 The Two Hundred
 UC Berkeley - College of Environmental Design
 UPS
 Virgin America
 Webcor Builders
 Western Center on Law and Poverty

OPPOSITION: (Verified5/16/16)

Association of California Water Agencies
 California State Association of Counties
 Cities of Angels Camp, Cloverdale, Daly City, Lakewood, and
 Merced
 League of California Cities
 Ventura Council of Governments

Prepared by: Alison Dinmore / T. & H. / (916) 651-4121
 5/16/16 10:12:38

SB 1069 _

**** END ****

7

AMENDED IN ASSEMBLY APRIL 14, 2016

AMENDED IN ASSEMBLY APRIL 4, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1934

Introduced by Assembly Member Santiago

February 12, 2016

An act to add Section 65915.7 to the Government Code, relating to housing.

LEGISLATIVE COUNSEL’S DIGEST

AB 1934, as amended, Santiago. Planning and zoning: density bonuses: mixed-use projects.

The Planning and Zoning Law requires, when an applicant proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

This bill would, when an applicant for approval for commercial development agrees to partner with an affordable housing developer to construct a mixed-used project for which the housing will be either located onsite at the proposed commercial development or located within a one-mile radius of the proposed commercial development, require a city, county, or city and county to grant to the commercial developer a density bonus, as specified. By increasing the duties of local officials relating to the administration of density bonuses, this bill would create a state-mandated local program.

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.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

- P2 1 SECTION 1. The Legislature finds and declares that the
- 2 development of affordable housing is a matter of statewide concern
- 3 and is not a municipal affair as that term is used in Section 5 of
- 4 Article XI of the California Constitution. Therefore, Section
- 5 65915.7 of the Government Code, as proposed to be added by this
- 6 act, shall apply to all cities, including charter cities.
- 7 SEC. 2. Section 65915.7 is added to the *Government Code*, to
- 8 read:
- 9 65915.7. (a) When an applicant for approval for commercial

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10 development agrees to partner with an affordable housing developer
 11 to construct a mixed-used project for which the housing will be
 12 ~~either located onsite at the proposed commercial development or~~
 13 ~~located within a one-mile radius of the proposed commercial~~
 14 development, the city, county, or city and county shall, in addition
 15 to any density bonus and incentives or concessions granted to the
 16 affordable housing developer as prescribed in Section 65915, grant
 17 to the commercial developer a density bonus as prescribed in
 18 subdivision (b).

19 (b) The density bonus granted to the commercial developer shall
 20 ~~mean a density increase of up to 20 percent variance exceptions~~
 21 ~~resulting in significant cost reductions over the maximum allowable~~
 22 ~~intensity in the general plan, zoning ordinance, or other regulation~~
 23 ~~of the city, county, or city and county's zoning ordinance or~~
 24 ~~regulation, county, including, but not limited to, floor area ratios~~
 25 ~~or commercial linkage fees. ratios, and may include modification~~
 26 ~~to development standards such as height and parking requirements.~~

27 SEC. 3. No reimbursement is required by this act pursuant to
 28 Section 6 of Article XIII B of the California Constitution because
 P3 1 a local agency or school district has the authority to levy service
 2 charges, fees, or assessments sufficient to pay for the program or
 3 level of service mandated by this act, within the meaning of Section
 4 17556 of the Government Code.

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BILL ANALYSIS

AB 1934

Page 1

ASSEMBLY THIRD READING

AB
1934 (Santiago)

As Amended April 14, 2016

Majority vote

Committee	Votes	Ayes	Noes
Housing	6-0	Chiu, Steinorth, Burke, Chau, Lopez, Mullin	
Local Government	8-0	Eggman, Waldron, Alejo, Bonilla, Chiu, Cooley, Gordon, Linder	
Appropriations	15-1	Gonzalez, Bloom, Bonilla, Bonta, Calderon, McCarty, Eggman, Gallagher, Eduardo Garcia, Chau, Holden, Quirk, Santiago, Weber, Wood	Obernolte

AB 1934

Page 2

SUMMARY: Creates a density bonus for commercial developers that partner with an affordable housing developer to construct a mixed-used development. Specifically, this bill:

- 1) Provides that when a commercial developer agrees to partner with an affordable housing developer to construct a mixed-used project with housing located on site of the proposed development, a local government must in addition to granting incentives and concessions under State Density Bonus Law also grant the commercial developer a density bonus.
- 2) Provides that the density bonus for the commercial developer means: exceptions resulting in significant cost reductions over the maximum allowable intensity in the general fund, zoning ordinance or other regulation of the city, county, or city and county including but not limited to floor area ratios and may include modification to the development standards such as high and parking requirements.
- 3) Provides that no reimbursement is required by this act because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay the program or level of service.

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4)Makes findings and declarations that the development of affordable housing is a matter of statewide concern and it is not a municipal affair, and therefore, this bill applies to all cities including charter cities.

AB 1934

Page 3

FISCAL EFFECT: According to the Assembly Appropriations Committee, no state fiscal impact. Local agencies have the authority to levy fees for related costs and thus, any local costs are not reimbursable.

COMMENTS:

In 1979 the Legislature enacted density bonus law to help address the affordable housing shortage and to encourage development of more low- and moderate-income housing units. Density bonus is a tool to encourage the production of affordable housing that is used by both market rate and affordable housing developers. In return for inclusion of affordable units in a development, developers are given an increase in density over a city's zoned density and concessions and incentives. The increase in density and concessions and incentives are to offset the cost the affordable units which will be offered at a lower rent, as low as 30% of area median income. Developers that seek a density bonus must agree to restrict very low- and low-income rental units to affordable levels for 55 years.

State law specifies concessions and incentives that a local government may include in its density bonus ordinance including a reduction in site development standards, or a modification of zoning code requirements, or architectural design requirements that exceed the minimum building standards, and approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and are compatible with the project and the surrounding area. A developer or city can also propose other regulatory incentives or concessions that result in identifiable, financially sufficient, and actual cost reductions.

AB 1934

Page 4

This bill seeks to encourage greater production of affordable units by creating a "density bonus" for commercial developers who partner with an affordable housing developer to construct affordable units. Affordable housing developers would receive a density bonus commensurate with the number of affordable units included in the development plus concessions and incentives. The affordable units must be built on the same site as the commercial development. In addition to the density bonus and concessions and incentives provided for the affordable units, the commercial developer would receive a "density bonus" which means exceptions to existing general plan and zoning regulations that result in significant cost reductions.

Purpose of this bill: According to the author, "Local governments can be wary of high density residential development because of the corresponding increase in demand for public services and infrastructure. Conversely, in an era of tight budgets, local governments have more incentive to approve

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commercial developments which will increase revenues (i.e. hotels with transient occupancy tax or retail establishments which generate sales tax). AB 1934 represents a solution to all three of these dilemmas: a piece of California's affordable housing crisis solution which brings both residential and commercial developers to the table. AB 1934 creates a new combined bonus that shall be provided by local governments to affordable housing developers and commercial developers who partner together to construct a mixed-use project in which affordable housing will either be on-site or located within a 1-mile radius of the sister development. The variances can include, but are not limited to, floor area ratios and commercial linkage fees. AB 1934 seeks to marry two needs: a) the state's need for affordable housing; and b) local government's desire for increased revenues, by encouraging non-traditional housing developers to enter the market and think outside the box in their developments."

Analysis Prepared by:

AB 1934

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Lisa Engel / H. & C.D. / (916) 319-2085 FN:

0002976

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AMENDED IN ASSEMBLY APRIL 5, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL**No. 2299****Introduced by Assembly Member Bloom**

February 18, 2016

An act to amend Section 65852.2 of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

AB 2299, as amended, Bloom. Land use: housing: 2nd units.

The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified.

This bill would, instead, require a local agency to provide by ordinance for the creation of 2nd units in these zones. ~~By~~ *The bill would also specify that a local agency may reduce or eliminate parking requirements for any 2nd unit located within its jurisdiction.*

Existing law also requires a local agency, if it has not adopted an ordinance governing 2nd units and receives an application for a permit for the creation of a 2nd unit, as provided, to grant a variance or special use permit if the 2nd unit complies with specified requirements, including specified zoning requirements generally applicable to residential construction in the zone in which the property is located.

This bill would prohibit a requirement for a passageway or pathway clear to the sky between the 2nd unit and a public street and, for a 2nd unit constructed above a garage located on an alley, for a setback of more than 5 feet from the side and rear lot. The bill would also provide that a 2nd unit constructed above a garage or a garage converted in whole or in part into a 2nd unit is deemed to be an accessory building or accessory use that may be permitted within a required yard or setback area, provided that the 2nd unit is set back a minimum of 5 feet from the side and rear lot areas.

Existing law requires that parking requirements for 2nd units not exceed one parking space per unit or per bedroom. Under existing law, additional parking may be required provided that a finding is made that the additional parking requirements are directly related to the use of the 2nd unit and are consistent with existing neighborhood standards applicable to residential dwellings.

This bill would delete the above-described authorization for additional parking requirements. The bill would also provide that, when a garage, carport, or covered parking structure is demolished in conjunction with the construction of a 2nd unit and the local agency requires that those off-street parking spaces be replaced, the replacement spaces may be located in any configuration on the same lot as the 2nd unit, as provided.

~~By increasing the duties of local officials,~~ *officials with respect to land use regulations,* this bill would impose a state-mandated local program.

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

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reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

P2 1 SECTION 1. Section 65852.2 of the *Government Code* is
 2 amended to read:
 3 65852.2. (a) (1) A local agency shall, by ordinance, provide
 4 for the creation of second units in single-family and multifamily
 5 residential zones. The ordinance shall do all of the following:
 6 (A) Designate areas within the jurisdiction of the local agency
 7 where second units may be permitted. The designation of areas
 8 may be based on criteria, that may include, but are not limited to,
 9 the adequacy of water and sewer services and the impact of second
 10 units on traffic flow.
 P3 1 (B) Impose standards on second units that include, but are not
 2 limited to, parking, height, setback, lot coverage, *landscape*,
 3 architectural review, maximum size of a unit, and standards that
 4 prevent adverse impacts on any real property that is listed in the
 5 California Register of Historic Places. However, notwithstanding
 6 subdivision (d), a local agency shall not impose parking standards
 7 for a second unit that is located within one-half mile of public
 8 transit or shopping or is within an architecturally and historically
 9 significant historic district.
 10
 11 (C) *Notwithstanding subparagraph (B), a local agency may*
 12 *reduce or eliminate parking requirements for any second unit*
 13 *located within its jurisdiction.*
 14 (D) Provide that second units do not exceed the allowable
 15 density for the lot upon which the second unit is located, and that
 16 second units are a residential use that is consistent with the existing
 17 general plan and zoning designation for the lot.
 18 (2) The ordinance shall not be considered in the application of
 19 any local ordinance, policy, or program to limit residential growth.
 20 (3) When a local agency receives its first application on or after
 21 July 1, 2003, for a permit pursuant to this subdivision, the
 22 application shall be considered ministerially without discretionary
 23 review or a hearing, notwithstanding Section 65901 or 65906 or
 24 any local ordinance regulating the issuance of variances or special
 25 use permits. A local agency may charge a fee to reimburse it for
 26 costs that it incurs as a result of amendments to this paragraph
 27 enacted during the 2001-02 Regular Session of the Legislature,
 28 including the costs of adopting or amending any ordinance that
 29 provides for the creation of second units.
 30 (b) (1) When a local agency has not adopted an ordinance
 31 governing second units in accordance with subdivision (a) receives
 32 its first application on or after July 1, 1983, for a permit pursuant
 33 to this subdivision, the local agency shall accept the application
 34 and approve or disapprove the application ministerially without
 35 discretionary review pursuant to this subdivision unless it adopts
 36 an ordinance in accordance with subdivision (a) within 120 days
 37 after receiving the application. Notwithstanding Section 65901 or
 38 65906, every local agency shall grant a variance or special use
 39 permit for the creation of a second unit if the second unit complies
 40 with all of the following:

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- P4 1 (A) The unit is not intended for sale and may be rented.
- 2 (B) The lot is zoned for single-family or multifamily use.
- 3 (C) The lot contains an existing single-family dwelling.
- 4 (D) The second unit is either attached to the existing dwelling
- 5 and located within the living area of the existing dwelling or
- 6 detached from the existing dwelling and located on the same lot
- 7 as the existing dwelling.
- 8 (E) The increased floor area of an attached second unit shall
- 9 not exceed 30 percent of the existing living area.
- 10 (F) The total area of floorspace for a detached second unit shall
- 11 not exceed 1,200 square feet.
- 12 (G) Requirements relating to height, setback, lot coverage,
- 13 architectural review, site plan review, fees, charges, and other
- 14 zoning requirements generally applicable to residential construction
- 15 in the zone in which the property is ~~located~~. *located, except as*
- 16 *follows:*
- 17
- 18 *(i) No passageway or pathway clear to the sky between the*
- 19 *second unit and a public street shall be required in conjunction*
- 20 *with the construction of a second unit.*
- 21 *(ii) No setback more than five feet from the side and rear lot*
- 22 *line shall be required for a second unit constructed above a garage*
- 23 *located on an alley.*
- 24 (H) Local building code requirements that apply to detached
- 25 dwellings, as appropriate.
- 26 (I) Approval by the local health officer where a private sewage
- 27 disposal system is being used, if required.
- 28 (2) No other local ordinance, policy, or regulation shall be the
- 29 basis for the denial of a building permit or a use permit under this
- 30 subdivision.
- 31 (3) This subdivision establishes the maximum standards that
- 32 local agencies shall use to evaluate proposed second units on lots
- 33 zoned for residential use that contain an existing single-family
- 34 dwelling. No additional standards, other than those provided in
- 35 this subdivision or subdivision (a), shall be utilized or imposed,
- 36 except that a local agency may require an applicant for a permit
- 37 issued pursuant to this subdivision to be an owner-occupant.
- 38 (4) No changes in zoning ordinances or other ordinances or any
- 39 changes in the general plan shall be required to implement this
- 40 subdivision. A local agency may amend its zoning ordinance or
- P5 1 provisions applicable to the creation of second units if these
- 2 provisions are consistent with the limitations of this subdivision.
- 3 (5) A second unit that conforms to this subdivision shall *be*
- 4 *deemed to be an accessory use or an accessory building and shall*
- 5 *not be considered to exceed the allowable density for the lot upon*
- 6 *which it is located, and shall be deemed to be a residential use that*
- 7 *is consistent with the existing general plan and zoning designations*
- 8 *for the lot. The second units shall not be considered in the*
- 9 *application of any local ordinance, policy, or program to limit*
- 10 *residential growth.*
- 11 (c) A local agency may establish minimum and maximum unit
- 12 size requirements for both attached and detached second units. No
- 13 minimum or maximum size for a second unit, or size based upon
- 14 a percentage of the existing dwelling, shall be established by
- 15 ordinance for either attached or detached dwellings that does not

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16 permit at least an efficiency unit to be constructed in compliance
 17 with local development standards.

