



Item No. 1 Town of Atherton

CITY COUNCIL STAFF REPORT – STUDY SESSION

**TO: HONORABLE MAYOR AND CITY COUNCIL
RAIL COMMITTEE
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

DATE: JANUARY 9, 2019

**SUBJECT: DISCUSSION AND FEEDBACK REGARDING THE CALTRAIN
BUSINESS PLAN, FUTURE TRAIN SERVICE IN ATHERTON,
AND RAIL POLICY**

RECOMMENDATION

Discuss and provide feedback regarding the Caltrain Business Plan (currently under development), service scenario alternatives at the Atherton Caltrain Station, and Rail Policy in Atherton.

BACKGROUND

In 2018, Caltrain launched the development of its 2040 Business Plan with a goal of addressing the future potential of their rail service over the next 20-30 years. The Business Plan is intended to assess the benefits, costs, and impacts of different service visions and ultimately build the case for investments and a plan for implementation. Caltrain discontinued weekday train service at the Atherton Caltrain Station in August 2005. Weekend service at the Station continues.

The Caltrain Modernization Program (CalMod) includes electrification and other projects that are intended to upgrade the performance, efficiency and capacity of Caltrain service along the service corridor. Construction of the electrification project has begun along the corridor, including the installation of pole foundations in Atherton. Caltrain intends to begin passenger service with electric trains in early 2022. Previously, Caltrain had committed to resume weekday service in some form with the implementation of their electric passenger train service. This service commitment is echoed in its environmental documents for the electrification project.

In May 2018, the Council adopted Resolution 18-11 rescinding and replacing Resolution 15-10 titled “A Resolution of the City Council of the Town of Atherton Establishing and Governing Town Committees” including an attachment of the City Council’s adopted Rail Related Policy Issues. The amended Rail Policy is attached. While the primary purpose of tonight’s discussion is the Caltrain Business Plan, the Council may also provide feedback and direction to staff regarding the Town’s Rail Policy.

The Rail Committee, at its December 4, 2018, meeting recommended the following changes to the Rail Related Policy Issues for consideration by the Council at their next regularly scheduled meeting on January 16, 2019:

Town Priorities Regarding Caltrain Line

The Town recognizes that successful implementation of the Town's rail corridor priorities with Caltrain require a partnership with Caltrain. To that end, the Town will endeavor to work with Caltrain to address the following priorities for the Atherton Station and Rail Corridor:

- Caltrain must restore *full* weekday service.
- Caltrain must complete a capital project to remove the "hold out station" in Town.
- *Ensure any long term corridor rail plan limits two tracks through Atherton.*
- Modernization of the rail system must minimize and fully mitigate any environmental impact to the Town.
- The Town seeks to ~~perfect~~ *add on the Watkins Avenue Crossing to* the Quiet Zone within the Town through the addition of Quad Gates at the Watkins Avenue crossing ~~and upgrading the Atherton Station~~. These measures require the support and partnership of Caltrain.

California and the San Francisco Bay area are experiencing a shortage in housing and affordable housing. According to the League of California Cities, State housing officials estimate that 180,000 homes need to be built each year to keep pace with population growth. Over the past decade, on average, less than half that number have been constructed annually. Legislation has passed and continues to be discussed at the State level and more recently at the regional level to encourage housing, particularly high-density housing, along transit corridors and near transit stations.

ANALYSIS

Caltrain Business Plan

Caltrain initiated the development of its Business Plan in 2018 with a schedule that calls for adoption in early 2020. Caltrain is currently working on developing their long-range service vision (Part 1) which includes ridership projections, a description of the level of train service desired in 2040 (including the number and length of trains needed for that service), the infrastructure improvements needed to provide the desired level of service, as well as how they will effectively connect to other rail and transit providers. Caltrain is also assessing the community-corridor interface and the Caltrain organization. Caltrain has presented the ridership projections and various service options they have been reviewing to the Local Policy Maker Group (LPMG) which meets monthly.

Attached to this report is the most recent agenda and Business Plan presentation. The presentation includes ridership growth scenarios, land-use and job growth forecasts, through put demand and

train capacity, service concepts along with conceptual passing track locations and initial screening results.

The presentation projects a demand of up to 240,000 riders per day in 2040, including approximately peak passenger ridership of 8,000 – 10,000 for the northbound AM/southbound PM commute. To meet this demand, Caltrain forecasts that they would need to operate eight 10-car trains or twelve 8-car trains per hour, per direction. This projection does not include High-Speed Rail capacity to serve the demand. Caltrain presented seven service concepts ranging from twelve (12) to sixteen (16) trains per hour per direction, inclusive of four (4) HSR trains per hour per direction. Previous presentations indicated a headway of a little as two minutes in each direction during peak periods.

Though the various service scenarios show the Atherton Station, Station service levels are denoted as TBD (to be determined) through further analysis. Caltrain has indicated that service to the Atherton Station, in these forecasts, would be via transferring stops from either Redwood City or Menlo Park.

Initial screening removed three scenarios with additional refinements, they were proposing to further carry forward and evaluate two “high growth” service scenarios, including a 12-train local/express service using limited passing tracks and a 16-train local/express service using full passing tracks.

Caltrain is continuing to dialogue with project partners and local jurisdictions to understand interests and concerns with each service variant.

Housing Legislation

State lawmakers introduced more than 130 bills in the 2017 legislative session with many focused on reducing or eliminating local land-use authority. 15 bills made it into the “Housing Package” that Governor Jerry Brown signed. The League of California Cities prepared “A 2018 Guide to New Housing Law in California” attached as a reference guide for local municipalities. State lawmakers continue to propose legislation to reduce or eliminate local control over certain housing projects, particularly *Transit Oriented Development* (TOD) and affordable housing.

AB 2923, “San Francisco Bay Area Rapid Transit District: transit-oriented development”, approved on September 30, 2018, requires that the BART Board of Directors, pursuant to a public process, adopt a TOD zoning standard for each of its station locations that establish minimum local zoning requirements for height, density, parking and floor-area ratio. It also requires that local jurisdictions adopt an ordinance conforming to the BART TOD zoning standards, unless the local zoning standard is within 10% of BART’s 2017 TOD guidelines and specified floor area ratios on July 1, 2018. The bill also sets forth minimum affordability standards.

SB 827, “Planning and zoning: transit rich housing bonus”, though not approved, amongst other items requires that projects from eligible applicants be exempted from maximum controls on residential density. It also limited maximum parking requirements, increased allowable building heights and floor-area ratios (FAR) based on the maximum height limits.

SB 50, “Planning and zoning: housing development: equitable communities’ incentive,” introduced in December 2018, proposes that local governments shall, upon request of a development proponent, grant an equitable communities incentive waiving maximum controls on density and maximum parking requirements greater than 0.5 spaces per unit. It would further incentivize affordable housing within one-half mile of a major transit stop by waiving maximum heights less than 45 feet and FAR requirements less than 2.5. It would also incentivize affordable housing within one-half mile of a major transit stop by waiving maximum heights less than 55 feet and FAR requirements less than 3.5.

POLICY FOCUS

The policy focus for the Council is the proposed service levels, ridership, and other projections within the Caltrain Business Plan; the Town’s Rail Policy, and the potential impact of State legislation on local zoning in and around the station. Staff has proposed a few discussion areas for the Council:

- What is the desired Monday – Friday service level for the Atherton Station?
- If Monday – Friday service resumes, where would patrons park?
 - Would there be a shuttle? Bicycle parking?
- How does the hold-out rule impact service? Would it need to be removed?
- What safety improvements would be needed or desired?
- What are Caltrain/HSR needs for passing tracks?
 - Do they impact Atherton?
- What are the expectations regarding gate down time during both the peak and non-peak periods?
- When will quad gates be needed at Watkins Avenue?
 - Will they come with electrification or HSR?
- What does the station do for the Town’s Quiet Zone expectations?
- What are the pros and cons of the Station for the Town and for Caltrain/HSR?
- What are the concerns and desires regarding grade separation?
 - Is the Town opposed to elevated tracks or trenched tracks?
 - If there is no station or stops, does that impact neighboring jurisdiction efforts regarding grade separation?
- What is the possibility of State mandated land-uses along transportation corridors?

FISCAL IMPACT

None at this time.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ____ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)

ATTACHMENTS

1. Rail Policy Issues Adopted by the Town of Atherton – May 18, 2018
2. Caltrain LPMG agenda and attachments – December 20, 2018
3. League of California Cities – 2018 Guide to New Housing Laws in California
4. SB 50, “Planning and zoning: housing development: equitable communities’ incentive,” introduced in December 2018, introduced December 3, 2018
5. Article: “California legislator revives bill to boost apartment complexes near transit”
LA Times December 4, 2018

**EXHIBIT A
RAIL POLICY ISSUES
ADOPTED BY THE TOWN OF ATHERTON**

A. HIGH-SPEED RAIL (HSR)

Legislative

In 2008, the Town voters decided against Prop 1A which authorized the HSR project. At that time, Town Resolutions, passed unanimously by the Council, opposed the HSR project, including the Program Environmental Impact Report (EIR), Business Plan and use of the rail corridor by HSR.

Due to its opposition to the HSR project, the Town is opposed to the Memorandum of Understanding (MOU) between Caltrain, HSR, Metropolitan Transportation Commission (MTC) and other transit agencies which provides funding for electrification of Caltrain in exchange for allowing HSR to eventually use the rail corridor. In the event that the HSR project is not implemented, Caltrain will have to seek other means to upgrade its system.

The Town remains opposed to the HSR project and supports legislative initiatives to prevent the implementation of the HSR project, in its current form, through the Town. If the HSR project moves forward, the Town fully expects that the project will minimize and fully mitigate environmental impacts to the Town.

Litigation

The Town may take the position to use legal means, as deemed appropriate by the City Council, to delay, hinder or halt the implementation of Prop 1A which Atherton residents and the City Council voted to oppose.

Lobbying

The Town has engaged a lobbyist, in conjunction with other communities, to represent the Town's interests on HSR matters.

The Council encourages members of the Town's Rail Committee to advocate on behalf of the Town with respect to HSR in manners consistent with the above HSR Rail Policy.

B. RAIL CORRIDOR AND CALTRAIN

The Town was one of the earliest train stops on the rail corridor between San Francisco and San Jose. Families, and later commuters, used the Atherton station for rail service to and from 'the City' for over 100 years. Lloyd Park was developed for residents desiring easy access to public transportation provided by the train.

In years past, Caltrain provided the Atherton Station with weekday and weekend rail service until it declared its first "fiscal emergency" citing the need to reduce costs, including station stops. As

a result, the number of weekday rail stops at the Atherton Station were reduced to zero while weekend service is still provided.

Atherton is the only city on the Caltrain line that receives no weekday train service.

The Town deserves the restoration of train service on the basis of “geographical fairness” and being treated equitably in being provided with weekday rail service. Caltrain must complete a capital project to remove the “hold-out station” designation for Atherton, including the engineering and construction to allow a passing train to pass a stationary train at the station.

Town Priorities Regarding Caltrain Line

The Town recognizes that successful implementation of the Town’s rail corridor priorities with Caltrain require a partnership with Caltrain. To that end, the Town will endeavor to work with Caltrain to address the following priorities for the Atherton Station and Rail Corridor:

- Caltrain must restore weekday service.
- Caltrain must complete a capital project to remove the “hold out station” in Town.
- Modernization of the rail system must minimize and fully mitigate any environmental impact to the Town.
- The Town seeks to perfect the Quiet Zone within the Town through the addition of Quad Gates at the Watkins Avenue crossing and upgrading the Atherton Station. These measures require the support and partnership of Caltrain.



Local Policy Maker Group (LPMG) Meeting

Thursday, December 20, 2018

5:30 p.m. – 7:30 p.m.

**SamTrans Offices – Bacciocco Auditorium 2nd Floor
1250 San Carlos Ave., San Carlos**

Agenda

1. Staff Report
 - a. 2019 Meeting Dates / LPMG Membership
2. Caltrain Business Plan
3. Caltrain Electrification Project
4. HSR Updates (Presented by California High-Speed Rail Authority Staff)
5. Public Comments
6. LPMG Member Comments/Requests
 - a. Grade Separation Toolkit
7. Next Meeting
 - a. Thursday, January 24, 2018 at 5:30pm

All items on this agenda are subject to action



Memorandum

Date: December 20, 2018
To: Caltrain Local Policy Maker Group (LPMG)
From: Casey Fromson, Gov. Affairs Director
Re: LPMG Dates and Membership

Below is the 2019 LPMG meeting schedule and the current list of LPMG members. If there are new LPMG representatives for your city, please tell Casey Fromson: fromsonc@samtrans.com

Date
January 24, 2019
February 28, 2019
March 28, 2019
April 25, 2019
May 23, 2019
June 27, 2019
July 25, 2019
August 22, 2019
September 26, 2019
October 24, 2019
November 21, 2019*
December 19, 2019*

Note: *Changed to avoid conflicts on Thanksgiving and Christmas

Local Policy Maker Group Members

Updated 12/17/18

City / County	Representative	Alternate
Atherton	Mayor Cary Wiest	
Belmont	Vice Mayor Davina Hurt	Councilmember Julia Mates
Brisbane	Councilmember Terry O'Connell	
Burlingame	Councilmember Emily Beach	Mayor Ricardo Ortiz
Gilroy	Councilmember Cat Tucker	Councilmember Peter Leroe-Muñoz
Menlo Park	TBD	TBD
Millbrae	Councilmember Reuben Holober	Mayor Gina Papan
Mountain View	Mayor Lenny Siegel	Councilmember Chris Clark
Morgan Hill	Councilmember Larry Carr	
Palo Alto	Councilmember Greg Sharff	Councilmember Adrian Fine
Redwood City	Councilmember Shelly Masur	Councilmember Janet Borgens
San Bruno	Mayor Rico Meina	
San Carlos	Councilmember Ron Collins	Councilmember Mark Olbert
San Francisco	Ms. Gillian Gillett	
San Jose	Councilmember Sergio Jimenez	Councilmember Dev Davis
San Mateo	Councilmember Joe Goethals	Deputy Mayor Diane Papan
Santa Clara	Councilmember Kathy Watanabe	Councilmember Patricia Mahan
South San Francisco	Mayor Karyl Matsumoto	Councilmember Rich Garbarino
Sunnyvale	Councilmember Nancy Smith	Vice Mayor Gustav Larsson
San Francisco BOS	TBD	
San Mateo BOS	TBD	
Santa Clara BOS	TBD	
CHAIR (JPB Member) TBD		
VICE CHAIR (LPMG Member) Emily Beach		



Memorandum

Date: December 20, 2018
To: Caltrain Local Policy Maker Group (LPMG)
From: Sebastian Petty, Senior Policy Advisor
Re: Caltrain Business Plan Update

PROJECT UPDATE

The following is the fourth in a series of monthly project updates for the Caltrain Business Plan. These updates provide a high level summary of project activities and progress and are paired with an annotated presentation that reflects project materials and messaging shared with stakeholder groups during the subject month. The following “December” update covers work completed in late November and December of 2018.

ONGOING TECHNICAL WORK

The Caltrain Business Plan consulting team is continuing technical work on the Business Plan. Key areas of focus for the team during December have included;

- Continuation of major service planning work focused on the development of a “high growth” 2040 service scenario for the corridor including;
 - Evaluation and refinement of peak hour “High Growth” concepts
 - Development of draft recommendation regarding “High Growth” concepts to advance for further analysis
 - Development of service analysis for South San Jose and Gilroy service
 - Development of off-peak and weekend service concepts
 - Summary of “Baseline Growth” service planning work developed in prior Caltrain and HSR planning
 - Work with agency partners to agree to terminal planning parameters and approach
- Continued development of technical modeling tools and approaches that will be used to support the articulation of a 2040 service vision and accompanying business case. Key areas of focus include;
 - The ongoing development and calibration of an integrated business modeling tool
 - The population of a capital costing framework with initial cost estimates

- Further development of economic analysis and regional benefit assessment methodology
- Continued research related to national and international peer organizations
- Documentation of community interface and identification of key issues and areas of focus for peer corridor analysis

MEETINGS AND OUTREACH

Regular stakeholder outreach continued in November and December. Key meetings have included;

Meetings focused on new Technical Materials

- Project Partner Committee Meetings, December 3 and December 18
- CSCG, December 12
- JPB Business Plan Ad Hoc Committee, December 17
- LPMG, December 20

The Caltrain Business Plan website is updated regularly with all project materials and will be periodically promoted through social media and other channels. It can be accessed at www.caltrain2040.org

NEXT STEPS

The first part of the Business Plan is focused on the development of a long-range service vision for the railroad accompanied by an assessment of the community-corridor interface and the Caltrain organization. The remainder of the project will be focused on the creation of the implementation plan, including a detailed business plan and funding approach. The Business Plan team will continue to provide monthly updates throughout the Business Plan. During the month of January the team will launch another quarterly round of major public and stakeholder outreach focused on presenting service planning concepts developed over the preceding month

Caltrain Business Plan

DECEMBER 2018

LPMG

December 20, 2018



The 2040 Vision: A Continued Focus on Service Planning



What is the Caltrain Business Plan?

What Addresses the future potential of the railroad over the next 20-30 years. It will assess the benefits, impacts, and costs of different service visions, building the case for investment and a plan for implementation.

Why Allows the community and stakeholders to engage in developing a more certain, achievable, financially feasible future for the railroad based on local, regional, and statewide needs.



What Will the Business Plan Cover?

Technical Tracks



Service

- Number of trains
- Frequency of service
- Number of people riding the trains
- Infrastructure needs to support different service levels



Business Case

- Value from investments (past, present, and future)
- Infrastructure and operating costs
- Potential sources of revenue



Community Interface

- Benefits and impacts to surrounding communities
- Corridor management strategies and consensus building
- Equity considerations



Organization

- Organizational structure of Caltrain including governance and delivery approaches
- Funding mechanisms to support future service



Where Are We in the Process?



Service Planning: High Growth

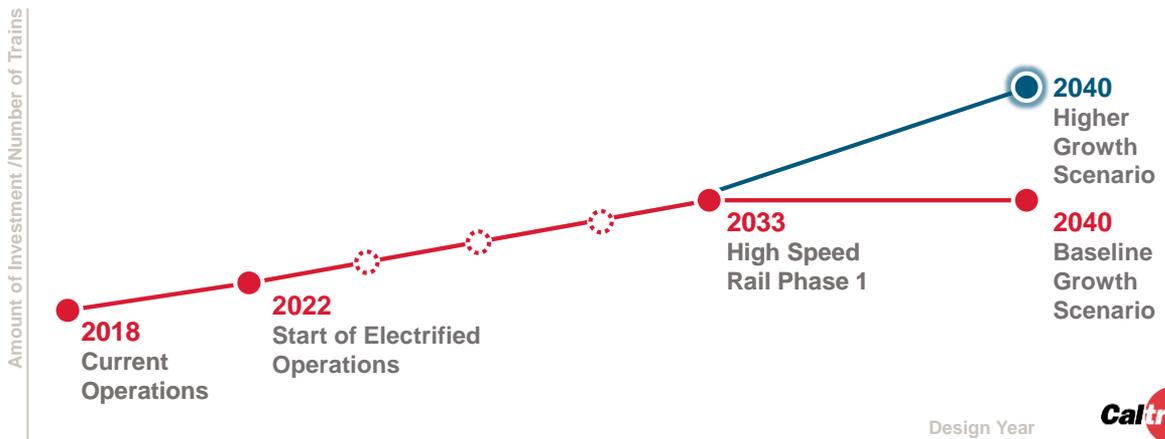




Review & Evaluate Concepts



Context: Different Ways to Grow



2040 Demand

The Caltrain corridor is growing

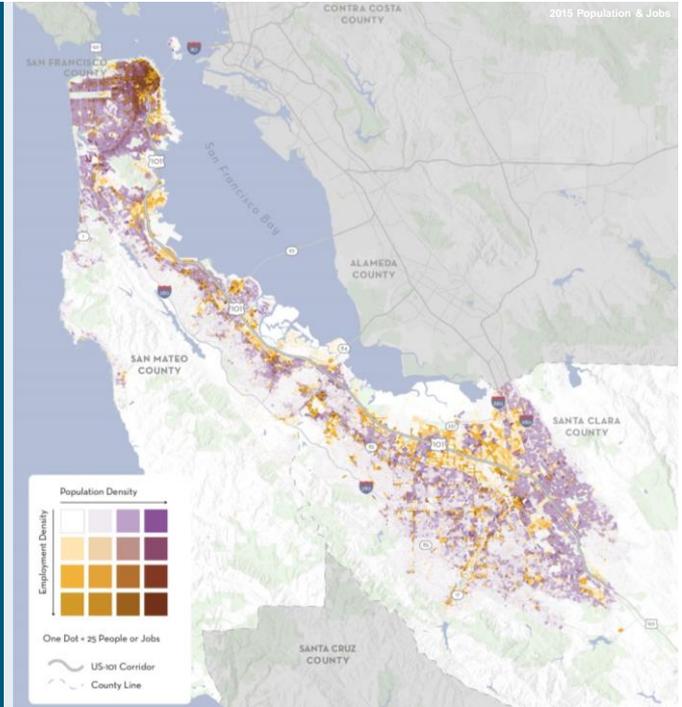
- Corridor expected to add 1.2 million people and jobs within 2 miles of Caltrain (+40%)¹
- 80% of growth expected in San Francisco and Santa Clara Counties

Major transit investments are opening new travel markets to Caltrain

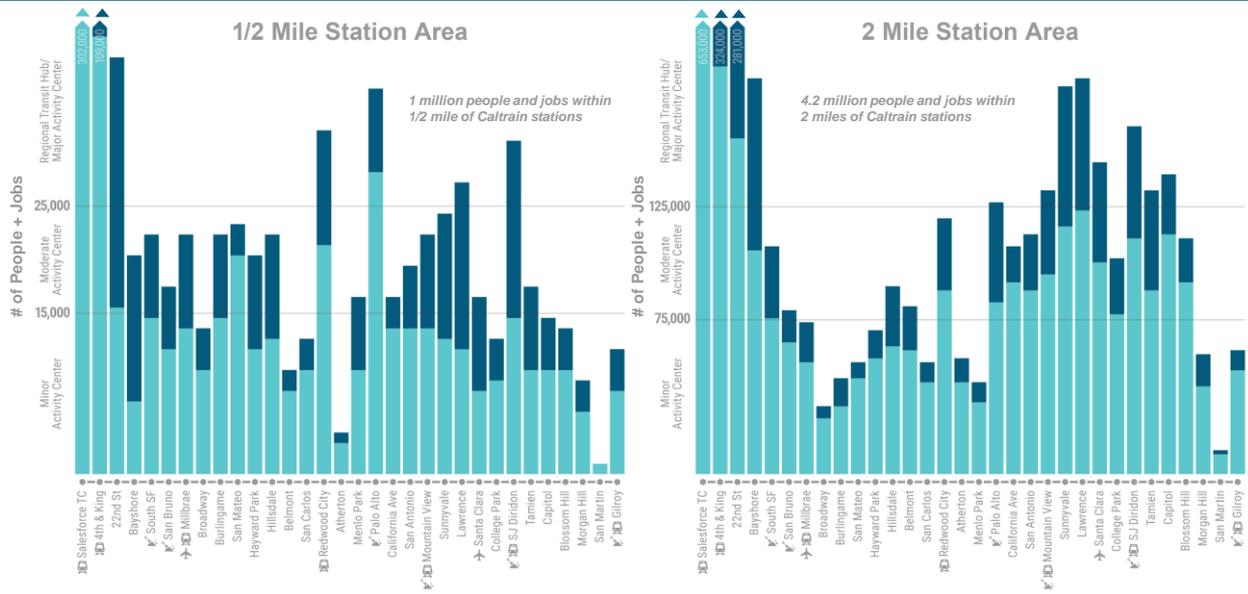
- Downtown Extension and Central Subway to provide more direct connections to downtown San Francisco
- Dumbarton Rail, BART to San Jose, and improvements to Capitol Corridor and ACE to strengthen connectivity with East Bay
- HSR and Salinas rail extensions to increase interregional travel demand