18 (d) (1) Parking requirements for second units shall not exceed
 19 one parking space per unit or per bedroom. ~~Additional parking~~
 20 ~~may be required provided that a finding is made that the additional~~
 21 ~~parking requirements are directly related to the use of the second~~
 22 ~~unit and are consistent with existing neighborhood standards~~
 23 ~~applicable to existing dwellings.~~ Off-street parking shall be
 24 permitted in setback areas in locations determined by the local
 25 agency or through tandem parking, unless specific findings are
 26 made that parking in setback areas or tandem parking is not feasible
 27 based upon specific site or regional topographical or fire and life
 28 safety conditions, or that it is not permitted anywhere else in the
 29 jurisdiction.

30
 31 (2) *When a garage, carport, or covered parking structure is*
 32 *demolished in conjunction with the construction of a second unit,*
 33 *and the local agency requires that those off-street parking spaces*
 34 *be replaced, the replacement spaces may be located in any*
 35 *configuration on the same lot as the second unit, including, but*
 36 *not limited to, as covered spaces, uncovered spaces, or tandem*
 37 *spaces, or by the use of mechanical automobile parking lifts.*

38 (e) Fees charged for the construction of second units shall be
 39 determined in accordance with Chapter 5 (commencing with
 Section 66000).

P6 1 (f) This section does not limit the authority of local agencies to
 2 adopt less restrictive requirements for the creation of second units.

3 (g) Local agencies shall submit a copy of the ordinances adopted
 4 pursuant to subdivision (a) to the Department of Housing and
 5 Community Development within 60 days after adoption.

6 (h) As used in this section, the following terms mean:

7 (1) "Living area," means the interior habitable area of a dwelling
 8 unit including basements and attics but does not include a garage
 9 or any accessory structure.

10 (2) "Local agency" means a city, county, or city and county,
 11 whether general law or chartered.

12 (3) For purposes of this section, "neighborhood" has the same
 13 meaning as set forth in Section 65589.5.

14 (4) "Second unit" means an attached or a detached residential
 15 dwelling unit which provides complete independent living facilities
 16 for one or more persons. It shall include permanent provisions for
 17 living, sleeping, eating, cooking, and sanitation on the same parcel
 18 as the single-family dwelling is situated. A second unit also
 19 includes the following:

20 (A) An efficiency unit, as defined in Section 17958.1 of Health
 21 and Safety Code.

22 (B) A manufactured home, as defined in Section 18007 of the
 23 Health and Safety Code.

24 (i) Nothing in this section shall be construed to supersede or in
 25 any way alter or lessen the effect or application of the California
 26 Coastal Act (Division 20 (commencing with Section 30000) of
 27 the Public Resources Code), except that the local government shall
 28 not be required to hold public hearings for coastal development
 29 permit applications for second units.

30 SEC. 2. No reimbursement is required by this act pursuant to
 31 Section 6 of Article XIII B of the California Constitution because
 32 a local agency or school district has the authority to levy service

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33 charges, fees, or assessments sufficient to pay for the program or
34 level of service mandated by this act, within the meaning of Section
35 17556 of the Government Code.

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BILL ANALYSIS

AB 2299

Page 1

ASSEMBLY THIRD READING

AB
2299 (Bloom)

As Amended April 5, 2016

Majority vote

Committee	Votes	Ayes	Noes
Housing	5-2	Chiu, Burke, Chau, Lopez, Mullin	Steinorth, Beth Gaines
Local Government	6-2	Eggman, Alejo, Bonilla, Chiu, Cooley, Linder	Waldron, Beth Gaines
Appropriations	14-6	Gonzalez, Bloom, Bonilla, Bonta, Calderon, McCarty, Eggman, Eduardo Garcia, Chau, Holden, Quirk, Santiago, Weber, Wood	Bigelow, Chang, Gallagher, Jones, Oberholte, Wagner

AB 2299

Page 2

SUMMARY: Requires rather than permits a local government to adopt an ordinance for the creation of second units in single-family and multifamily residential zones. Specifically, this bill:

- 1) Prohibits a local government from imposing parking standards for a second unit located within one-half mile of public transit or shopping or that is within an architecturally and historically significant historic district.
- 2) Allows a local government to eliminate parking requirements for any second unit located in its jurisdiction.
- 3) Prohibits a local government from requiring a passageway or pathway clear to the sky between the second unit and a public street when constructing a second unit.
- 4) Prohibits a local government from requiring a setback more than five feet from the side and rear lot line for a second unit constructed above a garage located on an alley.
- 5) Provides that when a garage, carport, or covered parking structure is demolished in conjunction with the construction of a second unit, and the local government requires that those off-street parking spaces be replaced, the replacement spaces

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may be located in any configuration on the same lot as the second unit including but not limited to covered spaces, uncovered spaces, or tandem spaces or by the use of mechanical automobile parking lifts.

FISCAL EFFECT: According to Assembly Appropriations Committee, no state fiscal impact. Local agencies have the authority to

AB 2299

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levy fees for related costs and thus, any local costs are not reimbursable.

COMMENTS:

Local governments are authorized to adopt ordinances for the creation of second units in single family and multifamily zones; however they are not required to do so. State law allows local governments to limit the areas that second units may be permitted based on availability of adequate water and sewer services as well as the impact on traffic flow. They can also impose parking standards. AB 1866 (Wright) Chapter 1062, Statutes of 2002, required that local governments approve a second unit ministerially without discretionary review or hearing or require a special use permit.

This bill would require rather than allow a local government to adopt a second unit ordinance and to limit the local government's ability to apply certain standards. Within one-half mile of public transit or shopping, or within in an architecturally or historically significant district, an ordinance could not impose any parking requirement on the second unit. Parking requirements imposed by local jurisdictions on second units can be a barrier to the creation of these units because the parking may not be feasible in an existing neighborhood.

Purpose of this bill: According to the author, "California's implementation of SB 375 [(Steinberg), Chapter 728, Statutes of 2008], the Sustainable Communities and Climate Protection Act of 2008, is putting new pressure on communities to support infill and affordable housing development. As the San Francisco Bay Area adds over two million new residents by 2040, infilling the core (in targeted Priority Development Areas, or PDAs) could accommodate over half of the new population, according to the

AB 2299

Page 4

Association of Bay Area Governments (ABAG). But at the same time, infill could increase housing costs and exacerbate the region's affordability crisis. One potential solution is secondary units (also called in-law units or accessory dwelling units). Self-contained, smaller living units on the lot of a single-family home, secondary units can be either attached to the primary house, such as an above-the-garage unit or a basement unit, or detached (an independent cottage). Secondary units are particularly well-suited as an infill strategy for low-density residential areas because they offer hidden density, housing units not readily apparent from the street - and relatively less objectionable to the neighbors. Recognizing the potential of secondary units as a housing strategy, California has passed several laws to lower local regulatory barriers to construction, most recently Assembly Bill 1866 of 2002, which requires that each city in the state have a ministerial process for approving secondary units. AB 2299 will ease and streamline current statewide regulations as well as encourage the building of accessory dwelling unit (ADU) as a way to create more housing

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options. Currently several cities are looking at local ordinances to improve or incentivize the creation of ADUs as way to create more rental properties and incomes for families to stay in their current homes. Simply reducing parking requirements in transit rich areas where most tenants don't have a car will encourage more building of ADUs."

Analysis Prepared by:
Lisa Engel / H. & C.D. / (916) 319-2085 FN: 0002978

AB 2299

Page 5

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AMENDED IN ASSEMBLY APRIL 14, 2016

AMENDED IN ASSEMBLY APRIL 5, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL**No. 2501**

**Introduced by Assembly Members Bloom and Low
(Coauthor: Assembly Member Daly)**

February 19, 2016

An act to amend Section 65915 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2501, as amended, Bloom. Housing: density bonuses.

Existing law, the Planning and Zoning Law, requires, when an applicant proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low-, low-, or moderate-income households or qualifying residents. Existing law requires continued affordability for 55 years or longer, as specified, of all very low and low-income units that qualified an applicant for a density bonus. Existing law requires a city, county, or city and county to adopt an ordinance to implement these requirements and to establish procedures to carry them out.

This bill would require the ordinance to include *local government to adopt procedures and timelines for processing a density bonus application, as specified, as well as provide a list of documents and information required to be submitted with the application in order for it to be deemed complete. complete, and notify the applicant whether it is complete.* By increasing the duties of local officials, this bill would impose a state-mandated local program. The bill would prohibit a local government from requiring additional reports or studies to be prepared by the developer as a condition of the application. The bill would additionally require each component of any density calculation that results in fractional units to be rounded up to the next whole number, and would provide that this provision is declaratory of existing law.

Existing law defines the term "density bonus" for these purposes to mean a density increase over the otherwise maximum allowable residential density as of the date of the application and provides that the applicant may elect to accept a lesser percentage of density bonus.

This bill would specify that the term "density bonus" means a density increase over the maximum allowable gross residential density at the time of the date of the application, and would provide that an applicant may elect to accept no density bonus. The bill would additionally provide that the term "density bonus" includes any incentive or concession, or waiver or reduction of development standard, provided to the applicant for the production of housing units and child care facilities, as provided.

Existing law requires a local government to provide the applicant for a density bonus with incentives or concessions for the production of housing units and child care

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facilities, as specified.

The bill would additionally require the local government to provide the applicant with a waiver or reduction of development standards, as specified.

Existing law requires a local government to grant a proposal for specific incentives or concessions requested by an applicant unless the local government makes written findings, based on substantial evidence, that, among other things, the concession or incentive is not required in order to provide affordable housing costs or for rents for the targeted units, as specified.

This bill would, instead, provide that the local government is required to provide the requested concessions or incentives unless it finds, based on substantial evidence, that the concession or incentive does not reduce the cost of development to provide for affordable housing costs or rents for the targeted units.

Existing law defines the term "housing development" for these purposes to mean a development project for five or more residential units.

This bill would expand that definition to include mixed-use housing, as specified.

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.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

P3 1 SECTION 1. Section 65915 of the *Government Code* is
 2 amended to read:
 3 65915. (a) (1) When an applicant seeks a density bonus for
 4 a housing development within, or for the donation of land for
 5 housing within, the jurisdiction of a city, county, or city and county,
 6 that local government shall provide the applicant with incentives,
 7 concessions, or waiver and reduction of development standards
 8 for the production of housing units and child care facilities as
 9 prescribed in this section. A city, county, or city and county shall
 10 adopt an ordinance that specifies how compliance with this section
 11 will be implemented. Failure to adopt an ordinance shall not relieve
 12 a city, county, or city and county from complying with this section.
 13
 14 ~~The local government shall not require public notice or hold a~~
 15 ~~public hearing on the application. Acting on the application shall~~
 16 ~~be considered a ministerial act.~~
 17 (2) A local government shall not condition the submission,
 18 review, or approval of an application for a density bonus pursuant
 19 to this chapter on the preparation of an additional report or study
 20 that is not otherwise described in this section.
 21 (3) In order to provide for the expeditious processing of a density
 22 bonus application, the ordinance required pursuant to this
 23 subdivision local government shall include do all of the following:
 24 (A) ~~Procedures~~ Adopt procedures and timelines for processing
 a density bonus application.
 P4 1 (B) ~~A~~ Provide a list of all documents and information required
 2 to be submitted with the density bonus application in order for the
 3 density bonus application to be deemed complete. This list shall
 4 be consistent with this chapter.
 5 (C) ~~A procedure to notify~~ Notify the applicant within 30 days
 6 of receipt of the application that for a density bonus whether the

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7 application is complete or that an additional item is required to
 8 complete the application. If an additional item is required, it shall
 9 be identified in this notice. If the local government does not provide
 10 this notice within 30 days, then the application shall be deemed
 11 complete. *complete in a manner consistent with Section 65943.*

12 ~~(D) A procedure to make a final determination on the density
 13 bonus application no later than 60 days from the date when the
 14 density bonus application is deemed complete. If the local
 15 government does not make a final determination within this time,
 16 the density bonus application shall be deemed approved.~~

17 (b) (1) A city, county, or city and county shall grant one density
 18 bonus, the amount of which shall be as specified in subdivision
 19 (f), and incentives or concessions, as described in subdivision (d),
 20 when an applicant for a housing development seeks and agrees to
 21 construct a housing development, excluding any units permitted
 22 by the density bonus awarded pursuant to this section, that will
 23 contain at least any one of the following:

24 (A) Ten percent of the total units of a housing development for
 25 lower income households, as defined in Section 50079.5 of the
 26 Health and Safety Code.

27 (B) Five percent of the total units of a housing development for
 28 very low income households, as defined in Section 50105 of the
 29 Health and Safety Code.

30 (C) A senior citizen housing development, as defined in Sections
 31 51.3 and 51.12 of the Civil Code, or a mobilehome park that limits
 32 residency based on age requirements for housing for older persons
 33 pursuant to Section 798.76 or 799.5 of the Civil Code.

34 (D) Ten percent of the total dwelling units in a common interest
 35 development, as defined in Section 4100 of the Civil Code, for
 36 persons and families of moderate income, as defined in Section
 37 50093 of the Health and Safety Code, provided that all units in the
 38 development are offered to the public for purchase.

39 (2) For purposes of calculating the amount of the density bonus
 40 pursuant to subdivision (f), an applicant who requests a density
 P5 1 bonus pursuant to this subdivision shall elect whether the bonus
 2 shall be awarded on the basis of subparagraph (A), (B), (C), or (D)
 3 of paragraph (1).

4 (3) For the purposes of this section, "total units" or "total
 5 dwelling units" does not include units added by a density bonus
 6 awarded pursuant to this section or any local law granting a greater
 7 density bonus.

8 (c) (1) An applicant shall agree to, and the city, county, or city
 9 and county shall ensure, the continued affordability of all very low
 10 and low-income rental units that qualified the applicant for the
 11 award of the density bonus for 55 years or a longer period of time
 12 if required by the construction or mortgage financing assistance
 13 program, mortgage insurance program, or rental subsidy program.
 14 Rents for the lower income density bonus units shall be set at an
 15 affordable rent as defined in Section 50053 of the Health and Safety
 16 Code.

17 (2) An applicant shall agree to, and the city, county, or city and
 18 county shall ensure that, the initial occupant of all for-sale units
 19 that qualified the applicant for the award of the density bonus are
 20 persons and families of very low, low, or moderate income, as
 21 required, and that the units are offered at an affordable housing
 22 cost, as that cost is defined in Section 50052.5 of the Health and

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23 Safety Code. The local government shall enforce an equity sharing
24 agreement, unless it is in conflict with the requirements of another
25 public funding source or law. The following apply to the equity
26 sharing agreement:

27 (A) Upon resale, the seller of the unit shall retain the value of
28 any improvements, the downpayment, and the seller’s proportionate
29 share of appreciation. The local government shall recapture any
30 initial subsidy, as defined in subparagraph (B), and its proportionate
31 share of appreciation, as defined in subparagraph (C), which
32 amount shall be used within five years for any of the purposes
33 described in subdivision (e) of Section 33334.2 of the Health and
34 Safety Code that promote home ownership.