With greatly improved service, 2040 Ridership demand could reach up to 240,000 riders per day²

¹Based on Plan Bay Area forecasts and approved projects by individual cities
²Derived from a rough order-of-magnitude sensitivity test using the C/CAG Model



2040 Land Use & Transportation Context



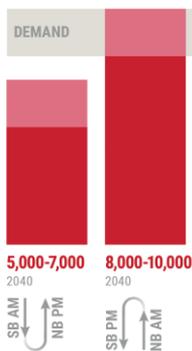
Indicates a station where substantial growth beyond Plan Bay Area forecasts is anticipated, but not yet approved

Throughput Demand vs. Capacity

To comfortably serve the potential market for rail in 2040, Caltrain would need to operate 8 trains per hour, per direction (TPHPD) with 10 car trains or 12 TPHPD with 8 or 10 car trains

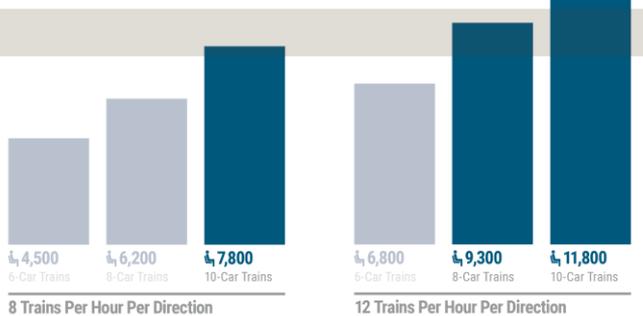
Passenger Demand

Peak-Hour Ridership at Peak Load Point (Millbrae-Burlingame)



Caltrain Seated Capacity

Peak-Hour Trains per Hour per Direction and Associated Seated Passenger Capacity



Seated capacity based on Stadler EMU with different door and bike car configurations. Does not include consideration of potential HSR capacity to serve demand

Selecting a “High Growth” Service Concept

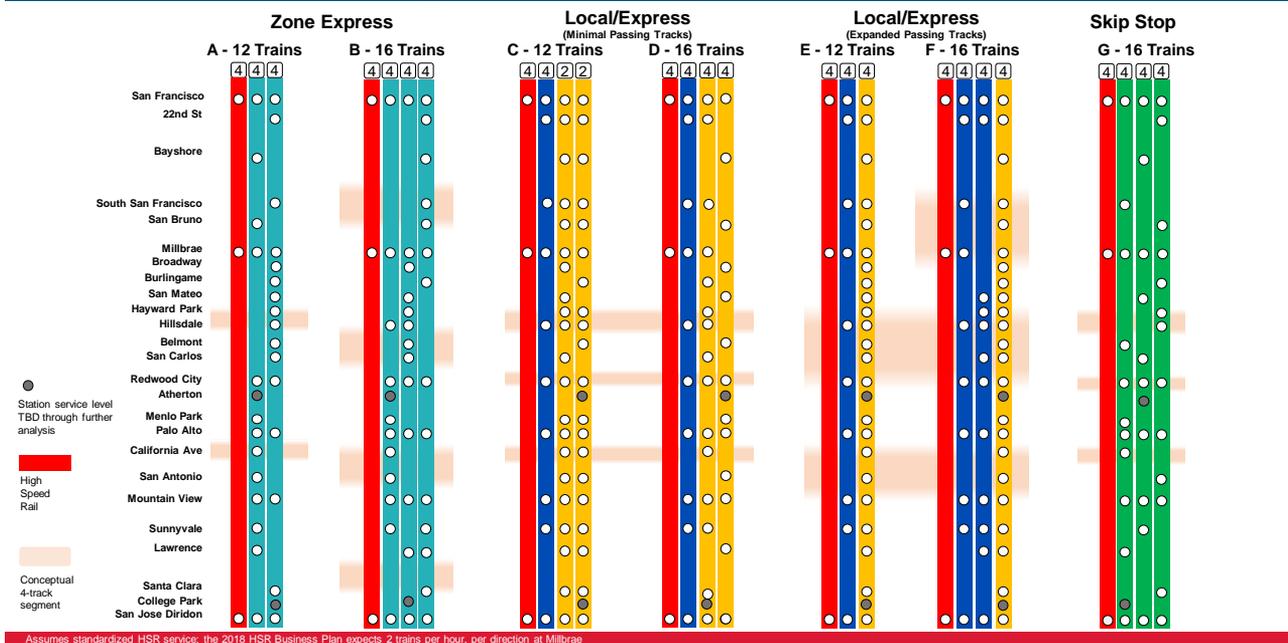
Why Last month we reviewed seven different “High Growth” service concepts. We now want to evaluate these concepts and select an option that provides the best illustrative example of a “High Growth” service strategy for the corridor. This will allow us to pursue a more detailed analysis and comparison with the “Baseline Growth” Scenario

Next Steps The selected “High Growth” concept will be further refined and expanded into a full day service plan including Gilroy service, off-peak service and terminal operations.

The “High Growth” and “Baseline” service plans will then be compared as part of a “business case” analysis that includes full ridership runs, operations simulation, infrastructure and operations costing, and economic benefit assessments.



Service Concepts - Recap



Initial Screening Not Recommended for Further Evaluation



B - Zone Express 16 Trains

- Infrastructure needs are extensive and incompatible with other service options
- Increased train throughput does not result in additional service at most stations

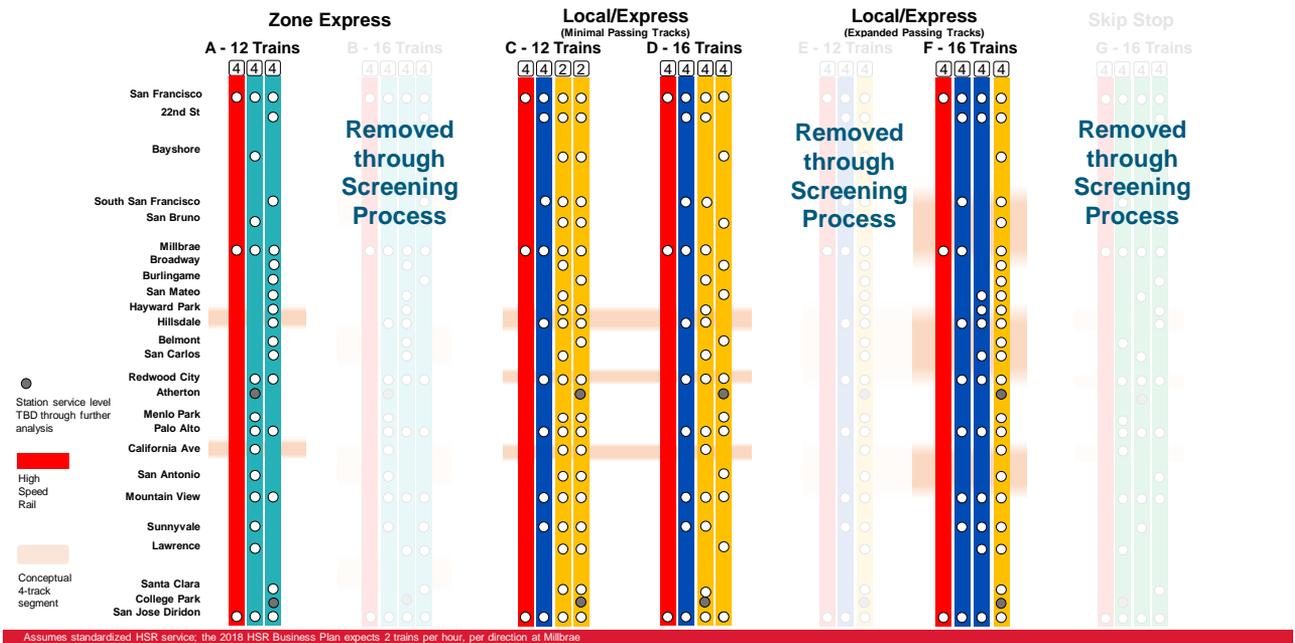
E - Local/Express 12 Trains (More Passing Tracks)

- Requires significantly more infrastructure to achieve the same throughput as other 12-train concepts
- Infrastructure is compatible with and builds toward Local/Express 16-train concept (option F). Can be considered as a variant of this option.

G - Skip Stop 16 Trains

- Challenging internal connectivity and service legibility
- Increased train throughput does not result in additional service at most stations
- Similar to and compatible with Local/Express 16 Train pattern with less passing tracks (option D)- can be considered as a variant of this option

Initial Screening Results



Service Goals

1. **Maximize Ridership** - with fast and frequent service between major markets
2. **Improve Coverage and Connectivity** - by ensuring that most stations are connected with frequent service
3. **Enhance Capacity and Convenience** - with service that is comfortable and easy to understand
4. **“Right Size” New Infrastructure** - by investing strategically to provide corridor-wide benefits

Service Concept Evaluation

1. Maximize Ridership

Goal	Metric	Existing	Minimal Passing Tracks			Expanded Passing Track
			A - 12 TPH Zone Express	C - 12 TPH Local/Express	D - 16 TPH Local/Express	F - 16 TPH Local/Express
		5 TPH				
Provide high frequency service	Number of stations served every 10 minutes or more	0 Stations	6 Stations	10 Stations	10 Stations	14 Stations
Improve travel times between major markets	Average travel times plus wait times between major stations ¹	55 Minutes	28 Minutes	31 Minutes	28 Minutes	24 Minutes

¹Averaged matrix of travel times between the eight busiest stations accounting for approximately ¾ of existing ridership (4th & King, Millbrae, Hillsdale, Redwood City, Palo Alto, Mountain View, Sunnyvale, and San Jose). Includes travel time riding the train plus half of train headway.

All metrics include Broadway and Atherton stations but exclude College Park station

Service Concept Evaluation

2. Improve Coverage and Connectivity

Goal	Metric	Existing	Minimal Passing Tracks			Expanded Passing Track
			A - 12 TPH Zone Express	C - 12 TPH Local/Express	D - 16 TPH Local/Express	F - 16 TPH Local/Express
		5 TPH				
Achieve 15-minute frequencies at most stations during peak	Number of stations without service every 15 minutes ²	17 Stations	4 Stations Broadway, Burlingame, Atherton, Menlo Park	7 Stations San Mateo, Belmont, San Carlos plus Broadway, Burlingame, Atherton, Menlo Park	2 Stations Atherton, Menlo Park	4 stations Broadway, Burlingame, Atherton, Menlo Park
Maintain connectivity between stations	Percentage of stations directly connected by local trains without a transfer	83%*** ***Local service every 60 minutes	66% Zone service every 15 minutes	95% Local service every 15 minutes	64% Local service every 15 minutes	99% Local service every 15 minutes

²Stations that do not receive 4 TPHPD are served with 2 TPHPD except Atherton (1 TPHPD) and Menlo Park (3 TPHPD)

All metrics include Broadway and Atherton stations but exclude College Park station

Service Concept Evaluation

3. Enhance Capacity and Convenience

Goal	Metric	Existing	Minimal Passing Tracks			Expanded Passing Track
			A - 12 TPH Zone Express	C - 12 TPH Local/Express	D - 16 TPH Local/Express	F - 16 TPH Local/Express
		5 TPH				
Provide capacity responsive to 2040 demand	Percent demand served relative to seated capacity ³	35% 2040 demand	80% 2040 demand	80% 2040 demand	100% 2040 demand	100% 2040 demand
Provide legible service structure	Complexity of stopping pattern	High Complexity 5+ patterns per hour	Moderate Complexity 2 patterns without connected local service	Moderate Complexity 3 patterns with 2 local service variants	High Complexity 3 patterns with 2 distinct local skip stop patterns	Low Complexity 2 patterns with fully connected local service

³Assumes 10 car trains and 2040 peak demand of approximately 10,000 passengers per hour in the peak direction

All metrics include Broadway and Atherton stations but exclude College Park station

Service Concept Evaluation

4. "Right Size" Infrastructure

Goal	Metric	Existing	Minimal Passing Tracks			Expanded Passing Track
			A - 12 TPH Zone Express	C - 12 TPH Local/Express	D - 16 TPH Local/Express	F - 16 TPH Local/Express
		5 TPH				
Minimize mainline track expansions	Miles of new passing track	0 Existing passing tracks at Bayshore and Lawrence stations	2 Hayward Park-Hillsdale and a northern Santa Clara County station	3 Hayward Park-Hillsdale, a northern Santa Clara County station, and a 4-track Redwood City Station	3 Hayward Park-Hillsdale, a northern Santa Clara County station, and a 4-track Redwood City Station	15 South San Francisco-Millbrae, Hillsdale-San Carlos, a 4-track Redwood City Station and 5 miles in northern Santa Clara County

See appendix slides for additional detail on infrastructure needs and options (excerpted and repeated from November presentation)

All metrics include Broadway and Atherton stations but exclude College Park station

Evaluation Results

Goal	Metric	Existing	Minimal Passing Tracks			Expanded Passing Track	
			5 TPH	A - 12 TPH Zone Express	C - 12 TPH Local/Express	D - 16 TPH Local/Express	F - 16 TPH Local/Express
1. Maximize Ridership	Provide high frequency service	Number of stations served every 10 minutes or more	0 Stations	6 Stations	10 Stations	10 Stations	14 Stations
	Improve travel times between major markets	Average travel times plus wait times between major stations ¹	55 Minutes	37 Minutes	34 Minutes	33 Minutes	30 Minutes
2. Improve Connectivity	Achieve 15-minute frequencies at most stations	Number of stations without service every 15 minutes	17 Stations	4 Stations	7 Stations	2 Stations	4 stations
	Maintain connectivity between stations	Percentage of stations directly connected by local train without a transfer	83%*** (at 60 min headways)	66%	95%	64%	99%
3. Enhance Convenience	Provide capacity responsive to 2040 demand	% 2040 demand relative to seated capacity ²	35%	80%	80%	100%	100%
	Provide legible service structure	Complexity of stopping pattern	High Complexity	Moderate Complexity	Moderate Complexity	High Complexity	Low Complexity
4. "Right Size" Infrastructure	Minimize mainline track expansions	Miles of new passing track	0	2	3	3	15

A - Zone Express 12 TPH

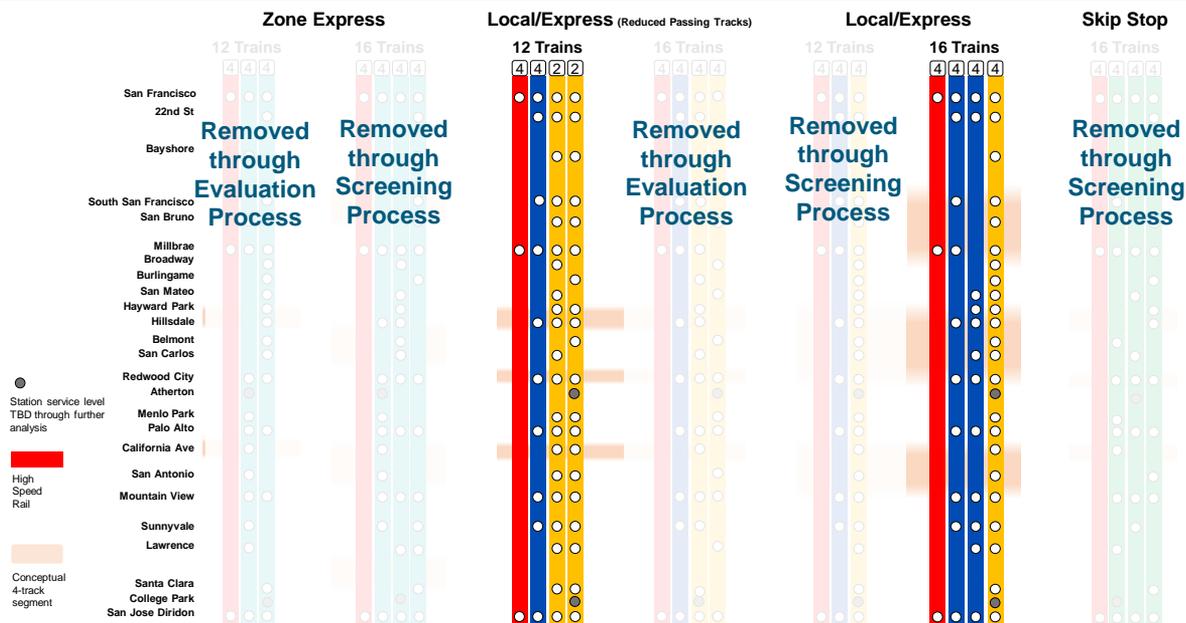
- Insufficient capacity to fully meet future demand
- Longest average travel times
- Least stations with high-frequency service

D – Local/Express 16 TPH

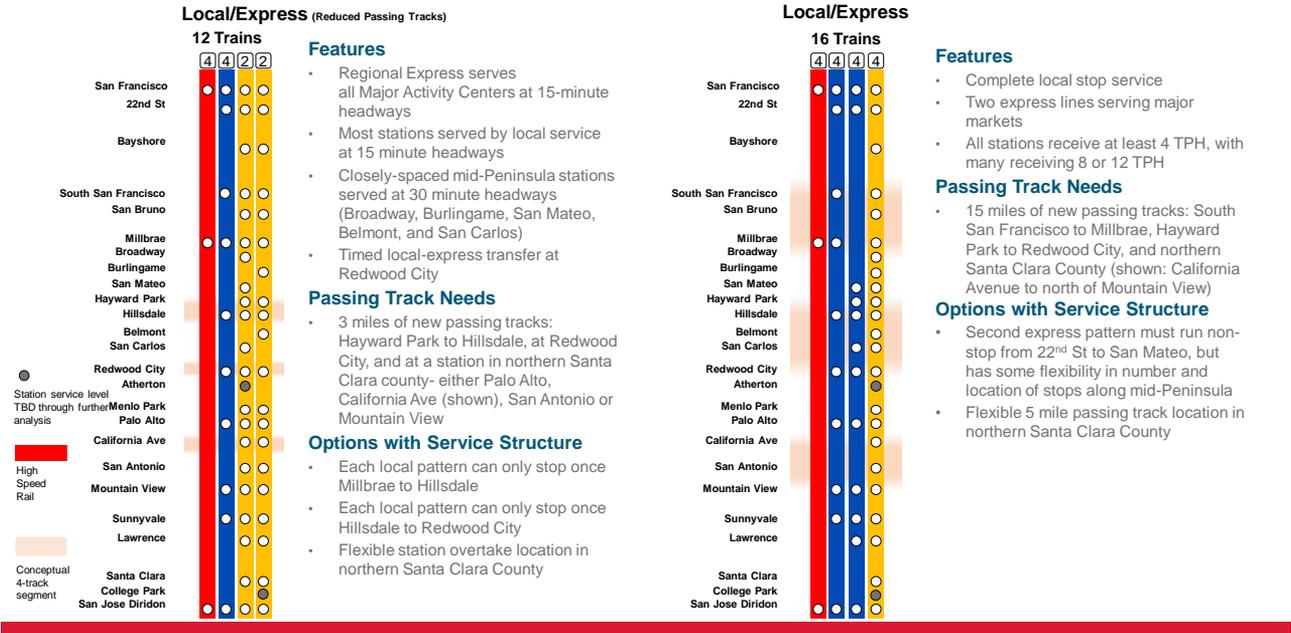
- High complexity and poor connectivity
- 15% of stations are not connected at all due to skip stop service



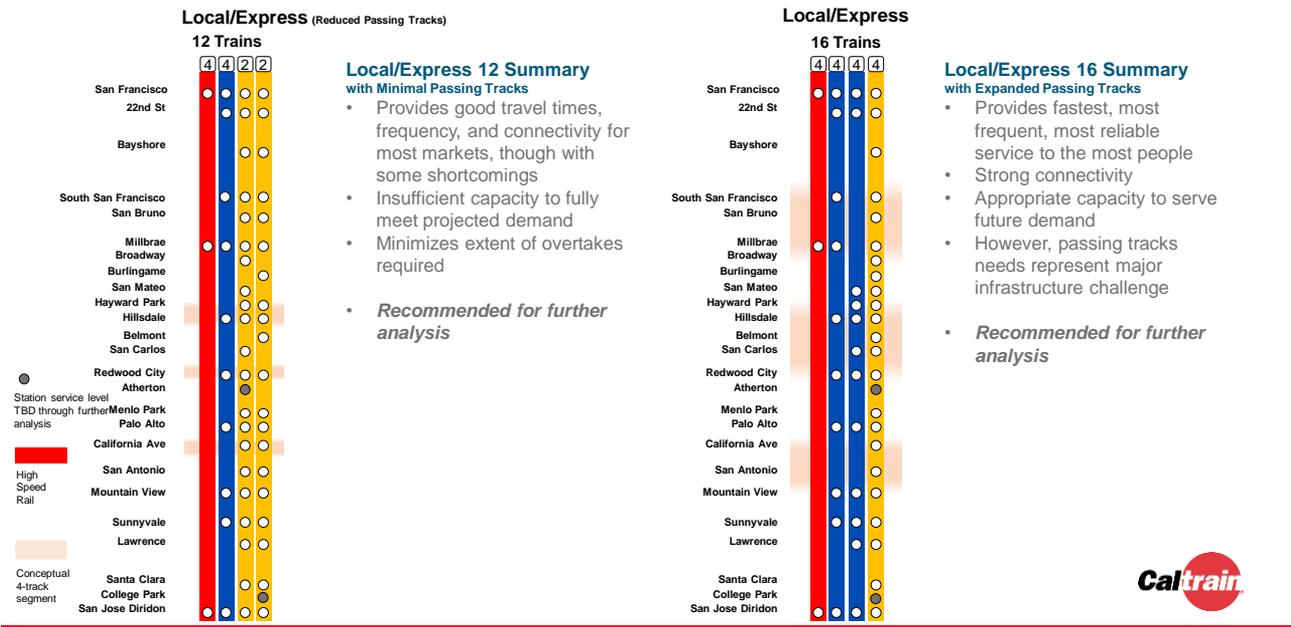
Evaluation Results



Evaluation Results



Evaluation Results



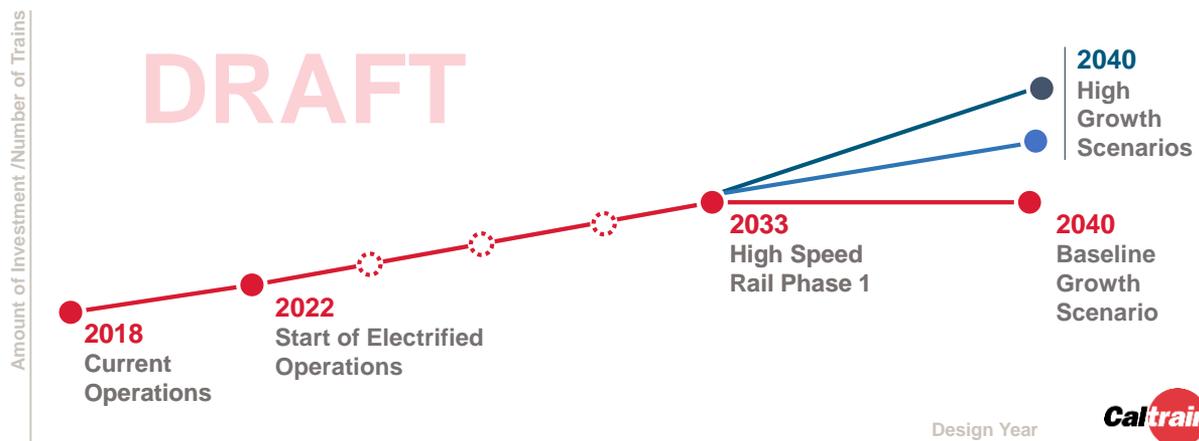
Recommendation

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1. Analyze a Local/Express service in the Business Plan as the “High Growth” Scenario
2. Carry forward and evaluate two "high growth" service scenarios
 - A 12-train local / express service using limited passing tracks
 - A 16 train local / express using full passing tracks
3. Continue dialogue with project partners and local jurisdictions to understand interests and concerns with each variant

DRAFT

Context: Different Ways to Grow



SHARING SESSION

Do you have any questions about the evaluation process or scoring criteria?