35 (B) For purposes of this subdivision, the local government’s
36 initial subsidy shall be equal to the fair market value of the home
37 at the time of initial sale minus the initial sale price to the
38 moderate-income household, plus the amount of any downpayment
39 assistance or mortgage assistance. If upon resale the market value
P6 1 is lower than the initial market value, then the value at the time of
2 the resale shall be used as the initial market value.

3 (C) For purposes of this subdivision, the local government’s
4 proportionate share of appreciation shall be equal to the ratio of
5 the local government’s initial subsidy to the fair market value of
6 the home at the time of initial sale.

7 (3) (A) An applicant shall be ineligible for a density bonus or
8 any other incentives or concessions under this section if the housing
9 development is proposed on any property that includes a parcel or
10 parcels on which rental dwelling units are or, if the dwelling units
11 have been vacated or demolished in the five-year period preceding
12 the application, have been subject to a recorded covenant,
13 ordinance, or law that restricts rents to levels affordable to persons
14 and families of lower or very low income; subject to any other
15 form of rent or price control through a public entity’s valid exercise
16 of its police power; or occupied by lower or very low income
17 households, unless the proposed housing development replaces
18 those units, and either of the following applies:

19 (i) The proposed housing development, inclusive of the units
20 replaced pursuant to this paragraph, contains affordable units at
21 the percentages set forth in subdivision (b).

22 (ii) Each unit in the development, exclusive of a manager’s unit
23 or units, is affordable to, and occupied by, either a lower or very
24 low income household.

25 (B) For the purposes of this paragraph, “replace” shall mean
26 either of the following:

27 (i) If any dwelling units described in subparagraph (A) are
28 occupied on the date of application, the proposed housing
29 development shall provide at least the same number of units of
30 equivalent size or type, or both, to be made available at affordable
31 rent or affordable housing cost to, and occupied by, persons and
32 families in the same or lower income category as those households
33 in occupancy. For unoccupied dwelling units described in
34 subparagraph (A) in a development with occupied units, the
35 proposed housing development shall provide units of equivalent
36 size or type, or both, to be made available at affordable rent or
37 affordable housing cost to, and occupied by, persons and families
38 in the same or lower income category in the same proportion of
39 affordability as the occupied units. All replacement calculations

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40 resulting in fractional units shall be rounded up to the next whole
 P7 1 number. If the replacement units will be rental dwelling units,
 2 these units shall be subject to a recorded affordability restriction
 3 for at least 55 years. If the proposed development is for-sale units,
 4 the units replaced shall be subject to paragraph (2).

5 (ii) If all dwelling units described in subparagraph (A) have
 6 been vacated or demolished within the five-year period preceding
 7 the application, the proposed housing development shall provide
 8 at least the same number of units of equivalent size or type, or
 9 both, as existed at the highpoint of those units in the five-year
 10 period preceding the application to be made available at affordable
 11 rent or affordable housing cost to, and occupied by, persons and
 12 families in the same or lower income category as those persons
 13 and families in occupancy at that time, if known. If the incomes
 14 of the persons and families in occupancy at the highpoint is not
 15 known, then one-half of the required units shall be made available
 16 at affordable rent or affordable housing cost to, and occupied by,
 17 very low income persons and families and one-half of the required
 18 units shall be made available for rent at affordable housing costs
 19 to, and occupied by, low-income persons and families. All
 20 replacement calculations resulting in fractional units shall be
 21 rounded up to the next whole number. If the replacement units will
 22 be rental dwelling units, these units shall be subject to a recorded
 23 affordability restriction for at least 55 years. If the proposed
 24 development is for-sale units, the units replaced shall be subject
 25 to paragraph (2).

26 (C) Paragraph (3) of subdivision (c) does not apply to an
 27 applicant seeking a density bonus for a proposed housing
 28 development if his or her application was submitted to, or
 29 processed by, a city, county, or city and county before January 1,
 30 2015.

31 (d) (1) An applicant for a density bonus pursuant to subdivision
 32 (b) may submit to a city, county, or city and county a proposal for
 33 the specific incentives or concessions that the applicant requests
 34 pursuant to this section, and may request a meeting with the city,
 35 county, or city and county. The city, county, or city and county
 36 shall grant the concession or incentive requested by the applicant
 37 unless the city, county, or city and county makes a written finding,
 38 based upon substantial evidence, of any of the following:

39 (A) The concession or incentive does not reduce the cost of
 40 development to provide for affordable housing costs, as defined
 P8 1 in Section 50052.5 of the Health and Safety Code, or for rents for
 2 the targeted units to be set as specified in subdivision (c).

3 (B) The concession or incentive would have a specific adverse
 4 impact, as defined in paragraph (2) of subdivision (d) of Section
 5 65589.5, upon public health and safety or the physical environment
 6 or on any real property that is listed in the California Register of
 7 Historical Resources and for which there is no feasible method to
 8 satisfactorily mitigate or avoid the specific adverse impact without
 9 rendering the development unaffordable to low- and
 10 moderate-income households.

11 (C) The concession or incentive would be contrary to state or
 12 federal law.

13 (2) The applicant shall receive the following number of
 14 incentives or concessions:

15 (A) One incentive or concession for projects that include at least

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16 10 percent of the total units for lower income households, at least
 17 5 percent for very low income households, or at least 10 percent
 18 for persons and families of moderate income in a common interest
 19 development.

20 (B) Two incentives or concessions for projects that include at
 21 least 20 percent of the total units for lower income households, at
 22 least 10 percent for very low income households, or at least 20
 23 percent for persons and families of moderate income in a common
 24 interest development.

25 (C) Three incentives or concessions for projects that include at
 26 least 30 percent of the total units for lower income households, at
 27 least 15 percent for very low income households, or at least 30
 28 percent for persons and families of moderate income in a common
 29 interest development.

30 (3) The applicant may initiate judicial proceedings if the city,
 31 county, or city and county refuses to grant a requested density
 32 bonus, incentive, or concession. If a court finds that the refusal to
 33 grant a requested density bonus, incentive, or concession is in
 34 violation of this section, the court shall award the plaintiff
 35 reasonable attorney’s fees and costs of suit. Nothing in this
 36 subdivision shall be interpreted to require a local government to
 37 grant an incentive or concession that has a specific, adverse impact,
 38 as defined in paragraph (2) of subdivision (d) of Section 65589.5,
 39 upon health, safety, or the physical environment, and for which
 40 there is no feasible method to satisfactorily mitigate or avoid the

P9 1 specific adverse impact. Nothing in this subdivision shall be
 2 interpreted to require a local government to grant an incentive or
 3 concession that would have an adverse impact on any real property
 4 that is listed in the California Register of Historical Resources.
 5 The city, county, or city and county shall establish procedures for
 6 carrying out this section, that shall include legislative body
 7 approval of the means of compliance with this section.

8 (4) The city, county, or city and county shall bear the burden
 9 of proof for the denial of a requested concession or incentive.
 10 Denial of a requested concession or incentive shall be deemed to
 11 have exhausted an applicant’s administrative remedies for purposes
 12 of paragraph (3) of subdivision (d) or subdivision (e).

13 (e) (1) In no case may a city, county, or city and county apply
 14 any development standard that will have the effect of physically
 15 precluding the construction of a development meeting the criteria
 16 of subdivision (b) at the densities or with the concessions or
 17 incentives permitted by this section. An applicant may submit to
 18 a city, county, or city and county a proposal for the waiver or
 19 reduction of development standards that will have the effect of
 20 physically precluding the construction of a development meeting
 21 the criteria of subdivision (b) at the densities or with the
 22 concessions or incentives permitted under this section, and may
 23 request a meeting with the city, county, or city and county. If a
 24 court finds that the refusal to grant a waiver or reduction of
 25 development standards is in violation of this section, the court
 26 shall award the plaintiff reasonable attorney’s fees and costs of
 27 suit. Nothing in this subdivision shall be interpreted to require a
 28 local government to waive or reduce development standards if the
 29 waiver or reduction would have a specific, adverse impact, as
 30 defined in paragraph (2) of subdivision (d) of Section 65589.5,
 31 upon health, safety, or the physical environment, and for which

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32 there is no feasible method to satisfactorily mitigate or avoid the
 33 specific adverse impact. Nothing in this subdivision shall be
 34 interpreted to require a local government to waive or reduce
 35 development standards that would have an adverse impact on any
 36 real property that is listed in the California Register of Historical
 37 Resources, or to grant any waiver or reduction that would be
 38 contrary to state or federal law.

39 (2) A proposal for the waiver or reduction of development
 40 standards pursuant to this subdivision shall neither reduce nor
 P10 1 increase the number of incentives or concessions to which the
 2 applicant is entitled pursuant to subdivision (d).

3 (f) (1) For the purposes of this chapter, "density bonus" means
 4 a density increase over the otherwise maximum allowable gross
 5 residential density as of the date of application by the applicant to
 6 the city, county, or city and county. The applicant may elect to
 7 accept a lesser percentage of density bonus, including, but not
 8 limited to, no increase in density. The amount of density bonus to
 9 which the applicant is entitled shall vary according to the amount
 10 by which the percentage of affordable housing units exceeds the
 11 percentage established in subdivision (b).

12 (A) For housing developments meeting the criteria of
 13 subparagraph (A) of paragraph (1) of subdivision (b), the density
 14 bonus shall be calculated as follows:

15

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
17	30.5
18	32
19	33.5
20	35

P10 ~~30~~

29 (B) For housing developments meeting the criteria of
 30 subparagraph (B) of paragraph (1) of subdivision (b), the density
 31 bonus shall be calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

P10 ~~30~~

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P11 1 (C) For housing developments meeting the criteria of
 2 subparagraph (C) of paragraph (1) of subdivision (b), the density
 3 bonus shall be 20 percent of the number of senior housing units.
 4 (D) For housing developments meeting the criteria of
 5 subparagraph (D) of paragraph (1) of subdivision (b), the density
 6 bonus shall be calculated as follows:

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

P10 ~~30~~

P12 1 (E) All density calculations resulting in fractional units shall be
 2 rounded up to the next whole number. The granting of a density
 3 bonus shall not require, or be interpreted, in and of itself, to require
 4 a general plan amendment, local coastal plan amendment, zoning
 5 change, or other discretionary approval.

6 (2) The term "density bonus" shall also include any incentive
 7 or concession, or waiver or reduction of development standard,
 8 provided to the applicant for the production of housing units and
 9 child care facilities, as provided in this section.

10 (g) (1) When an applicant for a tentative subdivision map,
 11 parcel map, or other residential development approval donates
 12 land to a city, county, or city and county in accordance with this

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13 subdivision, the applicant shall be entitled to a 15-percent increase
14 above the otherwise maximum allowable residential density for
15 the entire development, as follows:

Percentage Very Low Income	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

P10 39

P13 1 (2) This increase shall be in addition to any increase in density
2 mandated by subdivision (b), up to a maximum combined mandated
3 density increase of 35 percent if an applicant seeks an increase
4 pursuant to both this subdivision and subdivision (b). All density
5 calculations resulting in fractional units shall be rounded up to the
6 next whole number. Nothing in this subdivision shall be construed
7 to enlarge or diminish the authority of a city, county, or city and
8 county to require a developer to donate land as a condition of
9 development. An applicant shall be eligible for the increased
10 density bonus described in this subdivision if all of the following
11 conditions are met:

12 (A) The applicant donates and transfers the land no later than
13 the date of approval of the final subdivision map, parcel map, or
14 residential development application.

15 (B) The developable acreage and zoning classification of the
16 land being transferred are sufficient to permit construction of units
17 affordable to very low income households in an amount not less
18 than 10 percent of the number of residential units of the proposed
19 development.

20 (C) The transferred land is at least one acre in size or of
21 sufficient size to permit development of at least 40 units, has the
22 appropriate general plan designation, is appropriately zoned with
23 appropriate development standards for development at the density
24 described in paragraph (3) of subdivision (c) of Section 65583.2,
25 and is or will be served by adequate public facilities and
26 infrastructure.

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27 (D) The transferred land shall have all of the permits and
 28 approvals, other than building permits, necessary for the
 29 development of the very low income housing units on the
 30 transferred land, not later than the date of approval of the final
 31 subdivision map, parcel map, or residential development
 32 application, except that the local government may subject the
 33 proposed development to subsequent design review to the extent
 34 authorized by subdivision (i) of Section 65583.2 if the design is
 35 not reviewed by the local government prior to the time of transfer.

36 (E) The transferred land and the affordable units shall be subject
 37 to a deed restriction ensuring continued affordability of the units
 38 consistent with paragraphs (1) and (2) of subdivision (c), which
 39 shall be recorded on the property at the time of the transfer.

P14 1 (F) The land is transferred to the local agency or to a housing
 2 developer approved by the local agency. The local agency may
 3 require the applicant to identify and transfer the land to the
 4 developer.

5 (G) The transferred land shall be within the boundary of the
 6 proposed development or, if the local agency agrees, within
 7 one-quarter mile of the boundary of the proposed development.

8 (H) A proposed source of funding for the very low income units
 9 shall be identified not later than the date of approval of the final
 10 subdivision map, parcel map, or residential development
 11 application.

12 (h) (1) When an applicant proposes to construct a housing
 13 development that conforms to the requirements of subdivision (b)
 14 and includes a child care facility that will be located on the
 15 premises of, as part of, or adjacent to, the project, the city, county,
 16 or city and county shall grant either of the following:

17 (A) An additional density bonus that is an amount of square
 18 feet of residential space that is equal to or greater than the amount
 19 of square feet in the child care facility.

20 (B) An additional concession or incentive that contributes
 21 significantly to the economic feasibility of the construction of the
 22 child care facility.

23 (2) The city, county, or city and county shall require, as a
 24 condition of approving the housing development, that the following
 25 occur:

26 (A) The child care facility shall remain in operation for a period
 27 of time that is as long as or longer than the period of time during
 28 which the density bonus units are required to remain affordable
 29 pursuant to subdivision (c).

30 (B) Of the children who attend the child care facility, the
 31 children of very low income households, lower income households,
 32 or families of moderate income shall equal a percentage that is
 33 equal to or greater than the percentage of dwelling units that are
 34 required for very low income households, lower income
 35 households, or families of moderate income pursuant to subdivision
 36 (b).

37 (3) Notwithstanding any requirement of this subdivision, a city,
 38 county, or city and county shall not be required to provide a density
 39 bonus or concession for a child care facility if it finds, based upon
 P15 1 substantial evidence, that the community has adequate child care
 2 facilities.

3 (4) "Child care facility," as used in this section, means a child
 4 day care facility other than a family day care home, including, but

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5 not limited to, infant centers, preschools, extended day care
6 facilities, and schoolage child care centers.