How do you feel about the findings of the evaluation?

Do you agree with the recommendation to evaluate two "high growth" scenarios?



Off-Peak & Weekend Service Planning



Considerations

Off-peak and weekend service provides unique opportunities and challenges for Caltrain

- The Caltrain corridor has very high all-day travel demand, 7 days a week
- Demand for off-peak service may increase overtime along with corridor development and densities
- Early morning, midday, evening, and weekend periods all present different challenges and opportunities related to operating costs and work windows for construction and maintenance

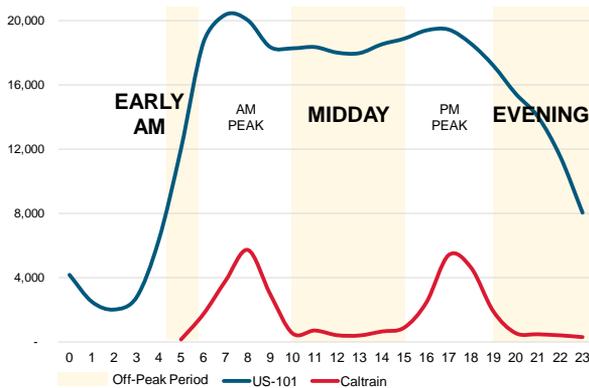
These slides illustrate options of how Caltrain may respond to these factors over time



Off-Peak & Weekend Demand

Existing Off-Peak Service

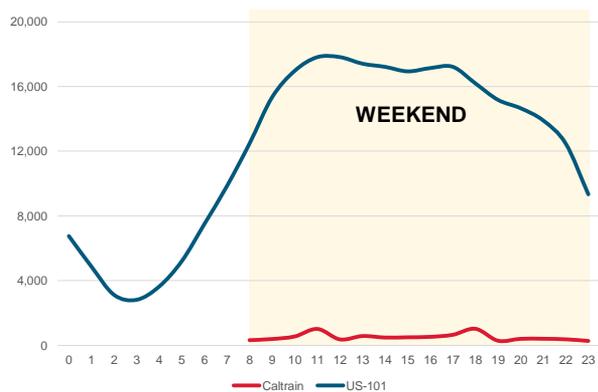
- Most Caltrain service and ridership occurs during the morning and evening periods. Hourly midday and evening service captures a very small market share
- US-101 experiences a 14-hour bidirectional peak period from 6 AM to 8 PM



Based on US-101, BART, and Caltrain person trip volumes at San Francisco County line. Volumes are comparable along most of Caltrain corridor.

Existing Weekend Service

- Hourly weekend service that primarily serves long-distance trips and captures a very small market share
- US-101 experiences a 12-hour peak period from 9 AM to 9 PM with volumes near weekday levels

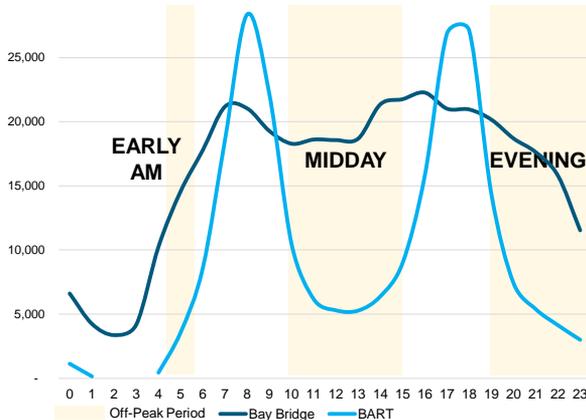


— Caltrain — US-101

Off-Peak Demand: BART vs. Caltrain

Transbay Corridor

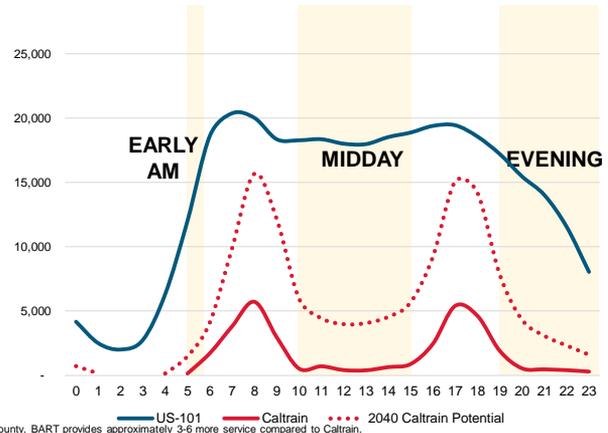
BART serves about 20-30% of midday and weekend travel on the Transbay corridor, whereas Caltrain serves about 2-3% of travel on the Peninsula



2040 potential based on unconstrained ridership forecast and assumed similar peaking patterns to BART service in San Mateo County. BART provides approximately 3-6 more service compared to Caltrain.

Caltrain Corridor

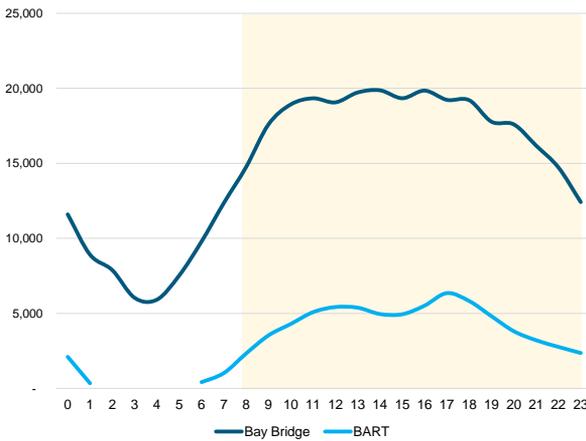
Assuming similar peaking patterns to BART, Caltrain may serve approximately 4,000-5,000 passengers per hour during the midday and evening periods



Weekend Demand: BART vs. Caltrain

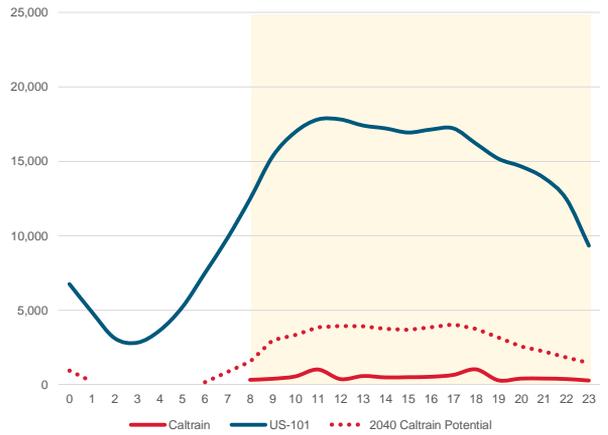
Transbay Corridor

BART serves about 20-30% of weekend travel on the Transbay corridor, whereas Caltrain serves about 3-4% of travel on the Peninsula



Caltrain Corridor

Assuming similar weekend service to BART, Caltrain may serve approximately 4,000-5,000 passengers per hour during most of the day on weekends



Off-Peak & Weekend Service Options

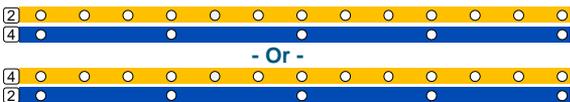
Caltrain may serve Early Morning, Midday, Evening, and Weekend periods with various potential service types depending on demand and construction/maintenance needs.

8 TPHPD with Local and Express



- Maximizes mobility by mirroring all-day corridor demand; potential to carry highest mode share
- Highest operating and maintenance cost
- Best suited for midday service

6 TPHPD with Reduced Express or Reduced Local



- Prioritizes either station coverage or maximizing ridership between major markets
- Moderate operating and maintenance cost

4 TPHPD with Local Only



- Prioritizes coverage while sacrificing ridership between major markets
- Lower operating and maintenance cost
- Best suited for evening and weekend service



SHARING SESSION

What sorts of off-peak service improvements are most important to your community?

Do you have any thoughts about the specific mix of service types and frequencies that would work at different times of day?



South San Jose & Gilroy Planning



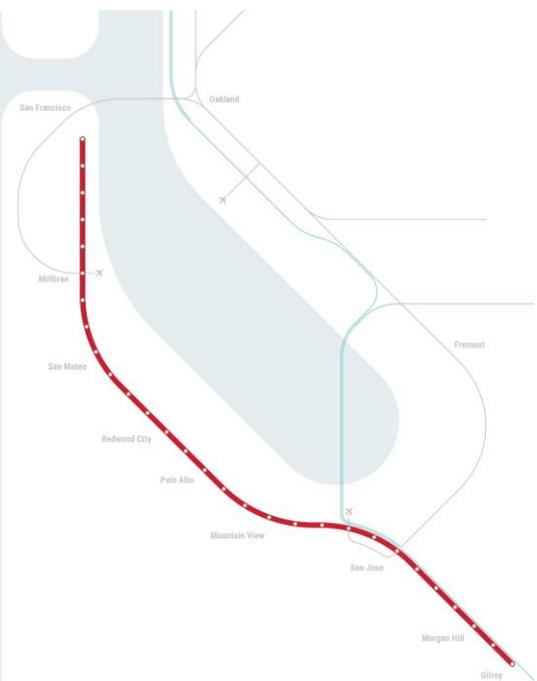
What's Different South of San Jose?

North of San Jose

- Corridor between San Francisco and Tamien owned by Caltrain
- Electrification under construction
- Caltrain will share corridor with HSR

South of San Jose

- Union Pacific owns existing corridor between Tamien and Gilroy
- HSR and State of California negotiating with UP
- 2018 HSR Business Plan contemplates building two electrified tracks alongside non-electrified freight track
- Creates an opportunity to extend electrified Caltrain service south to Gilroy



Opportunities & Constraints

Track Capacity is Constrained

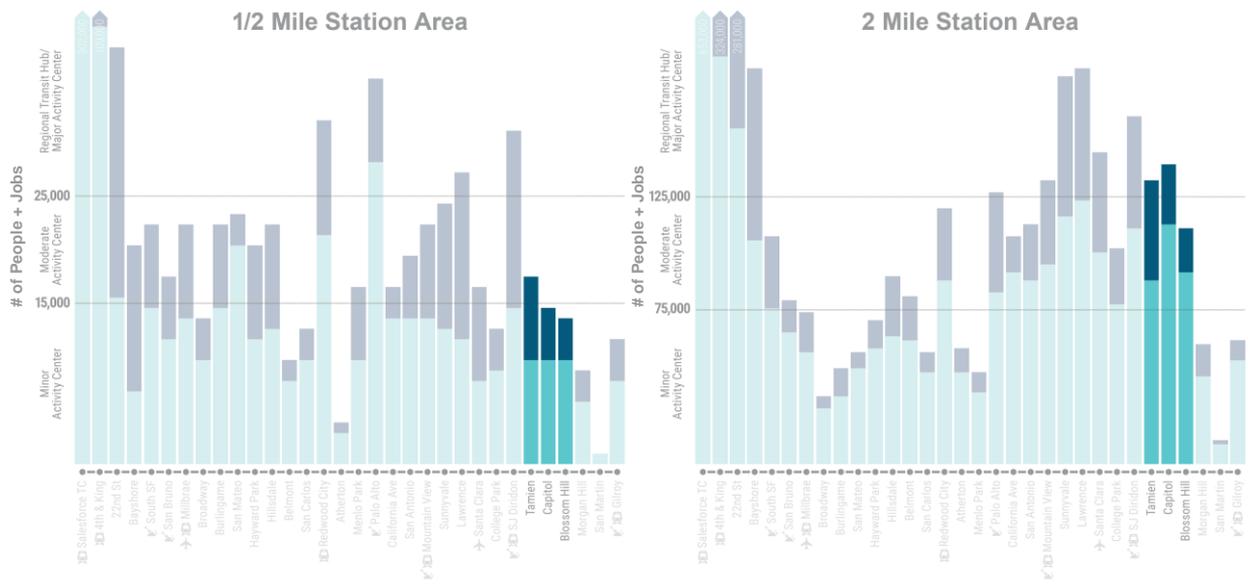
- Caltrain service is limited by operational constraints of a two track corridor
- HSR plans to operate up to 8 trains per hour, per direction south of San Jose