7 (i) "Housing development," as used in this section, means a
8 development project for five or more residential units, including
9 mixed-use developments as defined in Section 65950. For the
10 purposes of this section, "housing development" also includes a
11 subdivision or common interest development, as defined in Section
12 4100 of the Civil Code, approved by a city, county, or city and
13 county and consists of residential units or unimproved residential
14 lots and either a project to substantially rehabilitate and convert
15 an existing commercial building to residential use or the substantial
16 rehabilitation of an existing multifamily dwelling, as defined in
17 subdivision (d) of Section 65863.4, where the result of the
18 rehabilitation would be a net increase in available residential units.
19 For the purpose of calculating a density bonus, the residential units
20 shall be on contiguous sites that are the subject of one development
21 application, but do not have to be based upon individual
22 subdivision maps or parcels. The density bonus shall be permitted
23 in geographic areas of the housing development other than the
24 areas where the units for the lower income households are located.

25 (j) (1) The granting of a concession or incentive shall not require
26 or be interpreted, in and of itself, to require a general plan
27 amendment, local coastal plan amendment, zoning change, special
28 studies, or other discretionary approval. This provision is
29 declaratory of existing law.

30 (2) Except as provided in subdivisions (d) and (e), the granting
31 of a density bonus shall not require or be interpreted to require the
32 waiver of a local ordinance or provisions of a local ordinance
33 unrelated to development standards.

34 (k) For the purposes of this chapter, concession or incentive
35 means any of the following:

36 (1) A reduction in site development standards or a modification
37 of zoning code requirements or architectural design requirements
38 that exceed the minimum building standards approved by the
39 California Building Standards Commission as provided in Part 2.5
40 (commencing with Section 18901) of Division 13 of the Health
P16 1 and Safety Code, including, but not limited to, a reduction in
2 setback and square footage requirements and in the ratio of
3 vehicular parking spaces that would otherwise be required that
4 results in identifiable and actual cost reductions, ~~as determined by~~
5 ~~the developer.~~ *reductions.*

6 (2) Approval of mixed-use zoning in conjunction with the
7 housing project if commercial, office, industrial, or other land uses
8 will reduce the cost of the housing development and if the
9 commercial, office, industrial, or other land uses are compatible
10 with the housing project and the existing or planned development
11 in the area where the proposed housing project will be located.

12 (3) Other regulatory incentives or concessions proposed by the
13 developer or the city, county, or city and county that result in
14 identifiable and actual cost reductions, ~~as determined by the~~
15 ~~developer.~~ *reductions.* In no case shall this include an increase in
16 density above the percentages specified in subdivision (f).

17 (l) Subdivision (k) does not limit or require the provision of
18 direct financial incentives for the housing development, including
19 the provision of publicly owned land, by the city, county, or city
20 and county, or the waiver of fees or dedication requirements.

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21 (m) This section does not supersede or in any way alter or lessen
22 the effect or application of the California Coastal Act of 1976
23 (Division 20 (commencing with Section 30000) of the Public
24 Resources Code).

25 (n) If permitted by local ordinance, nothing in this section shall
26 be construed to prohibit a city, county, or city and county from
27 granting a density bonus greater than what is described in this
28 section for a development that meets the requirements of this
29 section or from granting a proportionately lower density bonus
30 than what is required by this section for developments that do not
31 meet the requirements of this section.

32 (o) For purposes of this section, the following definitions shall
33 apply:

34 (1) "Development standard" includes a site or construction
35 condition, including, but not limited to, a height limitation, a
36 setback requirement, a floor area ratio, an onsite open-space
37 requirement, or a parking ratio that applies to a residential
38 development pursuant to any ordinance, general plan element,
39 specific plan, charter, or other local condition, law, policy,
40 resolution, or regulation.

P17 1 (2) "Maximum allowable residential density" means the density
2 allowed under the zoning ordinance and land use element of the
3 general plan, or if a range of density is permitted, means the
4 maximum allowable density for the specific zoning range and land
5 use element of the general plan applicable to the project. Where
6 the density allowed under the zoning ordinance is inconsistent
7 with the density allowed under the land use element of the general
8 plan, the general plan density shall prevail.

9 (p) (1) Except as provided in paragraphs (2) and (3), upon the
10 request of the developer, a city, county, or city and county shall
11 not require a vehicular parking ratio, inclusive of handicapped and
12 guest parking, of a development meeting the criteria of subdivisions
13 (b) and (c), that exceeds the following ratios:

- 14 (A) Zero to one bedroom: one onsite parking space.
- 15 (B) Two to three bedrooms: two onsite parking spaces.
- 16 (C) Four and more bedrooms: two and one-half parking spaces.

17 (2) Notwithstanding paragraph (1), if a development includes
18 the maximum percentage of low- or very low income units
19 provided for in paragraphs (1) and (2) of subdivision (f) and is
20 located within one-half mile of a major transit stop, as defined in
21 subdivision (b) of Section 21155 of the Public Resources Code,
22 and there is unobstructed access to the major transit stop from the
23 development, then, upon the request of the developer, a city,
24 county, or city and county shall not impose a vehicular parking
25 ratio, inclusive of handicapped and guest parking, that exceeds 0.5
26 spaces per bedroom. For purposes of this subdivision, a
27 development shall have unobstructed access to a major transit stop
28 if a resident is able to access the major transit stop without
29 encountering natural or constructed impediments.

30 (3) Notwithstanding paragraph (1), if a development consists
31 solely of rental units, exclusive of a manager's unit or units, with
32 an affordable housing cost to lower income families, as provided
33 in Section 50052.5 of the Health and Safety Code, then, upon the
34 request of the developer, a city, county, or city and county shall
35 not impose a vehicular parking ratio, inclusive of handicapped and
36 guest parking, that exceeds the following ratios:

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37 (A) If the development is located within one-half mile of a major
 38 transit stop, as defined in subdivision (b) of Section 21155 of the
 39 Public Resources Code, and there is unobstructed access to the
 P18 1 major transit stop from the development, the ratio shall not exceed
 2 0.5 spaces per unit.

3 (B) If the development is a for-rent housing development for
 4 individuals who are 62 years of age or older that complies with
 5 Sections 51.2 and 51.3 of the Civil Code, the ratio shall not exceed
 6 0.5 spaces per unit. The development shall have either paratransit
 7 service or unobstructed access, within one-half mile, to fixed bus
 8 route service that operates at least eight times per day.

9 (C) If the development is a special needs housing development,
 10 as defined in Section 51312 of the Health and Safety Code, the
 11 ratio shall not exceed 0.3 spaces per unit. The development shall
 12 have either paratransit service or unobstructed access, within
 13 one-half mile, to fixed bus route service that operates at least eight
 14 times per day.

15 (4) If the total number of parking spaces required for a
 16 development is other than a whole number, the number shall be
 17 rounded up to the next whole number. For purposes of this
 18 subdivision, a development may provide on-site parking through
 19 tandem parking or uncovered parking, but not through on-street
 20 parking.

21 (5) This subdivision shall apply to a development that meets
 22 the requirements of subdivisions (b) and (c), but only at the request
 23 of the applicant. An applicant may request parking incentives or
 24 concessions beyond those provided in this subdivision pursuant
 25 to subdivision (d).

26 (6) This subdivision does not preclude a city, county, or city
 27 and county from reducing or eliminating a parking requirement
 28 for development projects of any type in any location.

29 (7) Notwithstanding paragraphs (2) and (3), if a city, county,
 30 city and county, or an independent consultant has conducted an
 31 areawide or jurisdictionwide parking study in the last seven years,
 32 then the city, county, or city and county may impose a higher
 33 vehicular parking ratio not to exceed the ratio described in
 34 paragraph (1), based upon substantial evidence found in the parking
 35 study, that includes, but is not limited to, an analysis of parking
 36 availability, differing levels of transit access, walkability access
 37 to transit services, the potential for shared parking, the effect of
 38 parking requirements on the cost of market-rate and subsidized
 39 developments, and the lower rates of car ownership for low- and
 40 very low income individuals, including seniors and special needs
 P19 1 individuals. The city, county, or city and county shall pay the costs
 2 of any new study. The city, county, or city and county shall make
 3 findings, based on a parking study completed in conformity with
 4 this paragraph, supporting the need for the higher parking ratio.

5 (q) Each component of any density calculation, including base
 6 density and bonus density, resulting in fractional units shall be
 7 separately rounded up to the next whole number. The Legislature
 8 finds and declares that this provision is declaratory of existing law.

9 (r) This chapter shall be interpreted liberally in favor of
 10 producing the maximum number of total housing units.

11 SEC. 2. No reimbursement is required by this act pursuant to
 12 Section 6 of Article XIII B of the California Constitution because
 13 a local agency or school district has the authority to levy service

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14 charges, fees, or assessments sufficient to pay for the program or
15 level of service mandated by this act, within the meaning of Section
16 17556 of the Government Code.

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BILL ANALYSIS

AB 2501

Page 1

ASSEMBLY THIRD READING

AB
2501 (Bloom and Low)

As Amended April 14, 2016

Majority vote

Committee	Votes	Ayes	Noes
Housing	5-1	Chiu, Steinorth, Burke, Chau, Lopez	Beth Gaines
Local Government	7-0	Eggman, Alejo, Bonilla, Chiu, Cooley, Gordon, Linder	
Appropriations	14-2	Gonzalez, Bloom, Bonilla, Bonta, Calderon, McCarty, Eggman, Eduardo Garcia, Chau, Holden, Quirk, Santiago, Weber, Wood	Gallagher, Oberholte

AB 2501

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SUMMARY: Makes changes to the density bonus law. Specifically, this bill:

- 1) Clarifies that when an applicant seeks a density bonus for a housing development within, or for the donation of land for housing within the jurisdiction of a city or county, that local government shall provide the applicant with waiver and reduction of development standards for the production of housing units and child care facilities, in addition to incentives or concessions, as currently provided in density bonus law.
- 2) Prohibits a local government from conditioning the submission, review, or approval of an application for a density bonus on the preparation of an additional report or study that is not otherwise described in density bonus law.
- 3) Requires, in order to provide for the expeditious processing of a density bonus application, the local government to do all of the following:
 - a) Adopt procedures and timelines for processing a density bonus application;

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- b) Provide a list of all documents and information required to be submitted with the density bonus application in order for the density bonus application to be deemed complete, consistent with density bonus law; and,
- c) Notify the applicant for a density bonus whether the application is complete in a manner that is consistent with

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the Permit Streamlining Act (Act).

- 4) Modifies the circumstance under which a local government can refuse to grant a concession or incentive to a developer to when a concession or incentive "does not reduce the cost of the development" rather than when it "is not required in order" to provide for the affordable housing costs.
- 5) Provides that a local government must bear the burden of proof for the denial of a requested concession or incentive.
- 6) Provides that denial of a requested concession or incentive will be deemed to have exhausted the applicant's existing administrative remedies.
- 7) Clarifies that "density bonus" means the maximum allowable gross residential density.
- 8) Clarifies that a developer that makes an application for a density bonus may elect to accept no increase in the density of a project.
- 9) Clarifies that the definition of "density bonus" includes any incentive or concessions, or waiver or reduction of development standard, provided to the applicant for the production of housing units and child care facilities.
- 10) Adds "mixed use development" to the definition of "housing development." Mixed use development means developments consisting of residential and nonresidential uses in which the nonresidential uses are less than 50% of the total square footage of the development and are limited to neighborhood

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commercial use and to the first floor of the buildings that are two or more stories. Neighborhood commercial means small scale-general or specialty stores that furnish goods and services primarily to residents of the neighborhood.

- 11) Provides that the granting of a concession or incentive cannot, in and of its self, require a special study.
- 12) Deletes the requirement that incentives or concessions proposed by a developer or local government result in "identifiable, financially sufficient" and actual cost reductions, and instead, require the "identifiable" and actual cost reductions.
- 13) Clarifies that each component of any density bonus calculation, including base density and bonus density,

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resulting in fractional units will be separately rounded up to the next whole number. Finds and declares that this provision is declaratory of existing law.

14) Provides that the density bonus law shall be interpreted liberally in favor of producing the maximum number of total housing units.

15) Provides that no reimbursement is necessary because a local agency has the authority to levy service charges, fees, or assessment sufficient to pay for the program or level of service mandated by this act.

FISCAL EFFECT: According to the Assembly Appropriations Committee, no state fiscal impact. Local agencies have the authority to levy fees for related costs and thus, any local costs are not reimbursable.

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COMMENTS:

Density bonus law was originally enacted in 1979, but has been changed numerous times since. The Legislature enacted the density bonus law to help address the affordable housing shortage and to encourage development of more low- and moderate income housing units. Nearly forty years later, the Legislature faces the same challenges. Density bonus is a tool to encourage the production of affordable housing by market rate developers, although it is used by developers building 100% affordable developments as well. In return for inclusion of affordable units in a development, developers are given an increase in density over a city's zoned density and concessions and incentives. The increase in density and concessions and incentives are intended to financially support the inclusion of the affordable units. Because of numerous amendments over the years, State Density Bonus Law is confusing and subject to interpretation by both developers and cities as to its meaning.

All local governments are required to adopt an ordinance that provides concessions and incentives to developers that seek a density bonus on top of the cities zoned density in exchange for including extremely low, very low, low, and moderate income housing. Failure to adopt an ordinance does not relieve a local government from complying with state density bonus law. Local governments must grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain at least any one of the following:

- 1) Ten percent of the total units for lower income households;
- 2) Five percent of the total units of a housing for very low

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income households;

3) A senior citizen housing development or mobilehome park; and,

4) Ten percent of the units in a common-interest development

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(CID) for moderate-income households.

A developer can submit a request to a local government as part of their density bonus application for incentives and concessions. Developers can receive the following number of incentives or concessions:

- 1) One incentive or concession for projects that include at least 10% of the total units for lower income households, at least 5% for very low income households, or at least 10% for moderate income households in a common interest development.
- 2) Two incentives or concessions for projects with at least 20% lower income households, at least 10% for very low income households, or at least 20% for moderate income households in common interest developments.
- 3) Three incentives or concessions for projects with at least 30% lower income households, at least 15% for very low income households, or at least 30% for moderate income households in common interest developments.

Timeline for reviewing density bonus application: Existing law does not set a timeline by which a local government must process an application for a density bonus. This bill would require a local government to list in its ordinance the documents and information it requires to process an application. Within 30

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days of receiving the application, a local government would be required to notify an applicant if the application is complete or provide a list of items that are required to complete it. Also, a local government must provide a process for making a decision on a density bonus application within 60 days from deeming the application complete. If a local government does not take any action within 60 days of determining that the application is complete then it is deemed approved. Adding a timeline to statute will provide greater certainty to developers and help inform their decisions regarding a development. Without knowing the average time it takes a local government to process a density bonus application it's unclear if these are the appropriate timelines.

Electing to accept no density increase: State law allows a developer a percentage increase in density in return for inclusion of a corresponding amount of very- low, low, moderate income units. The maximum amount of density increase a developer can seek is 35%. Existing law allows a developer to choose to accept less of a density increase than he or she is entitled under the statute. The statute does not state explicitly that a developer can seek an amount equal to zero above the zoned density however some have interpreted the law to allow this. This bill would explicitly state that a developer can elect to accept no increase in density.

Determining the value of concessions and incentives: Developers are allowed to submit a proposal for specific incentives and concession as part of the application for a density bonus. Local governments are required to grant the concessions or incentives a developer requests unless they make written findings based on substantial evidence that the concession or incentive are not required in order to provide the affordable housing, would have specific adverse health and safety impacts, or have an adverse impact on a property registered historic property that cannot be mitigated. When seeking a reduction in a site development standard or modification of zoning

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requirements or architectural design requirements, or other regulatory incentives and concessions, existing law requires that reduction or modification result in "identifiable, financially sufficient and actual cost reductions." This language was added to the statute by SB 1818 (Hollingsworth), Chapter 928, Statutes of 2004. According to the Assembly Committee analysis of SB 1818, "Current law requires local governments to provide applicants for density bonuses with incentives and concessions in addition to a density bonus, but the law does not quantify the value of the incentives and concessions that must be offered. SB 1818 requires that the incentives and concessions "result in identifiable, financially sufficient and actual cost reductions".

According to supporters of this bill, the intent of this language to ensure that the concessions and incentives are financially sufficient to reduce the cost of the development to make the affordable housing units financially feasible. Further, according to supporters of this bill, in some cases local governments interpret this language to require developers to submit pro formas showing the amount of profit they will make on a project. The question becomes who determines whether or not a concession or incentives is "financially sufficient" to make the affordable housing units pencil out. To resolve this dispute, this bill states that the reduction in site development standards or modification of zoning requirements result in identifiable and actual cost reductions as determined by the developer.

Arguments in support: According to the sponsors, Western Center on Law and Poverty and the California Rural Legal Assistance Foundation, "AB 2501 is one piece of a multi-pronged effort by legislators, housing advocates, and other organizations to address California's unfortunate dominance of the list of the country's least-affordable housing markets. By reducing regulatory barriers to housing development, this bill would stretch any increase in state housing funding further and would

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induce market-rate developers to build below-market units without any public funding. Currently, State Density Bonus Law provides cost-reducing incentives to developers who agree to make a percentage of their homes affordable to low- and moderate-income households. The incentives include reduced parking requirements, increased density, smaller set-backs, and other modified development standards that reduce costs and/or allow a developer to use land more efficiently. Both market-rate and below-market developers have used the law's incentives to add to the state's stock of permanently affordable homes. However, the law has a number of ambiguous provisions that create uncertainty for developers. Additionally, some local governments have deliberately interpreted the law to discourage developers from accessing its benefits. AB 2501 clarifies a number of these ambiguous provisions in order to increase the law's effectiveness as an incentive to build desperately needed affordable homes. The bill: clearly states the legislature's intent to encourage the development of affordable housing and provide incentives by right to developers, establishes a clear process and deadlines for local governments to approve or deny a density bonus application, clarifies that an applicant for a density bonus need only demonstrate that requested incentives reduce the cost of development, increases certainty regarding the number of additional units available as a result of the density increase, limits the ability of local governments to impose additional requirements to block density bonus projects."

Arguments in opposition: According to the League of California Cities, "AB 2501 would make significant changes to existing law. It requires a city to take action on the density bonus within 60 days of finding the application complete. This is too short a time frame for those applications for a density bonus that are filed in conjunction with another land use approval (e.g. conditional use permit, subdivision map, etc.). Most applications for a density bonus are made in conjunction with an application for a land use approval that requires a public hearing and takes longer to process. Typically a city will

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process the granting of the density bonus in conjunction with the processing of the application. A city should not grant a density bonus before it approves the project that the density bonus is attached."

Analysis Prepared by:
Lisa Engel / H. & C.D. / (916) 319-2085 FN:
0002982

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AMENDED IN ASSEMBLY APRIL 14, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL**No. 2697****Introduced by Assembly Member Bonilla**

February 19, 2016

An act to amend Section 34181 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2697, as amended, Bonilla. Redevelopment dissolution: successor agencies: disposal of assets and properties.

Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, dispose of all assets and properties of the former redevelopment agency in an expeditious manner aimed at maximizing value.

This bill would require a successor agency, prior to the disposal of land of the former redevelopment agency, to send a written offer to sell for the purposes of developing low- and moderate-income housing to any local public entity within whose jurisdiction the land is located, as specified. The bill would additionally require the sale of land of the former redevelopment agency to be subject to certain requirements relating to affordable housing. By imposing new duties on local officials, this bill would impose a state-mandated local program.

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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

- P2 1 SECTION 1. Section 34181 of the *Health and Safety Code* is
 2 amended to read:
 3 34181. The oversight board shall direct the successor agency
 4 to do all of the following:
 5 (a) (1) (A) Dispose of all assets and properties of the former
 6 redevelopment agency; provided, however, that the oversight board
 7 may instead direct the successor agency to transfer ownership of
 8 those assets that were constructed and used for a governmental
 9 purpose, such as roads, school buildings, parks, police and fire
 10 stations, libraries, parking facilities and lots dedicated solely to
 11 public parking, and local agency administrative buildings, to the

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12 appropriate public jurisdiction pursuant to any existing agreements
 13 relating to the construction or use of such an asset. Any
 14 compensation to be provided to the successor agency for the
 15 transfer of the asset shall be governed by the agreements relating
 16 to the construction or use of that asset. Except as provided in
 17 subparagraph (B), disposal shall be done expeditiously and in a
 18 manner aimed at maximizing value. Asset disposition may be
 19 accomplished by a distribution of income to taxing entities
 20 proportionate to their property tax share from one or more
 21 properties that may be transferred to a public or private agency for
 22 management pursuant to the direction of the oversight board.

23 (B) (i) Prior to the disposal of land of the former redevelopment
 24 agency, the successor agency shall send a written offer to sell for
 25 the purpose of developing low- and moderate-income housing to
 26 any local public entity, as defined in Section 50079, within whose
 27 jurisdiction the land is located. Housing sponsors, as defined by
 28 Section 50074, shall be sent, upon written request, a written offer
 29 to sell land for the purpose of developing low- and
 30 moderate-income housing. All notices shall be sent by first-class
 31 mail and shall include the location and a description of the property.

P3 1 With respect to any offer to purchase pursuant to this subparagraph,
 2 priority shall be given to development of the land to provide
 3 housing affordable for lower income households.

4 (ii) The sale of any land of the former redevelopment agency
 5 shall be subject to Sections 54222.5, 54226, 54227, and 54233 of
 6 the Government Code.

7 (2) "Parking facilities and lots dedicated solely to public
 8 parking" do not include properties that generate revenues in excess
 9 of reasonable maintenance costs of the properties.

10 (b) Cease performance in connection with and terminate all
 11 existing agreements that do not qualify as enforceable obligations.

12 (c) Transfer housing assets pursuant to Section 34176.

13 (d) Terminate any agreement, between the dissolved
 14 redevelopment agency and any public entity located in the same
 15 county, obligating the redevelopment agency to provide funding
 16 for any debt service obligations of the public entity or for the
 17 construction, or operation of facilities owned or operated by such
 18 public entity, in any instance where the oversight board has found
 19 that early termination would be in the best interests of the taxing
 20 entities.

21 (e) Determine whether any contracts, agreements, or other
 22 arrangements between the dissolved redevelopment agency and
 23 any private parties should be terminated or renegotiated to reduce
 24 liabilities and increase net revenues to the taxing entities, and
 25 present proposed termination or amendment agreements to the
 26 oversight board for its approval. The board may approve any
 27 amendments to or early termination of those agreements if it finds
 28 that amendments or early termination would be in the best interests
 29 of the taxing entities.

30 (f) All actions taken pursuant to subdivisions (a) and (c) shall
 31 be approved by resolution of the oversight board at a public
 32 meeting after at least 10 days' notice to the public of the specific
 33 proposed actions. The actions shall be subject to review by the
 34 department pursuant to Section 34179 except that the department
 35 may extend its review period by up to 60 days. If the department
 36 does not object to an action subject to this section, and if no action

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37 challenging an action is commenced within 60 days of the approval
38 of the action by the oversight board, the action of the oversight
39 board shall be considered final and can be relied upon as conclusive
40 by any person. If an action is brought to challenge an action
P4 1 involving title to or an interest in real property, a notice of
2 pendency of action shall be recorded by the claimant as provided
3 in Title 4.5 (commencing with Section 405) of Part 2 of the Code
4 of Civil Procedure within a 60-day period.
5 SEC. 2. If the Commission on State Mandates determines that
6 this act contains costs mandated by the state, reimbursement to
7 local agencies and school districts for those costs shall be made
8 pursuant to Part 7 (commencing with Section 17500) of Division
9 4 of Title 2 of the Government Code.

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BILL ANALYSIS

AB 2697

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Date of Hearing: May 11, 2016

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 2697 (Bonilla) - As Amended April 14, 2016

Policy Committee:	Housing and Community Development	Vote:	6 - 1
	Local Government		6 - 3

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY: This bill requires successor agencies to create a first right of refusal process for the disposal of land for the purpose of developing low- and moderate- income housing. Specifically, this bill:

1) Requires the successor agency to a former redevelopment agency to send to any "local public entity," within whose jurisdictions the land is located, a written offer to sell land belonging to the former redevelopment agency for the

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purpose of developing the land into low- and moderate-income housing.

2) Requires the successor agency to send "housing sponsors," upon written request, a written offer to sell land for the purpose of developing low- and moderate-income housing.

3) Requires priority to be given to offers to purchase the land by entities that agree to development affordable housing for lower-income households.

4) Requires preference to be given to an entity that proposes to make at least 25% of the units affordable, by sale or rent, to lower-income households and that agrees to record an affordability covenant restricting the property for a period of at least 55 years.

5) Provides that if the successor agency receives more than one offer for the land that priority be given to the entity that proposes the greatest number of units at the highest level of affordability.

6) Provides that if land is not sold to an entity that agrees to include affordable housing on site but is sold for a residential use that includes at least 10 units, then at least 15% of the units must be provided at an affordable housing

cost to low-income households. Rental units must remain affordable and occupied by eligible households for 55 years. Ownership units must be subject to an equity sharing agreement. These requirements must be recorded against the property and are enforceable by the local government or eligible residents.

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FISCAL EFFECT:

- 1) Significant cost pressure to increase funding for Successor Agencies for increased workload associated with sending the written offers to sell and evaluating offers pertaining to affordability requirements. Successor Agency budgets are capped at \$250,000 annually and are paid for by other taxing entities, including schools.
- 2) Unknown, but potentially reimbursable local mandate costs to the extent cities and counties would need to rezone land or perform other duties regarding the deviations from approved Property Management Plans this bill may cause.
- 3) Unknown forgone property tax revenue as a result of rezoning land approved for commercial use in an agency's Property Management Plan to residential land for affordable housing. The State General Fund would cover the school share.

COMMENTS:

- 1) Purpose. Affordable housing developers are at a special disadvantage because they cannot compete with market developers when it comes to buying land. Land is one of the most costly parts of a project, especially in California. This bill will allow affordable housing developers to have first right of refusal to purchase any properties currently in possession of redevelopment successor agencies. This small step will give these developers a leg up in the process to locate and acquire properties on which to build affordable housing."

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This would require successor agencies to adhere to some provisions of the State Surplus Land Act, including offering affordable housing developers the right of first refusal and if the land is purchased for market rate residential development, require 15% of the units to be low income.

- 2) Background. Local agencies are required to inventory the land they own every year. If land is no longer needed, a local agency must follow certain procedures prior to disposal of this "surplus" land. The intent behind the disposal procedures is to promote the use of surplus land towards affordable housing, parks and recreation purposes, open-space purposes, and transit-oriented development. The disposal procedures provide a Right of First Refusal to entities agreeing to use the land for, amongst other things, affordable

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housing.

As part of the dissolution of redevelopment, successor agencies were created to dispose of the redevelopment agencies assets and wind down their affairs. The activities of successor agencies are overseen by oversight boards made up of representatives of the local taxing entities and others. Part of the function of the successor agencies is to transfer the housing assets of a former redevelopment agency to the housing successor which was either the local housing authority or the city or county in which the redevelopment agency was located. Housing assets transferred to the housing successor entity were to be used for affordable housing activities, while disallowed assets would go to the successor agency for disposal or retention pursuant to an approved property management plan.

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3) Interaction with Property Management Plans. This bill would require a successor agency to notify a local agency, including a housing authority, and housing developers that they are selling property previously owned by the redevelopment agency. The sale of the properties would be subject to the same process as state surplus property. This bill requires successor agencies to offer all available parcels to affordable housing interests. It is unclear what would be required of local agencies if this is in conflict with the approved use under an approved Property Management Plan.

4) Arguments in Support. Supporters argue that this bill will allow successor agencies to utilize their remaining property as was intended and help to develop a significant amount of affordable homes.

5) Arguments in Opposition. Opponents argue that "imposing new procedural and substantive requirements for the disposition of former RDA properties at this time would no doubt complicate and delay the wind down process. Additionally, it would work to the disadvantage of the local taxing entities which have an interest in obtaining maximum value for the properties to be sold and or get the benefit of increased valuations from the properties that are to be used for economic development."

Analysis Prepared by: Jennifer Swenson / APPR. / (916)
319-2081

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AMENDED IN ASSEMBLY APRIL 28, 2016

AMENDED IN ASSEMBLY APRIL 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL**No. 2406****Introduced by Assembly Member Thurmond**

February 19, 2016

An act to amend Section 65852.2 of, and to add Section 65852.22 to, the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2406, as amended, Thurmond. Housing: junior accessory dwelling units.

The Planning and Zoning Law authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential areas, as prescribed.

This bill would, in addition, authorize a local agency to provide by ordinance for the creation of junior accessory dwelling units, as defined, in single-family residential zones. The bill would require the ordinance to include, among other things, standards for the creation of a junior accessory dwelling unit, required deed restrictions, and occupancy requirements. The bill would prohibit an ordinance from requiring, as a condition of granting a permit, water and sewer connection fees or additional parking requirements.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

- P2 1 SECTION 1. Section 65852.2 of the *Government Code* is
 2 amended to read:
 3 65852.2. (a) (1) Any local agency may, by ordinance, provide
 4 for the creation of second units in single-family and multifamily
 5 residential zones. The ordinance may do any of the following:
 6 (A) Designate areas within the jurisdiction of the local agency
 7 where second units may be permitted. The designation of areas
 8 may be based on criteria, that may include, but are not limited to,
 9 the adequacy of water and sewer services and the impact of second
 10 units on traffic flow.
 11 (B) Impose standards on second units that include, but are not
 12 limited to, parking, height, setback, lot coverage, architectural
 13 review, maximum size of a unit, and standards that prevent adverse
 14 impacts on any real property that is listed in the California Register
 15 of Historic Places.
 16 (C) Provide that second units do not exceed the allowable
 17 density for the lot upon which the second unit is located, and that
 18 second units are a residential use that is consistent with the existing
 19 general plan and zoning designation for the lot.

20 (2) The ordinance shall not be considered in the application of
21 any local ordinance, policy, or program to limit residential growth.