Demand is Unevenly Distributed

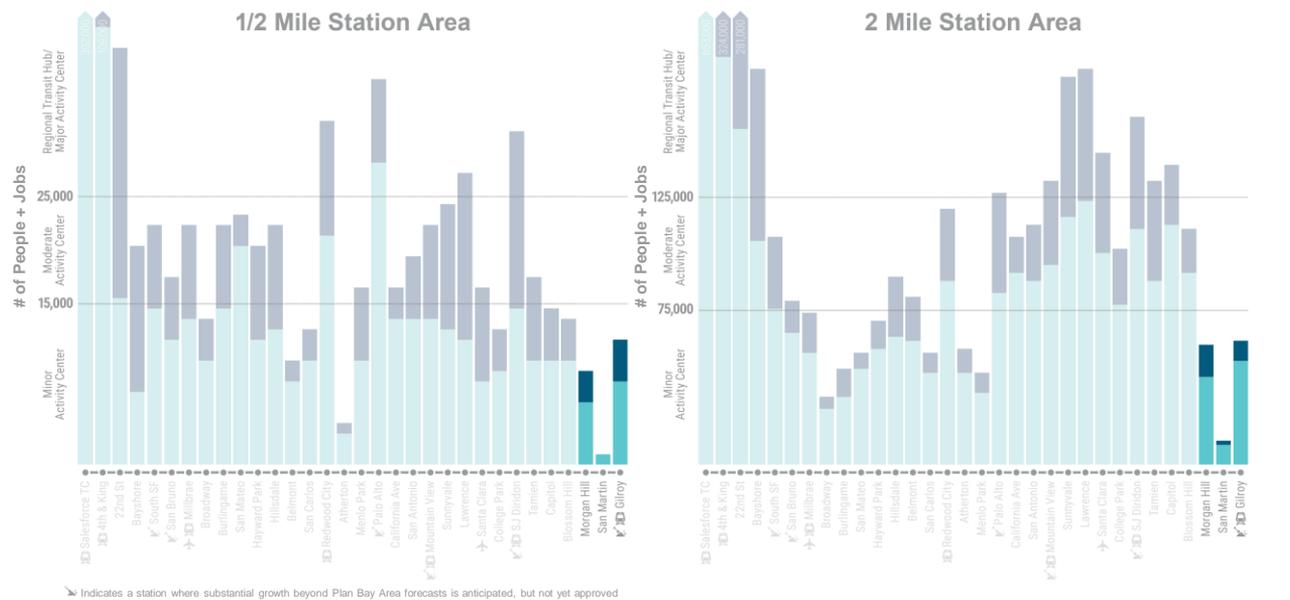
- Southern San Jose stations serve densely populated area with bidirectional demand
- Morgan Hill, San Martin, and Gilroy serve fewer people with directionally peaked demand
- HSR provides more competitive travel times between Gilroy and San Francisco/ Millbrae



2040 Land Use & Transportation Context



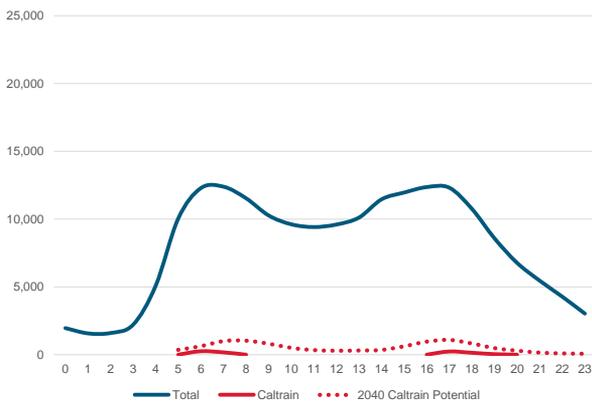
2040 Land Use & Transportation Context



Morgan Hill & Gilroy Demand

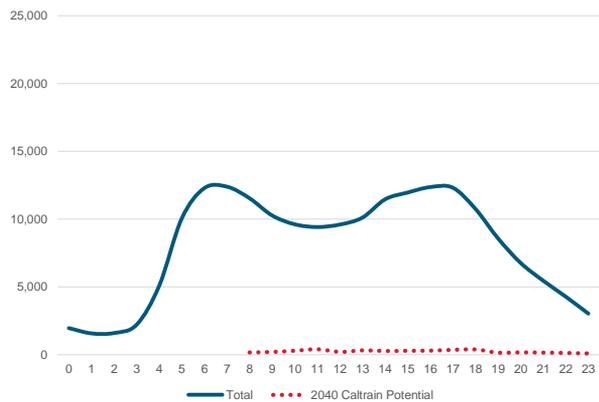
Weekday Demand

- Caltrain's serves about 2% of existing peak period travel
- US-101 experiences a morning and evening peak periods, with lower reverse-peak travel
- Potential 2040 demand of about 1,000 passengers per hour in the peak direction and 500 passengers per hour in the reverse-peak direction

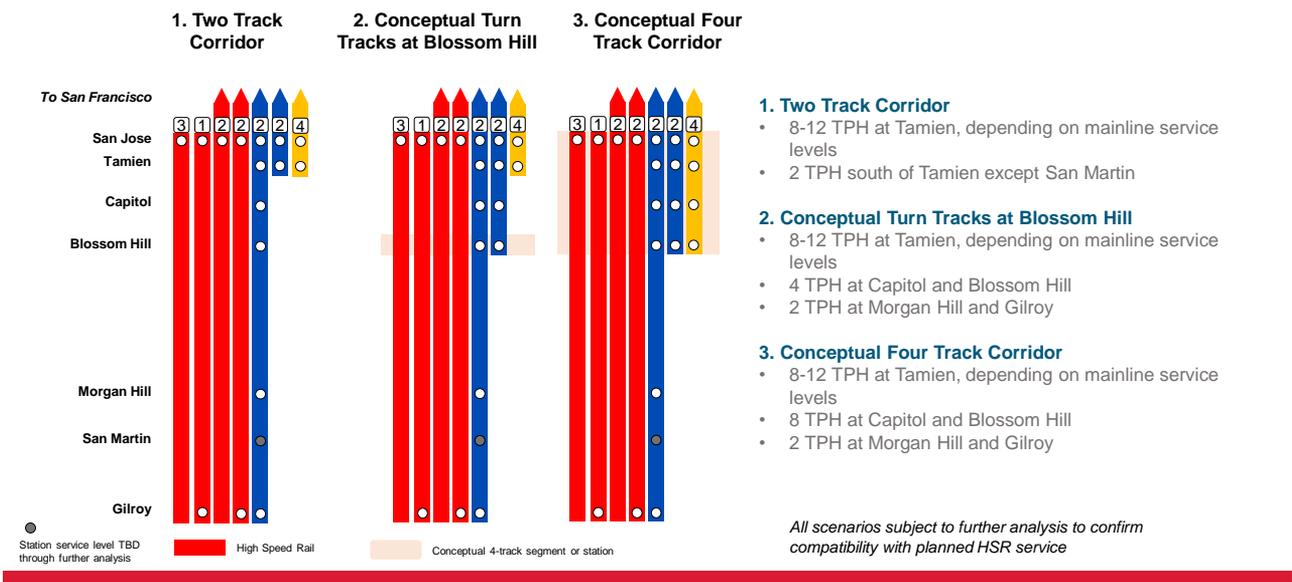


Weekend Demand

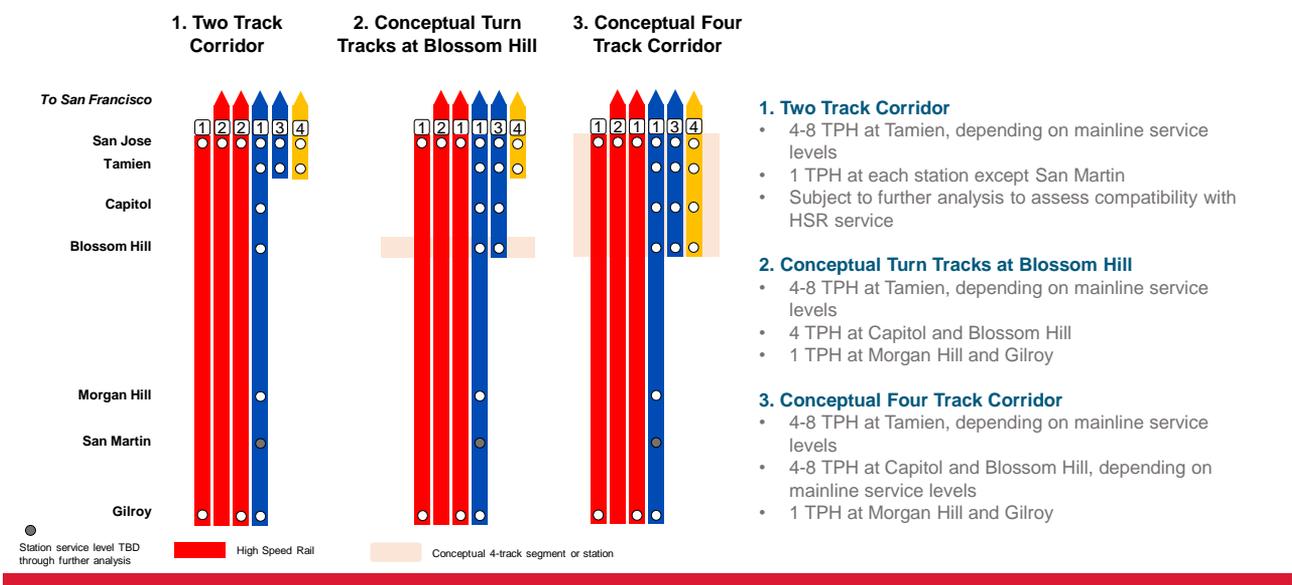
- Volumes on US-101 are comparable to weekday periods, with the highest demand between 9 AM and 7 PM
- Potential 2040 demand of about <500 passengers per hour, per direction



Peak Period Service Concepts



Off-Peak & Weekend Concepts



SHARING SESSION

**Do you understand the service options
shown south of San Jose?**

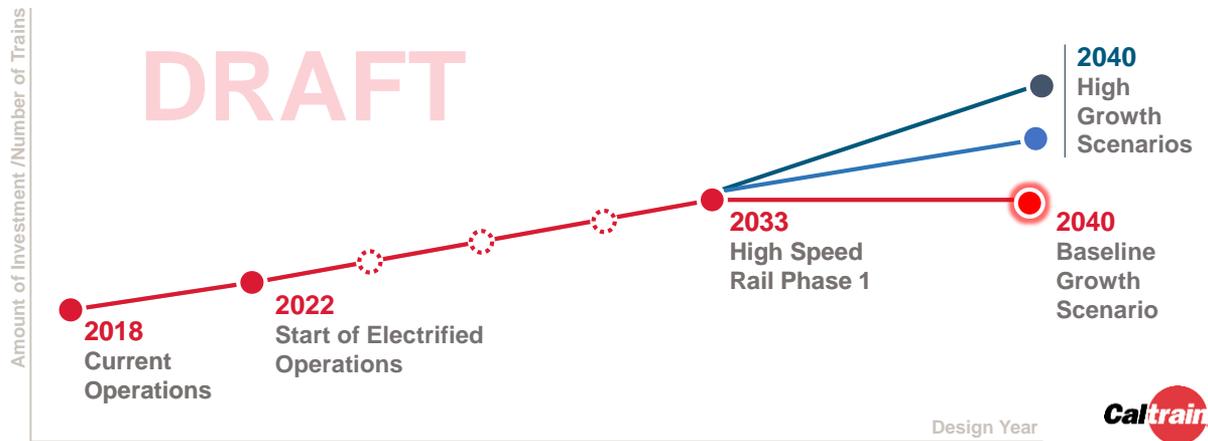
**Are there particular options that seem better
or worse to you? Why?**



Service Planning: 2040 Baseline



Context: Different Ways to Grow



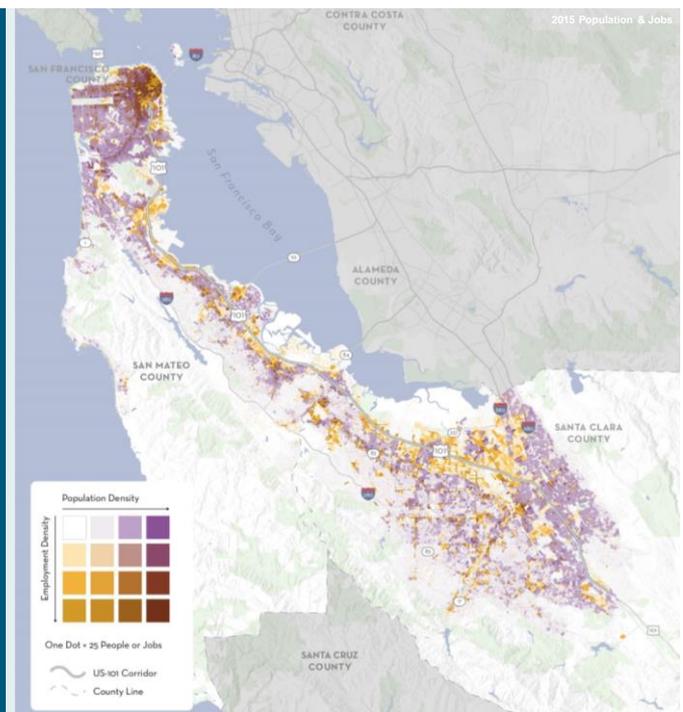
2040 Baseline

Operational Parameters

- Blended service with 10 trains per hour, per direction north of San Jose (6 Caltrain, 4 HSR)
- Blended operations with existing/committed levels of Caltrain service assumed south of San Jose (equivalent of 4 round trip Caltrain trains per day)

Service Pattern

- Historically, Caltrain has planned to operate a skip stop service after electrification
 - Emphasizes increasing service for high ridership origin-destination pairs
 - No service differentiation within Caltrain service
- Blended service planning with HSR has carried forward this concept
- There is some flexibility in service levels and stopping patterns at individual stations



2040 Baseline Service Plan

Caltrain Electrification EIR (6 TPHPD)

HSR EIR (10 TPHPD)¹

Features

- Six skip stop patterns with 60-65 minute run times
- Most stations receive 2 or 4 TPHPD, with a few stations receiving 6 TPHPD in both directions
- Schedule varies by direction with 10 minute frequencies at San Francisco and San Jose

Passing Tracks

- Uses existing locations at Bayshore and Lawrence stations

Options with Service Structure

- Flexibility in service levels at individual stations



¹Includes minor modifications to standardize Caltrain and HSR service patterns

Off-Peak & Weekend

Southern SJ/Gilroy

Features

- Same skip stop patterns at hourly headways
- Most stations receive service every 30 or 60 minutes



Features

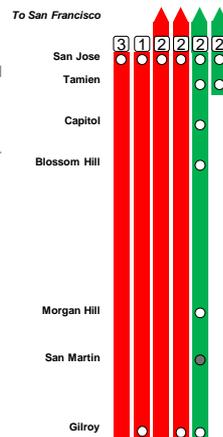
- Skip stop pattern equivalent to 4 northbound AM trains and 4 southbound PM trains
- Replicates committed service levels within parameters of new, Blended infrastructure
- Gilroy Station served by 2 Caltrain trains per hour and 2 HSR trains per hour
- Connection to Central Coast rail service at Gilroy
- No off-peak or weekend service south of Tamien

Passing Tracks

- None

Options with Service Structure

- Service levels between Morgan Hill and San Martin could be varied based on further demand analysis



SHARING SESSION

Do you understand the 2040 “Baseline” service pattern shown and how it relates to prior planning work and policy commitments?

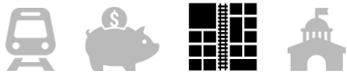


Terminal Planning



Proposed Process

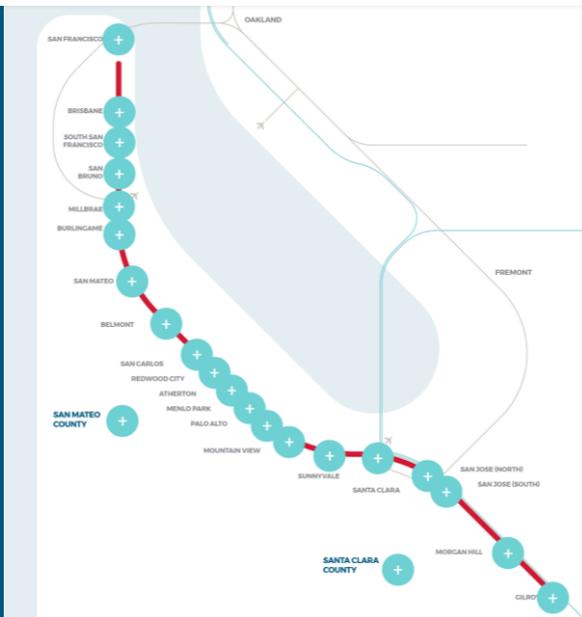
- North and South Terminal working sessions with relevant partner and city staff
- Define key outcomes and constraints
- Identify range of acceptable planning-level analysis and assumptions that can serve as basis for continued Business Plan development including completion of service plans, ridership modeling and costing
- Define operations simulation parameters, methodology and process. Simulation completion required to confirm terminal assumptions



Community Interface Assessment Update

Business Plan Website is Up!

- Project timeline
- Project summary
- Corridor-wide factsheet
- Jurisdiction-specific factsheets
- Monthly presentations
- Glossary of key terms
- FAQs



www.caltrain2040.org



Round 1 Community Interface Meetings

Purpose

Introduce Business Plan and understand breadth of community interface concerns

Attendees

City and county staff representing public works, planning, economic development, and city managers offices + Caltrain Community Interface team

When

September – October 2018

CALTRAIN BUSINESS PLAN: COMMUNITY - CORRIDOR INTERFACE ASSESSMENT CITY OF BELMONT



2 What are the most significant challenges Caltrain poses to your city (both today and considering the city's future plans)? Rate each one 1 to 5, with 5 being issues that create the most concern and 1 being the least concern. Please mark '0' for issues where you do not believe that Caltrain creates any issues or where you do not consider the category described to be a concern.

	No Concern/ Most Concern	1	2	3	4	5
Local traffic congestion at at-grade crossings	<input type="checkbox"/>					
Security and safety concerns related to corridor facilities (including safety concerns related to at-grade crossings and/or concerns about activities occurring within the Caltrain right-of-way)	<input type="checkbox"/>					
Noise and vibration (including noise related to both trains and horns)	<input type="checkbox"/>					
Visual impacts of corridor structures and facilities	<input type="checkbox"/>					
Physical impacts (concerns that existing or future facilities impact adjacent properties or preclude potential uses)	<input type="checkbox"/>					
Spillover parking demand or impacts related to connecting services and modes (e.g., traffic to stations, shuttle traffic, etc.)	<input type="checkbox"/>					
Others not listed (please list)						

3 What type of Caltrain service improvements do you think would be the most important to your city (both to residents and businesses)? RANK top three in order (e.g. #1 frequency, #2 travel times, #3 access)

- Increased frequency (more stops at stations)
- Reduced travel times (faster connections to major origins and destinations along the corridor)
- More commute hour service (improved frequency, better travel times and improved capacity during the commute peak)
- Better off-peak service (increased frequency and improved travel times) during the midday and evenings
- Better off-peak service (increased frequency and improved travel times) during the weekends
- Access improvements to connecting modes (e.g. improved parking, bike and bikeshare facilities and transit connections)
- Regional connections to either Downtown San Francisco (Salesforce Transit Center), Gilroy and Monterey Peninsula, East Bay (via Dumbarton or second transbay tunnel)

September 2018

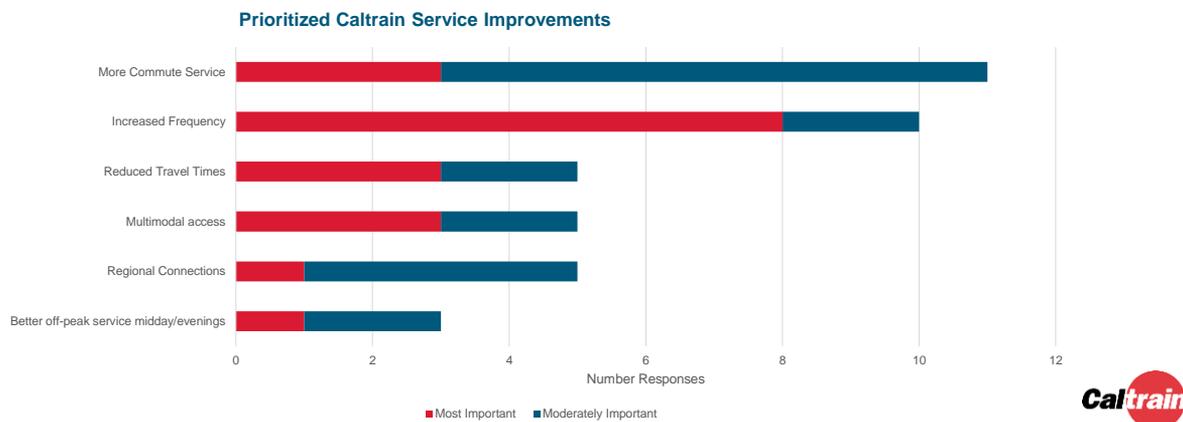
16

SUBMIT



Community Interface Meeting Results

Service Priorities



Community Interface Meeting Results

Key Themes



Service Levels & Schedules

Travel demand and mode split goals in relation to existing and anticipated roadway congestion



Physical Corridor

Grade crossings, grade separations, and the stretches of fencing, walls, and vegetation in between



Land Development

Placemaking, jobs-housing balance, transit-oriented development, and zoning changes



Station Connectivity & Access

Local first/last mile solutions, multi-modal access, and equitable incentive programs



Next Steps



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Next Steps

Upcoming Work

- Finalize recommendations for high growth and baseline growth service plans to be studied further
- Terminal planning working sessions with Caltrain partners
- Capital costing, ridership projections and business model integration
- Ongoing organizational assessment and community interface work



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Appendix:

Land Use Details & Service Concept Stringlines



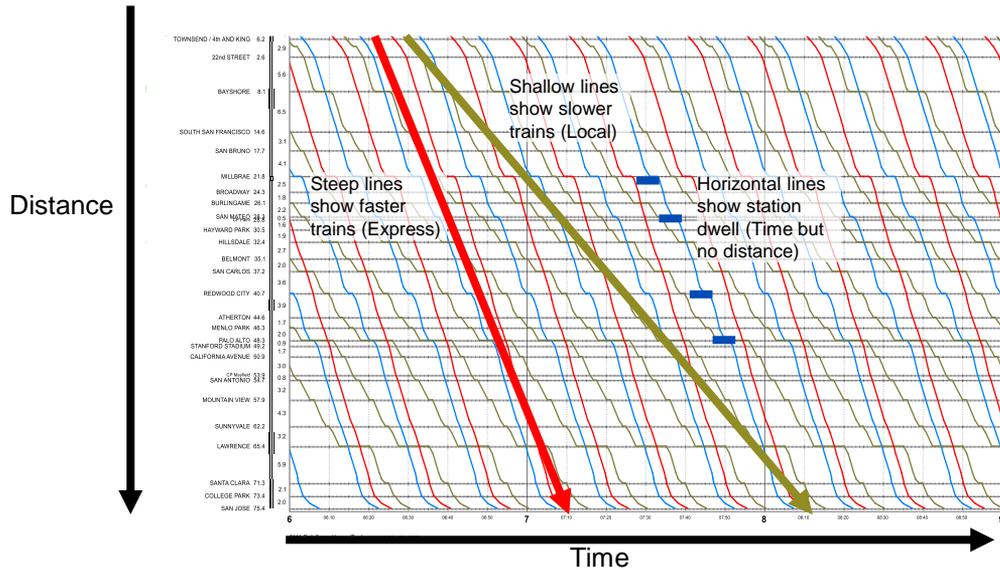
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Land Use Planning Along Caltrain Corridor