22 (3) When a local agency receives its first application on or after
23 July 1, 2003, for a permit pursuant to this subdivision, the
24 application shall be considered ministerially without discretionary
25 review or a hearing, notwithstanding Section 65901 or 65906 or
26 any local ordinance regulating the issuance of variances or special
27 use permits. Nothing in this paragraph may be construed to require
28 a local government to adopt or amend an ordinance for the creation
29 of second units. A local agency may charge a fee to reimburse it
30 for costs that it incurs as a result of amendments to this paragraph
31 enacted during the 2001-02 Regular Session of the Legislature,
32 including the costs of adopting or amending any ordinance that
33 provides for the creation of second units.

34 (b) (1) When a local agency which has not adopted an ordinance
35 governing second units in accordance with subdivision (a) or (c)
36 receives its first application on or after July 1, 1983, for a permit
37 pursuant to this subdivision, the local agency shall accept the
38 application and approve or disapprove the application ministerially
P3 1 without discretionary review pursuant to this subdivision unless
2 it adopts an ordinance in accordance with subdivision (a) or (c)
3 within 120 days after receiving the application. Notwithstanding
4 Section 65901 or 65906, every local agency shall grant a variance
5 or special use permit for the creation of a second unit if the second
6 unit complies with all of the following:

7 (A) The unit is not intended for sale and may be rented.

8 (B) The lot is zoned for single-family or multifamily use.

9 (C) The lot contains an existing single-family dwelling.

10 (D) The second unit is either attached to the existing dwelling
11 and located within the living area of the existing dwelling or
12 detached from the existing dwelling and located on the same lot
13 as the existing dwelling.

14 (E) The increased floor area of an attached second unit shall
15 not exceed 30 percent of the existing living area.

16 (F) The total area of floorspace for a detached second unit shall
17 not exceed 1,200 square feet.

18 (G) Requirements relating to height, setback, lot coverage,
19 architectural review, site plan review, fees, charges, and other
20 zoning requirements generally applicable to residential construction
21 in the zone in which the property is located.

22 (H) Local building code requirements which apply to detached
23 dwellings, as appropriate.

24 (I) Approval by the local health officer where a private sewage
25 disposal system is being used, if required.

26 (2) No other local ordinance, policy, or regulation shall be the
27 basis for the denial of a building permit or a use permit under this
28 subdivision.

29 (3) This subdivision establishes the maximum standards that
30 local agencies shall use to evaluate proposed second units on lots
31 zoned for residential use which contain an existing single-family
32 dwelling. No additional standards, other than those provided in
33 this subdivision or subdivision (a), shall be utilized or imposed,
34 except that a local agency may require an applicant for a permit
35 issued pursuant to this subdivision to be an owner-occupant.

36 (4) No changes in zoning ordinances or other ordinances or any
37 changes in the general plan shall be required to implement this

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38 subdivision. Any local agency may amend its zoning ordinance
 39 or general plan to incorporate the policies, procedures, or other
 P4 1 provisions applicable to the creation of second units if these
 2 provisions are consistent with the limitations of this subdivision.

3 (5) A second unit which conforms to the requirements of this
 4 subdivision shall not be considered to exceed the allowable density
 5 for the lot upon which it is located, and shall be deemed to be a
 6 residential use which is consistent with the existing general plan
 7 and zoning designations for the lot. The second units shall not be
 8 considered in the application of any local ordinance, policy, or
 9 program to limit residential growth.

10 (c) No local agency shall adopt an ordinance which totally
 11 precludes second units within single-family or multifamily zoned
 12 areas unless the ordinance contains findings acknowledging that
 13 the ordinance may limit housing opportunities of the region and
 14 further contains findings that specific adverse impacts on the public
 15 health, safety, and welfare that would result from allowing second
 16 units within single-family and multifamily zoned areas justify
 17 adopting the ordinance.

18 (d) A local agency may establish minimum and maximum unit
 19 size requirements for both attached and detached second units. No
 20 minimum or maximum size for a second unit, or size based upon
 21 a percentage of the existing dwelling, shall be established by
 22 ordinance for either attached or detached dwellings which does
 23 not permit at least an efficiency unit to be constructed in
 24 compliance with local development standards.

25 (e) Parking requirements for second units shall not exceed one
 26 parking space per unit or per bedroom. Additional parking may
 27 be required provided that a finding is made that the additional
 28 parking requirements are directly related to the use of the second
 29 unit and are consistent with existing neighborhood standards
 30 applicable to existing dwellings. Off-street parking shall be
 31 permitted in setback areas in locations determined by the local
 32 agency or through tandem parking, unless specific findings are
 33 made that parking in setback areas or tandem parking is not feasible
 34 based upon specific site or regional topographical or fire and life
 35 safety conditions, or that it is not permitted anywhere else in the
 36 jurisdiction.

37 (f) Fees charged for the construction of second units shall be
 38 determined in accordance with Chapter 5 (commencing with
 39 Section 66000).

P5 1 (g) This section does not limit the authority of local agencies
 2 to adopt less restrictive requirements for the creation of second
 3 units.

4 (h) Local agencies shall submit a copy of the ordinances adopted
 5 pursuant to subdivision (a) or (c) to the Department of Housing
 6 and Community Development within 60 days after adoption.

7 (i) As used in this section, the following terms mean:

8 (1) "Living area" means the interior habitable area of a dwelling
 9 unit including basements and attics but does not include a garage
 10 or any accessory structure.

11 (2) "Local agency" means a city, county, or city and county,
 12 whether general law or chartered.

13 (3) For purposes of this section, "neighborhood" has the same
 14 meaning as set forth in Section 65589.5.

15 (4) "Second unit" means an attached or a detached residential

16 dwelling unit which provides complete independent living facilities
17 for one or more persons. It shall include permanent provisions for
18 living, sleeping, eating, cooking, and sanitation on the same parcel
19 as the single-family dwelling is situated. A second unit also
20 includes the following:

21 (A) An efficiency unit, as defined in Section 17958.1 of Health
22 and Safety Code.

23 (B) A manufactured home, as defined in Section 18007 of the
24 Health and Safety Code.

25 (j) Nothing in this section shall be construed to supersede or in
26 any way alter or lessen the effect or application of the California
27 Coastal Act (Division 20 (commencing with Section 30000) of
28 the Public Resources Code), except that the local government shall
29 not be required to hold public hearings for coastal development
30 permit applications for second units.

31 (k) This section shall not apply to the regulation of junior
32 accessory dwelling units, as set forth in Section 65852.22.

33 SEC. 2. Section 65852.22 is added to the *Government Code*, immediately
34 following Section 65852.2, to read:

35 65852.22. (a) A local agency may, by ordinance, provide for
36 the creation of junior accessory dwelling units in single-family
37 residential zones. The ordinance may require a permit to be
38 obtained for the creation of a junior accessory dwelling unit, and
39 shall do all of the following:

P6 1 (1) Limit the number of junior accessory dwelling units to one
2 per residential lot zoned for single-family residences with a
3 single-family residence already built on the lot.

4 (2) Require owner-occupancy in the single-family residence in
5 which the junior accessory dwelling unit will be permitted. The
6 owner may reside in either the remaining portion of the structure
7 or the newly created junior accessory dwelling unit. Owner
8 occupancy shall not be required if the owner is another
9 governmental agency, land trust, or housing organization.

10 (3) Require the recordation of a deed restriction, which shall
11 run with the land, shall be filed with the permitting agency, and
12 shall include both of the following:

13 (A) A prohibition on the sale of the junior accessory dwelling
14 unit separate from the sale of the single-family residence, including
15 a statement that the deed restrictions may be enforced against
16 future purchasers.

17 (B) A restriction on the size and attributes of the junior accessory
18 dwelling unit that conforms with this section.

19 (4) Require a permitted junior accessory dwelling unit to be
20 constructed within the existing walls of the structure, and require
21 the inclusion of an existing bedroom.

22 (5) Require a permitted junior accessory dwelling to include a
23 separate entrance from the main entrance to the structure, with an
24 interior entry to the main living area. A permitted junior accessory
25 dwelling may include a second interior doorway for sound
26 attenuation.

27 (6) The permitted junior accessory dwelling unit shall include
28 an efficiency kitchen, which shall include all of the following:

29 (A) A sink with maximum width and length dimensions of 16
30 inches and a maximum waste line diameter of 1.5 inches.

31 (B) A cooking facility with appliances that do not require
32 electrical service greater than 120 volts, or natural or propane gas.

33 (C) A food preparation counter and storage cabinets that are of
34 reasonable size in relation to the size of the junior accessory
35 dwelling unit.

36 (b) (1) An ordinance shall not:

37 (A) Require additional parking as a condition of granting a
38 permit.

39 (B) Authorize the imposition of a water connection fee as a
40 condition to granting a permit.

P7 1 (C) Authorize the imposition of a sewer connection fee as a
2 condition to granting a permit.

3 (2) This subdivision shall not be interpreted to prohibit the
4 requirement of an inspection, including the imposition of a fee for
5 that inspection, to determine whether the junior accessory dwelling
6 unit is in compliance with applicable building standards.

7 (c) For the purposes of any fire or life protection ordinance or
8 regulation, a junior accessory dwelling unit shall not be considered
9 a separate or new dwelling unit. This section shall not be construed
10 to prohibit a city, county, city and county, or other local public
11 entity from adopting an ordinance or regulation relating to fire and
12 life protection requirements within a single-family residence that
13 contains a junior accessory dwelling unit so long as the ordinance
14 or regulation applies uniformly to all single-family residences
15 within the zone regardless of whether the single-family ~~resident~~
16 *residence* includes a junior accessory dwelling unit or not.

17 (d) For purposes of this section, the following terms have the
18 following meanings:

19 (1) "Junior accessory dwelling unit" means a unit that is no
20 more than 500 square feet in size and contained entirely within an
21 existing single-family structure. A junior accessory dwelling unit
22 may include separate sanitation facilities, or may share sanitation
23 facilities with the existing structure.

24 (2) "Local agency" means a city, county, or city and county,
25 whether general law or chartered.

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BILL ANALYSIS

AB 2406

Page 1

ASSEMBLY THIRD READING

AB
2406 (Thurmond)

As Amended April 28, 2016

Majority vote

Committee	Votes	Ayes	Noes
Housing	7-0	Chiu, Steinorth, Burke, Chau, Beth Gaines, Lopez, Mullin	
Local Government	7-0	Eggman, Waldron, Mullin, Chiu, Cooley, Gordon, Linder	

SUMMARY: Allows a local agency to create an ordinance for junior accessory dwelling units in single-family residential zones. Specifically, this bill:

1) Defines a "junior accessory dwelling unit" to mean a unit that is no more than 500 square feet in size and contained entirely

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within a single-family structure. A junior accessory dwelling unit may include separate sanitation facilities or may share sanitation facilities with the existing structure.

2) Defines a "local agency" to mean a general law or charter city, county, or city and county.

3) Provides that state law governing second units does not apply to junior accessory dwelling units.

4) Allows a local agency to create an ordinance for junior accessory dwelling units in single-family residential zones.

5) Provides that the ordinance may require a permit to be obtained for the creation of a junior accessory dwelling unit and shall do all of the following:

a) Limits the number of junior accessory dwelling units to be one per residential lot zoned for single-family residences with a single-family residence already built on the lot.

b) Requires the single-family residence in which the junior accessory dwelling unit is located to be occupied by the owner. The owner may reside in either the remaining

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portion of the structure or the newly created junior accessory dwelling unit. Owner occupancy is not required for a governmental agency, land trust, or housing organization.

- c) Requires a deed to be recorded with the permitting agency that must include both of the following:

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- i. A prohibition on the sale of the junior accessory dwelling unit separate from the sale of the single-family residence, including a statement that the deed restriction can be enforced against future purchasers; and
- ii. A restriction on the size and attributes of the junior accessory dwelling unit.
- a) Requires a permitted junior accessory dwelling unit to be constructed within the existing walls of the structure and require the inclusion of an existing bedroom.
- b) Requires a permitted junior accessory dwelling unit to include a separate entrance from the main entrance to the structure with an interior entry in to the main living room. A permitted junior accessory dwelling may include a second interior doorway for sound attenuation.
- c) Requires a permitted junior accessory dwelling unit to include an efficiency kitchen which must include all of the following:
- i. A sink with maximum width and length dimensions of 16 inches and a maximum waste line diameter of 1.5 inches;
- ii. A cooking facility with appliances that do not require electrical service greater than 120 volts, or natural or propane gas;

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- iii. A food preparation counter and storage cabinets that are reasonable size in relation to the size of the junior accessory dwelling unit.
- a) Prohibits an ordinance from:
- i. Requiring additional parking as a condition of granting a permit;
- ii. Authorizing the imposition of a water connection fee as a condition of granting a permit;
- iii. Authorizing the imposition of a sewer connection fee as a condition of granting a permit.

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- 1) Provides that a local agency can require an inspection and impose a fee for the inspection to determine if the junior accessory dwelling unit is in compliance with the applicable building standards.
- 2) Provides that for purposes of any fire or life protection ordinance or regulation, a junior accessory dwelling unit is not considered a separate or new dwelling unit.
- 3) A city, county, city and county or other local public entity may adopt an ordinance or regulation relating to fire and life protection requirements within a single-family residence that contains a junior accessory dwelling unit as long as the ordinance or regulation applies uniformly to all single-family residences within the zone regardless of whether or not the residence includes a junior accessory dwelling unit or not.

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FISCAL EFFECT: None

COMMENTS:

Background: Local governments are authorized to adopt ordinances for the creation of second units in single-family and multifamily zones; however they are not required to do so. State law allows local governments to limit the areas that second units may be permitted based on availability of adequate water and sewer services as well as the impact on traffic flow. They can also impose parking standards. AB 1866 (Wright) Chapter 1062, Statutes of 2002, required that local governments approve a second unit ministerially without discretionary review or hearing or require a special use permit.

This bill would make clear that junior accessory units are not second units and are not be subject to the same restrictions and would allow local governments to adopt ordinances for junior accessory dwelling units. Junior accessory dwelling units are no more than 500 square feet and are bedrooms in a single-family home that have an entrance into the unit from the main home and an entrance to the outside from the junior accessory dwelling unit. These units have cooking facilities including a sink and stove but are not required to have a bathroom. Nothing prevents a local government from adopting an ordinance for junior accessory units now and this bill would allow but not require a local government to adopt an ordinance for junior accessory units. If the ordinance requires a permit then the bill sets out requirements including that a local government could not require any additional parking, or charge a fee for a water connection, or a sewer connection as a condition of granting a permit for a junior accessory dwelling unit.

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According to the sponsor, "after developing the concept for these flexible, independent living spaces and establishing them in local permitting code, it became obvious that we needed to accelerate the adoption of this timely solution for housing. Junior accessory dwelling units offer the opportunity to quickly create a low-cost, low-impact, and plentiful source of more affordable rental housing, while helping to defray some of the

cost of homeownership. This makes both renting and owning a home in California attainable, while helping to stabilize the housing market. Junior accessory dwelling units increase the efficiency of homes, land use, infrastructure, water and energy. They also increase commerce in the community and reduce greenhouse gas emissions from commuter traffic. Junior accessory dwelling units qualify for the Regional Housing Needs Allocation (RNHA), which allows local jurisdictions more flexibility providing housing in the most affordable categories. Finally, as the cost of living escalates and the population ages, people of all ages find it increasingly difficult to find housing. In fact 84% of the people living in the state could not afford their living situation if they were coming in to the housing market today. Junior accessory dwelling units offer a market-based sustainable option for Californians to address the housing shortage and help stabilize the rising cost of living in the state that they love."

Purpose of this bill: According to the author, "AB 2406 puts Junior Accessory Dwelling Units (JADUs) in law and creates a streamlined, inexpensive permitting process and regulatory environment to facilitate development. JADUs are specifically created from repurposing spare bedrooms in homes creating a small, simple and flexible type of in-law apartment. This will allow for redevelopment of existing homes moving us back toward a multi-generational housing model that was common in California prior to WWII. The bill prohibits requiring additional parking, and applying water, sewer and power connection fees. No connections are needed as these utilities have already been accounted for in the original permit for the home. It also eliminates requirements for fire separation and fire sprinklers,

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as the in-law apartment stays connected to the main living area through an adjoining door, building in the flexibility to have a second unit, while still allowing for single-family use. By passing AB 2406 we will remove barriers to development of JADUs that offer an abundant and viable source of low-cost, low-impact and high-benefit rental housing particularly in urban, costal zones, while making owning a home in the state more affordable, without the need for government subsidies."

Related legislation:

AB 2299 (Bloom) of the current legislative session requires, instead of allows, a local agency to, by ordinance, provide for the creation of second units in single-family and multifamily residential zones, and makes a number of other changes specifying what is required to be in the ordinance. AB 2299 is in the Assembly Appropriations Committee pending hearing.

Analysis Prepared by:

Lisa Engel / H. & C.D. / (916) 319-2085 FN:
0002941

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BILL NUMBER: AB 2442 AMENDED
BILL TEXT

AMENDED IN ASSEMBLY APRIL 14, 2016
AMENDED IN ASSEMBLY MARCH 17, 2016

INTRODUCED BY Assembly Member Holden

FEBRUARY 19, 2016

An act to amend Section 65915 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2442, as amended, Holden. Density bonuses.

The Planning and Zoning Law requires, when an applicant proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

This bill would additionally require a density bonus to be provided to a developer that agrees to construct a housing development that includes at least 10% of the total units for transitional foster youth, disabled veterans, or homeless persons, as defined. *The bill would require that these units be subject to a recorded affordability restriction of 55 years and be provided at the same affordability level as very low income units. The bill would set the density bonus at 20% of the number of these units.* By increasing the duties of local agencies, this bill would impose a state-mandated local program.

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.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 65915 of the Government Code is amended to read:

65915. (a) When an applicant seeks a density bonus for a housing development within, or for the donation of land for housing within, the jurisdiction of a city, county, or city and county, that local government shall provide the applicant with incentives or concessions for the production of housing units and child care facilities as prescribed in this section. All cities, counties, or cities and counties shall adopt an ordinance that specifies how compliance with this section will be implemented. Failure to adopt an ordinance shall

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not relieve a city, county, or city and county from complying with this section.

(b) (1) A city, county, or city and county shall grant one density bonus, the amount of which shall be as specified in subdivision (f), and incentives or concessions, as described in subdivision (d), when an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this section, that will contain at least any one of the following:

(A) Ten percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(B) Five percent of the total units of a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code.

(C) A senior citizen housing development, as defined in Sections 51.3 and 51.12 of the Civil Code, or a mobilehome park that limits residency based on age requirements for housing for older persons pursuant to Section 798.76 or 799.5 of the Civil Code.

(D) Ten percent of the total dwelling units in a common interest development, as defined in Section 4100 of the Civil Code, for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code, provided that all units in the development are offered to the public for purchase.

(E) Ten percent of the total units of a housing development for transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in Section 18541, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). *The units described in this subparagraph shall be subject to a recorded affordability restriction of 55 years and shall be provided at the same affordability level as very low income units.*

(2) For purposes of calculating the amount of the density bonus pursuant to subdivision (f), an applicant who requests a density bonus pursuant to this subdivision shall elect whether the bonus shall be awarded on the basis of subparagraph (A), (B), (C), ~~or (D)~~ (D), or (E) of paragraph (1).

(3) For the purposes of this section, "total units" or "total dwelling units" does not include units added by a density bonus awarded pursuant to this section or any local law granting a greater density bonus.

(c) (1) An applicant shall agree to, and the city, county, or city and county shall ensure, the continued affordability of all very low and low-income rental units that qualified the applicant for the award of the density bonus for 55 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units shall be set at an affordable rent as defined in Section 50053 of the Health and Safety Code.

(2) An applicant shall agree to, and the city, county, or city and county shall ensure that, the initial occupant of all for-sale units that qualified the applicant for the award of the density bonus are persons and families of very low, low, or moderate income, as required, and that the units are offered at an affordable housing cost, as that cost is defined in Section 50052.5 of the Health and Safety Code. The local government shall enforce an equity sharing agreement, unless it is in conflict with the requirements of another public funding source or law. The following apply to the equity sharing agreement:

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(A) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate share of appreciation. The local government shall recapture any initial subsidy, as defined in subparagraph (B), and its proportionate share of appreciation, as defined in subparagraph (C), which amount shall be used within five years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote home ownership.

(B) For purposes of this subdivision, the local government's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(C) For purposes of this subdivision, the local government's proportionate share of appreciation shall be equal to the ratio of the local government's initial subsidy to the fair market value of the home at the time of initial sale.

(3) (A) An applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the housing development is proposed on any property that includes a parcel or parcels on which rental dwelling units are or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through a public entity's valid exercise of its police power; or occupied by lower or very low income households, unless the proposed housing development replaces those units, and either of the following applies:

(i) The proposed housing development, inclusive of the units replaced pursuant to this paragraph, contains affordable units at the percentages set forth in subdivision (b).

(ii) Each unit in the development, exclusive of a manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.

(B) For the purposes of this paragraph, "replace" shall mean either of the following:

(i) If any dwelling units described in subparagraph (A) are occupied on the date of application, the proposed housing development shall provide at least the same number of units of equivalent size or type, or both, to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy. For unoccupied dwelling units described in subparagraph (A) in a development with occupied units, the proposed housing development shall provide units of equivalent size or type, or both, to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category in the same proportion of affordability as the occupied units. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years. If the proposed development is for-sale units, the units replaced shall be subject to paragraph (2).

(ii) If all dwelling units described in subparagraph (A) have been vacated or demolished within the five-year period preceding the application, the proposed housing development shall provide at least

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the same number of units of equivalent size or type, or both, as existed at the highpoint of those units in the five-year period preceding the application to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those persons and families in occupancy at that time, if known. If the incomes of the persons and families in occupancy at the highpoint is not known, then one-half of the required units shall be made available at affordable rent or affordable housing cost to, and occupied by, very low income persons and families and one-half of the required units shall be made available for rent at affordable housing costs to, and occupied by, low-income persons and families. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years. If the proposed development is for-sale units, the units replaced shall be subject to paragraph (2).

(C) Paragraph (3) of subdivision (c) does not apply to an applicant seeking a density bonus for a proposed housing development if his or her application was submitted to, or processed by, a city, county, or city and county before January 1, 2015.

(d) (1) An applicant for a density bonus pursuant to subdivision (b) may submit to a city, county, or city and county a proposal for the specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the city, county, or city and county. The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, based upon substantial evidence, of any of the following:

(A) The concession or incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(B) The concession or incentive would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

(C) The concession or incentive would be contrary to state or federal law.

(2) The applicant shall receive the following number of incentives or concessions:

(A) One incentive or concession for projects that include at least 10 percent of the total units for lower income households, at least 5 percent for very low income households, or at least 10 percent for persons and families of moderate income in a common interest development.

(B) Two incentives or concessions for projects that include at least 20 percent of the total units for lower income households, at least 10 percent for very low income households, or at least 20 percent for persons and families of moderate income in a common interest development.

(C) Three incentives or concessions for projects that include at least 30 percent of the total units for lower income households, at least 15 percent for very low income households, or at least 30 percent for persons and families of moderate income in a common interest development.



(3) The applicant may initiate judicial proceedings if the city, county, or city and county refuses to grant a requested density bonus, incentive, or concession. If a court finds that the refusal to grant a requested density bonus, incentive, or concession is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that has a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section, that shall include legislative body approval of the means of compliance with this section.

(e) (1) In no case may a city, county, or city and county apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted by this section. An applicant may submit to a city, county, or city and county a proposal for the waiver or reduction of development standards that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted under this section, and may request a meeting with the city, county, or city and county. If a court finds that the refusal to grant a waiver or reduction of development standards is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

(2) A proposal for the waiver or reduction of development standards pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(f) For the purposes of this chapter, "density bonus" means a density increase over the otherwise maximum allowable residential density as of the date of application by the applicant to the city, county, or city and county. The applicant may elect to accept a lesser percentage of density bonus. The amount of density bonus to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in subdivision (b).

(1) For housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Low-Income Units	Percentage
	Density Bonus

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10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
17	30.5
18	32
19	33.5
20	35

(2) For housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

(3) (A) For housing developments meeting the criteria of subparagraph (C) of paragraph (1) of subdivision (b), the density bonus shall be 20 percent of the number of senior housing units.

(B) For housing developments meeting the criteria of subparagraph (E) of paragraph (1) of subdivision (b), the density bonus shall be 20 percent of the number of the type of units giving rise to a density bonus under that subparagraph.

(4) For housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25

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31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

(5) All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval.

(g) (1) When an applicant for a tentative subdivision map, parcel map, or other residential development approval donates land to a city, county, or city and county in accordance with this subdivision, the applicant shall be entitled to a 15-percent increase above the otherwise maximum allowable residential density for the entire development, as follows:

Percentage Very Low Income	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

(2) This increase shall be in addition to any increase in density mandated by subdivision (b), up to a maximum combined mandated density increase of 35 percent if an applicant seeks an increase pursuant to both this subdivision and subdivision (b). All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this subdivision shall be construed to enlarge or diminish the authority of a city, county, or city and county to require a developer to donate land as a condition of development. An applicant shall be eligible for the increased density bonus described in this subdivision if all of the following conditions are met:

(A) The applicant donates and transfers the land no later than the

date of approval of the final subdivision map, parcel map, or residential development application.

(B) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.

(C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate general plan designation, is appropriately zoned with appropriate development standards for development at the density described in paragraph (3) of subdivision (c) of Section 65583.2, and is or will be served by adequate public facilities and infrastructure.

(D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 if the design is not reviewed by the local government prior to the time of transfer.

(E) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with paragraphs (1) and (2) of subdivision (c), which shall be recorded on the property at the time of the transfer.

(F) The land is transferred to the local agency or to a housing developer approved by the local agency. The local agency may require the applicant to identify and transfer the land to the developer.

(G) The transferred land shall be within the boundary of the proposed development or, if the local agency agrees, within one-quarter mile of the boundary of the proposed development.

(H) A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

(h) (1) When an applicant proposes to construct a housing development that conforms to the requirements of subdivision (b) and includes a child care facility that will be located on the premises of, as part of, or adjacent to, the project, the city, county, or city and county shall grant either of the following:

(A) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility.

(B) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

(2) The city, county, or city and county shall require, as a condition of approving the housing development, that the following occur:

(A) The child care facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the density bonus units are required to remain affordable pursuant to subdivision (c).

(B) Of the children who attend the child care facility, the children of very low income households, lower income households, or families of moderate income shall equal a percentage that is equal to or greater than the percentage of dwelling units that are required for very low income households, lower income households, or families of moderate income pursuant to subdivision (b).

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(3) Notwithstanding any requirement of this subdivision, a city, county, or city and county shall not be required to provide a density bonus or concession for a child care facility if it finds, based upon substantial evidence, that the community has adequate child care facilities.

(4) "Child care facility," as used in this section, means a child day care facility other than a family day care home, including, but not limited to, infant centers, preschools, extended day care facilities, and schoolage child care centers.

(i) "Housing development," as used in this section, means a development project for five or more residential units. For the purposes of this section, "housing development" also includes a subdivision or common interest development, as defined in Section 4100 of the Civil Code, approved by a city, county, or city and county and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of Section 65863.4, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

(j) (1) The granting of a concession or incentive shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. This provision is declaratory of existing law.

(2) Except as provided in subdivisions (d) and (e), the granting of a density bonus shall not be interpreted to require the waiver of a local ordinance or provisions of a local ordinance unrelated to development standards.

(k) For the purposes of this chapter, concession or incentive means any of the following:

(1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions.

(2) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

(3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable, financially sufficient, and actual cost reductions.

(1) Subdivision (k) does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the city, county, or city and county, or the waiver of fees or dedication requirements.



(m) This section does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code).

(n) If permitted by local ordinance, nothing in this section shall be construed to prohibit a city, county, or city and county from granting a density bonus greater than what is described in this section for a development that meets the requirements of this section or from granting a proportionately lower density bonus than what is required by this section for developments that do not meet the requirements of this section.

(o) For purposes of this section, the following definitions shall apply:

(1) "Development standard" includes a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.

(2) "Maximum allowable residential density" means the density allowed under the zoning ordinance and land use element of the general plan, or if a range of density is permitted, means the maximum allowable density for the specific zoning range and land use element of the general plan applicable to the project. Where the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan, the general plan density shall prevail.

(p) (1) Except as provided in paragraphs (2) and (3), upon the request of the developer, a city, county, or city and county shall not require a vehicular parking ratio, inclusive of handicapped and guest parking, of a development meeting the criteria of subdivisions (b) and (c), that exceeds the following ratios:

(A) Zero to one bedroom: one onsite parking space.

(B) Two to three bedrooms: two onsite parking spaces.

(C) Four and more bedrooms: two and one-half parking spaces.

(2) Notwithstanding paragraph (1), if a development includes the maximum percentage of low- or very low income units provided for in paragraphs (1) and (2) of subdivision (f) and is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code, and there is unobstructed access to the major transit stop from the development, then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of handicapped and guest parking, that exceeds 0.5 spaces per bedroom. For purposes of this subdivision, a development shall have unobstructed access to a major transit stop if a resident is able to access the major transit stop without encountering natural or constructed impediments.

(3) Notwithstanding paragraph (1), if a development consists solely of rental units, exclusive of a manager's unit or units, with an affordable housing cost to lower income families, as provided in Section 50052.5 of the Health and Safety Code, then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of handicapped and guest parking, that exceeds the following ratios:

(A) If the development is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code, and there is unobstructed access to the major transit stop from the development, the ratio shall not exceed 0.5

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spaces per unit.

(B) If the development is a for-rent housing development for individuals who are 62 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code, the ratio shall not exceed 0.5 spaces per unit. The development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

(C) If the development is a special needs housing development, as defined in Section 51312 of the Health and Safety Code, the ratio shall not exceed 0.3 spaces per unit. The development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

(4) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide onsite parking through tandem parking or uncovered parking, but not through onstreet parking.

(5) This subdivision shall apply to a development that meets the requirements of subdivisions (b) and (c), but only at the request of the applicant. An applicant may request parking incentives or concessions beyond those provided in this subdivision pursuant to subdivision (d).

(6) This subdivision does not preclude a city, county, or city and county from reducing or eliminating a parking requirement for development projects of any type in any location.

(7) Notwithstanding paragraphs (2) and (3), if a city, county, city and county, or an independent consultant has conducted an areawide or jurisdictionwide parking study in the last seven years, then the city, county, or city and county may impose a higher vehicular parking ratio not to exceed the ratio described in paragraph (1), based upon substantial evidence found in the parking study, that includes, but is not limited to, an analysis of parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market-rate and subsidized developments, and the lower rates of car ownership for low- and very low income individuals, including seniors and special needs individuals. The city, county, or city and county shall pay the costs of any new study. The city, county, or city and county shall make findings, based on a parking study completed in conformity with this paragraph, supporting the need for the higher parking ratio.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

BILL ANALYSIS

AB 2442

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ASSEMBLY THIRD READING

AB
2442 (Holden)

As Amended April 14, 2016

Majority vote

Committee	Votes	Ayes	Noes
Housing	6-1	Chiu, Steinorth, Burke, Chau, Lopez, Mullin	Beth Gaines
Local Government	7-0	Eggman, Alejo, Bonilla, Chiu, Cooley, Gordon, Linder	
Appropriations	14-2	Gonzalez, Bloom, Bonilla, Bonta, Calderon, McCarty, Eggman, Eduardo Garcia, Chau, Holden, Quirk, Santiago, Weber, Wood	Bigelow, Obernolte

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SUMMARY: Requires local agencies to grant a density bonus, when an applicant for a housing development agrees to construct housing for transitional foster youth, disabled veterans, or homeless persons. Specifically, this bill:

- 1) Requires a local agency to grant one density bonus, when an applicant for a housing development seeks and agrees to construct a housing development that contains 10% of the total units for transitional foster youth, disabled veterans, or homeless persons, as those terms are defined in code.
- 2) Requires the units to be subject to a recorded affordability restriction of 55 years and to be provided at the same affordability level as very low-income units.
- 3) Specifies, for housing developments meeting the criteria of 1) above, that the density bonus shall be 20% of the number of the type of units giving rise to a density bonus, as specified, thus making the density bonus for 1) above, consistent with density bonus that a developer receives for senior housing units.
- 4) States that no reimbursement is necessary because a local agency has the authority to levy service charges, fees, or

assessments sufficient to pay for the program or level of service mandated by this act.

FISCAL EFFECT: According to the Assembly Appropriations Committee, no state fiscal impact. Local agencies have the authority to levy fees for related costs and thus, any local costs are not reimbursable.

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COMMENTS:

Density bonus law was originally enacted in 1979, but has been changed numerous times since. The Legislature enacted the density bonus law to help address the affordable housing shortage and to encourage development of more low and moderate income housing units. Density bonus is a tool to encourage the production of affordable housing used by both market rate and affordable housing developers. In return for inclusion of affordable units in a development, developers are given an increase in density over a city's zoned density and concessions and incentives. The increase in density and concessions and incentives are intended to financial support the inclusion of the affordable units.

All local governments are required to adopt an ordinance that provides concessions and incentives to developers that seek a density bonus on top of the city's zoned density in exchange for including extremely low-, very low-, low-, and moderate-income housing. Failure to adopt an ordinance does not relieve a local government from complying with state density bonus law. Local governments must grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain at least any one of the following:

- 1) Ten percent of the total units for lower income households;
- 2) Five percent of the total units of a housing for very low income households;
- 3) A senior citizen housing development or mobilehome park; and,

AB 2442

Page 4

- 4) Ten percent of the units in a common-interest development (CID) for moderate-income households.

A developer can submit a request to a local government as part of their density bonus application for incentives and concessions. Developers can receive the following number of incentives or concessions:

- 1) One incentive or concession for projects that include at least 10% of the total units for lower income households, at least 5% for very low income households, or at least 10% for moderate income households in a common interest development.
- 2) Two incentives or concessions for projects with at least 20%

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lower income households, at least 10% for very low income households, or at least 20% for moderate income households in common interest developments.

3) Three incentives or concessions for projects with at least 30% lower income households, at least 15% for very low income households, or at least 30% for moderate income households in common interest developments.

Typically, housing developments that serve special needs populations are financed using public funding to reduce the debt service on the projects. It's unclear whether or not market rate developers would opt to dedicate at least 10% of the units in development to a transition age foster youth, disabled veterans, and homeless person in return for increased density and concessions and incentives. In addition, these populations would be captured under the existing percentages for very low- and low-income households.

AB 2442

Page 5

Analysis Prepared by:
Lisa Engel / H. & C.D. / (916) 319-2085 FN:
0002979

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City Council

CURTIS W. MORRIS, Mayor
EMMETT BADAR, Mayor Pro Tem
DENIS BERTONE
JEFF TEMPLEMAN
JOHN EBINER

City Manager

BLAINE M. MICHAELIS

Assistant City Manager

Treasurer/City Clerk

KENNETH J. DURAN



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Community Development**
LAWRENCE STEVENS

Director of Public Works
KRISHNA PATEL

**Director of Parks
and Recreation**
THERESA BRUNS

City Attorney
MARK W. STERES

May 25, 2016

The Honorable Miguel Santiago
California State Assembly State Capitol, Room 2026
Sacramento, CA 95814

RE: AB 1934 (Santiago) – Density Bonus
Notice of Opposition

Dear Assembly Member Santiago:

The City of San Dimas is writing to express our opposition to your bill AB 1934 having to do with density bonuses.

This measure makes a significant change to density bonus law. It would require a city to grant a density bonus to a commercial development that partners with a housing development located onsite or within one mile of the commercial development. A density bonus for a commercial development means a "density increase of up to 20% variance from any zoning ordinance, regulation, including floor area ratios, parking or commercial linkage fees.

We have a number of concerns with this proposal. First, density bonus law applies to housing developments of 5 or more units. It's based upon the premise that density increases (and other concessions and incentives) allow a developer to recover the costs of constructing housing units that are affordable to certain income categories. The trade-off is: Developer gives city affordable units; city gives developer density bonus and other concessions/incentives that reduce developer's costs. This bill says that a commercial development - which might have no connection to the housing development - gets a 20% variance from regulatory requirements (including floor area ratios) and fees. The bill simply requires the commercial development to partner with the housing development. There is no definition of "partners." There is also no definition of "commercial development." There is no fair trade-off in this bill. The developer of the commercial development is giving the city nothing; yet the city gives the commercial developer a 20% variance in regulatory requirements and fees.

For these reasons, the City of San Dimas must oppose this measure.

Sincerely,

Curtis Morris, Mayor

cc: State Senator Carol Liu, 25th District
Assembly Member Chris Holden, 41st District
Lisa Engel, Chief Consultant, Assembly Housing and Community Development
Committee, fax: (916) 319-3182
Jennifer Quan, League of California Cities, jquan@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

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MARK W. STERES

May 25, 2016

The Honorable Richard Bloom
California State Assembly State Capitol, Room 2003
Sacramento, CA 95814

RE: AB 2299 (Bloom). Land Use: Housing: 2nd Units. (as introduced)
Notice of Opposition

Dear Assembly Member Bloom:

The League of California Cities must respectfully oppose your AB 2299, which would require local agencies to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones.

This is an unfortunate departure from current law, which gives local governments the authority to pass such an ordinance when needed and provides directions on how to proceed with applications for such units when no ordinance exists.

Parking requirements. AB 2299 prohibits cities from imposing parking standards if the 2nd unit is located within one-half mile of public transit or shopping or in an architecturally and historically significant area. This provision does not take into account any local realities or preferences. Parking requirements should remain a local issue and reflect community conditions. A state law that attempts to manage local parking requirements is bound to cause unintended consequences, including increasing future community opposition to 2nd units.

Mandate. AB 2299 mandates that cities pass an ordinance. This is a costly requirement for cities, as well as for the state. Current law, which provides an option for cities to adopt an ordinance when needed, is sufficient. At this time, we do not believe a mandate is warranted.

Cannot Recuperate Costs. Current law limits the fees that can be charged for an application for a 2nd unit to those incurred due to amendments made to state law in 2001-02. Therefore, cities will not be able to recoup their costs associated with amendments made to the law this year.

For these reasons, the City of San Dimas must oppose this measure.

Sincerely,

Curtis Morris, Mayor

cc: State Senator Carol Liu, 25th District
Assembly Member Chris Holden, 41st District
Lisa Engel, Chief Consultant, Assembly Housing and Community Development
Committee, fax: (916) 319-3182
Jennifer Quan, League of California Cities, jquan@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

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City Attorney
MARK W. STERES

May 25, 2016

Honorable Richard Bloom
Member, California State Assembly
State Capitol Building, Room 2003
Sacramento, CA 95814
Via FAX: (916) 319-2150

**RE: AB 2501 (Bloom) Housing: density bonuses. (as amended 4/5/2016)
Notice of Opposition**

Dear Assembly Member Bloom:

The City of San Dimas is opposed to your AB 2501, which would require a city to take action on a density bonus within 60 days of finding the application complete, as well as making other significant changes to existing density bonus law.

In addition to imposing unrealistic timelines, this bill contains provisions that would limit the ability of a city to interpret its own development standards and diminish the role of planning commissions. The bill would also limit a city's ability to reduce development standards without waiving them; prohibits cities from providing public notice or hold a public hearing on density bonus applications, which are normally made in conjunction with land-use applications that do require public hearings; and allows developers to determine whether a project modifications result in costs reductions, rather than the city.

For these reasons, the City of San Dimas opposes AB 2501.

Sincerely,

Curtis Morris, Mayor

cc: State Senator Carol Liu, 25th District
Assembly Member Chris Holden, 41st District
Lisa Engel, Chief Consultant, Assembly Housing and Community Development
Committee, fax: (916) 319-3182
Jennifer Quan, League of California Cities, jquan@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

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MARK W. STERES

May 25, 2016

The Honorable Susan Bonilla
California State Assembly
State Capitol, Room 4140
Sacramento, CA 95814
VIA FAX: (916) 319-2114

**RE: AB 2697 (Bonilla) Redevelopment Dissolution (as introduced)
Notice of Opposition**

Dear Assembly Member Bonilla:

The City of San Dimas is writing to express our opposition to AB 2697 (Bonilla) relating to redevelopment dissolution.

This measure is coming very late in the dissolution process and it subjects successor agency property to the surplus property act. Many properties have already been transferred from the successor agencies to cities—to be used for government purposes. In most instances, the properties that were purchased for affordable housing development were previously transferred to cities in their capacity as the housing successors.

Imposing new procedural and substantive requirements for the disposition of former RDA properties at this time would no doubt complicate and delay the wind down process. Additionally, it would work to the disadvantage of the local taxing entities which have an interest in obtaining maximum value for the properties to be sold and or get the benefit of increased valuations from the properties that are to be used for economic development.

For these reasons, the City of San Dimas opposes AB 2697.

Sincerely,

Curtis Morris, Mayor

cc: State Senator Carol Liu, 25th District
Assembly Member Chris Holden, 41st District
Lisa Engel, Chief Consultant, Assembly Housing and Community Development
Committee, fax: (916) 319-3182
Jennifer Quan, League of California Cities, jquan@cacities.org
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THERESA BRUNS

City Attorney
MARK W. STERES

May 25, 2016

Honorable Bob Wieckowski
Member, California State Senate
State Capitol Building, Room 3086
Sacramento, CA 95814
Via FAX: (916) 651-4910

RE: **SB 1069 (Wieckowski) Accessory Dwelling Units** (Version 4/26/16)
Notice of Opposition

Dear Senator:

The City of San Dimas is opposed to your SB 1069, which would further restrict a local agency's ability to impose requirements on second units, which would be renamed "accessory dwelling units."

SB 1069 is so prescriptive that it removes any local land use flexibility and limits the public engagement process. The measure departs significantly from existing law which prescribes the minimum standards of a local ordinance of an ADU and instead prescribes the maximum standards of an ADU thereby removing all local land use flexibility.

In addition, this measure could result in rate hikes to existing private and public utility customers. Under SB 1069, an ADU cannot be considered a new residential unit for purposes of calculating utility connection fees.

Local governments must balance competing priorities when determining the conditions attached to the development of accessory dwelling units. Working with residents of our communities, cities must look at the potential impacts on the community that result from these units, such as, impaired neighborhood character, spillover effects on nearby homes and businesses due to inadequate parking, and loss of privacy for existing homeowners.

For these reasons, the City of San Dimas opposes SB 1069.

Sincerely,

Curtis Morris, Mayor

cc: State Senator Carol Liu, 25th District
Assembly Member Chris Holden, 41st District
Jennifer Quan, League of California Cities, jquan@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

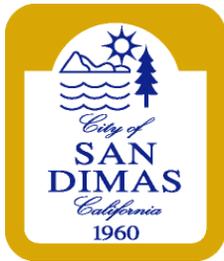


MEMORANDUM

DATE: May 24, 2016
TO: Mayor and City Council
FROM: Community Development
SUBJECT: 2015 Annual Housing Element Progress Report

Staff is finalizing this report and will complete it in time to present to City Council on May 24.

Support documents will be distributed prior to the meeting.



Agenda Item Staff Report

To: Honorable Mayor and Members of City Council
May 24, 2016

From: Blaine Michaelis, City Manager

Initiated by: Debra Black, Assistant City Clerk

Subject: June 2016 Appointments to the Senior Citizen and Parks and Recreation Commissions

SUMMARY

Vacancies on the Parks and Recreation and Senior Citizen Commissions have occurred because of Commissioners moving out of the city and expiring terms.

BACKGROUND

Parks and Recreation Commissioners Kevin Kenney and Paul Mc Clure have moved out of the City and Commissioner Frank Neal's term expires June 2016. He is not eligible for reappointment. This opens up three vacancies for the commission.

Senior Citizen Commissioners Chester Sasaki and Ed Wolfe's terms will expire May 2016. They are not eligible for reappointment. This opens up two vacancies for the commission.

DISCUSSION/ANALYSIS

Staff received three applications for the Parks and Recreation vacancies and two for the Senior Citizen vacancies. Mayor Morris, Councilmembers Bertone and Ebiner reviewed the applications and are recommending appointments based on their reviews.

RECOMMENDATION

Appoint Mayra Marrufo, Lorraine Mora Perez and Kathryn Smith to fill the vacancies on the Parks and Recreation Commission. Appoint Paul Brosche and Veronica Saucedo to fill the vacancies on the Senior Citizen Commission.

Respectfully submitted,



Debra Black
Assistant City Clerk