Station	Major Projects Included in Forecasts (Approved or consistent with Plan Bay Area projections)	Major Projects Noted but Not Quantified in Forecasts (Not yet approved and potentially inconsistent with Plan Bay Area)
4th & King	Central SoMa Plan, Mission Bay & Mission Rock	The Hub Plan
22nd St	Pier 70, Potrero Power Plant, India Basin	
Bayshore	Hunters Point, Candlestick Point, Schlage Lock, Sierra Point buildout, Brisbane Baylands	
South SF	6 MSF of approved East of 101 developments and the Downtown Station Area Specific Plan	Other employment projects in pipeline such as Genentech Master Plan
San Bruno	Transit Corridors Plan	Bayhill Specific Plan (Youtube)
Millbrae	Station Plan	
Burlingame	Burlingame Point (Facebook)	
San Mateo	Downtown Area Plan	General Plan/Downtown Plan Update
Hayward Park	Nearby TOD projects under construction	
Hillsdale	Bay Meadows, Hillsdale Station Plan	
Belmont	General Plan Update, Belmont Village Specific Plan	
San Carlos	Meridian 25, Downtown TOD projects	
Redwood City	Downtown Precise Plan, Stanford Redwood City Campus	Facebook campus expansion in Menlo Park (Caltrain connection via Dumbarton Rail)
Menlo Park	El Camino Real Downtown Specific Plan	
Palo Alto	Stanford Hospital Expansion	Stanford General Use Permit
California Ave	Stanford Research Park redevelopment	
San Antonio	San Antonio Precise Plan	
Mountain View	El Camino Real Precise Plan, North Bayshore Precise Plan, Moffett Field redevelopment	East Whistman Specific Plan, additional Moffett Field redevelopment
Lawrence	Lawrence Station Plan, City Place	
San Jose Diridon		Google Campus, Downtown Strategy 2040
Morgan Hill	Downtown Specific Plan	
Gilroy		Station Plan

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How to Read a Stringline



Zone Express: 12 Trains

Features

- Provides 15-minute service to all stations except Broadway/Burlingame with two semi express zone patterns
- Major activity centers receive 8 TPH
- Direct service from all markets to major activity centers, but transfer required between minor stations in different zones

Passing Track Needs

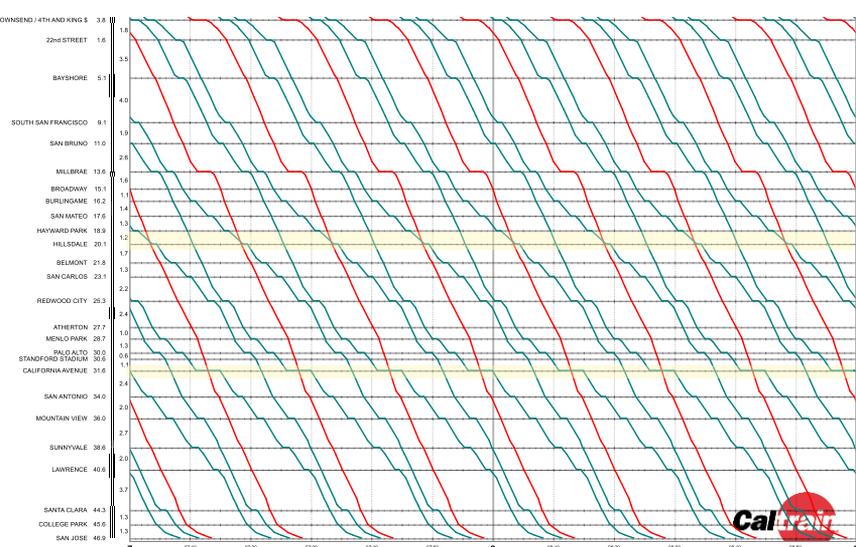
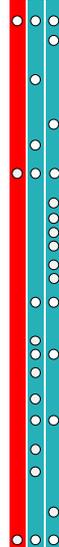
- 2 new miles of passing track between Hayward Park to Hillsdale and at a station in northern Santa Clara county (shown: California Ave)

Options with Service Structure

- Each pattern can at only stop at 2 of the 4 stations north of Millbrae
- Middle-zone train needs to stop at two stations south of California Ave
- Flexible station overtake location in northern Santa Clara County

Frequency per Hour

4 4 4



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Zone Express: 16 Trains

Features

- Provides 15-minute service to all stations except Broadway/Burlingame with three semi-express zone patterns (with major activity centers receiving 12 TPH)
- Direct service from all markets to major activity centers, but transfer required between minor stations in different zones

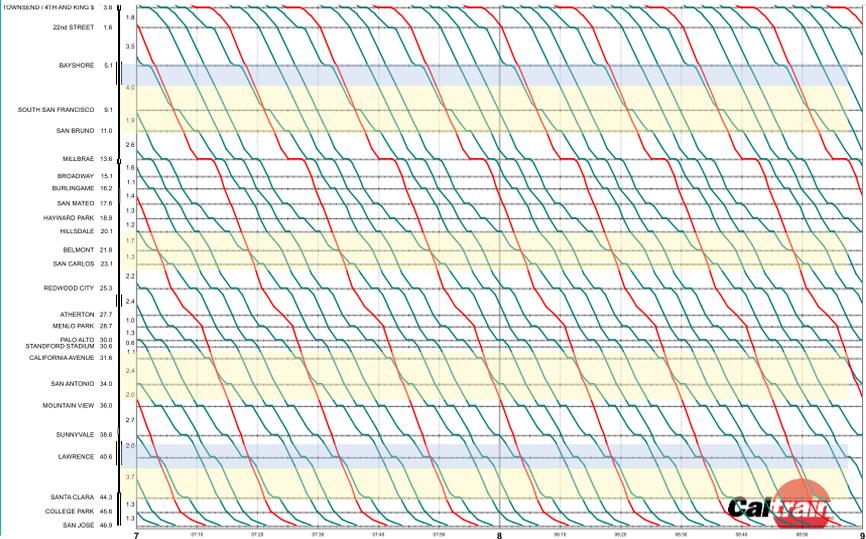
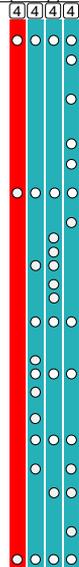
Passing Track Needs

- 15 miles of new passing track: south of Bayshore to San Bruno, mid-Peninsula (shown: Hillsdale to San Carlos), northern Santa Clara County (shown: California Avenue to north of Mountain View), and south of Lawrence to Santa Clara

Options with Service Structure

- Flexible location for 3 mile passing track in mid-peninsula and 5 mile passing track in northern Santa Clara County

Frequency per Hour



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Local/Express: 12 Trains

Features

- Regional Express serves all Major Activity Centers at 15-minute headways
- All stations receive local service at 15-minute headways except Broadway and Burlingame
- Timed local-express transfer at Redwood City

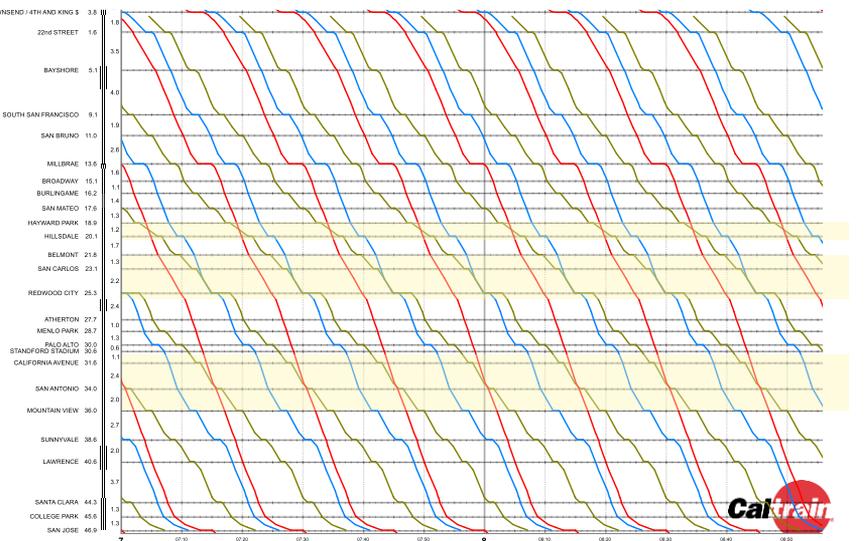
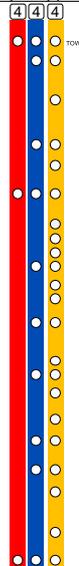
Passing Track Needs

- 10 miles of new passing tracks: Hayward Park to Redwood City and northern Santa Clara County (shown: California Avenue to north of Mountain View)

Options with Service Structure

- One stop on Express Train between Millbrae and Redwood City
- One or two stops on express south of Palo Alto
- Flexible 5 mile passing track location in northern Santa Clara County

Frequency per Hour



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Local/Express: 12 Trains, Less Passing Tracks

Features

- Regional Express serves all Major Activity Centers at 15-minute headways
- Most stations served by local service at 15 minute headways
- Closely-spaced mid-Peninsula stations served at 30 minute headways (Broadway, Burlingame, San Mateo, Belmont, and San Carlos)
- Timed local-express transfer at Redwood City

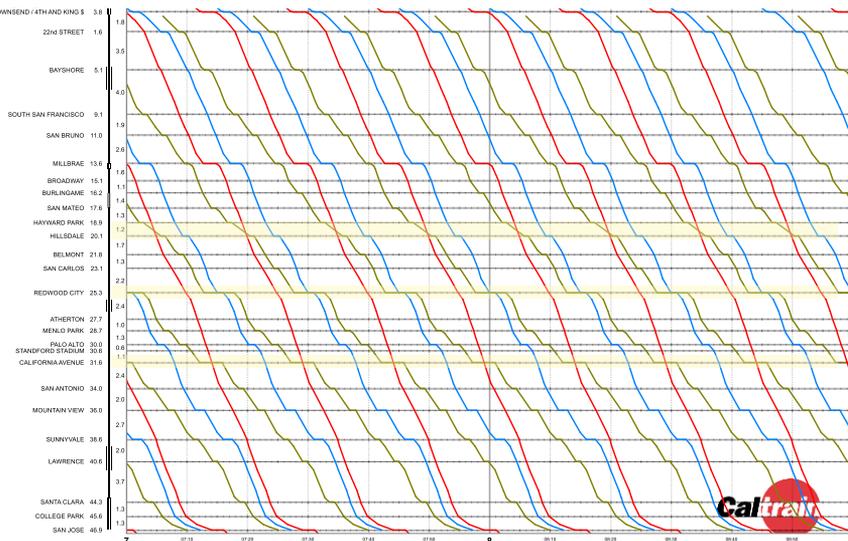
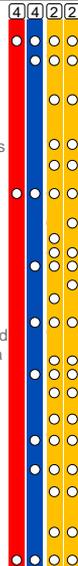
Passing Track Needs

- 3 miles of new passing tracks: Hayward Park to Hillsdale, at Redwood City, and at a station in northern Santa Clara county (shown: California Ave)

Options with Service Structure

- Each local pattern can only stop once Millbrae to Hillsdale
- Each local pattern can only stop once Hillsdale to Redwood City
- Flexible station overtake location in northern Santa Clara County

Frequency per Hour



DRAFT

Local/Express: 16 Trains, Less Passing Tracks

Features

- Local service becomes skip-stop service
- All stations receive 15 minute headways with major stations receiving 8 or 12 trans per hour
- Many station pairs require transfer at regional hubs
- Half of station OD pairs between 22nd Street and Redwood City are not served at all

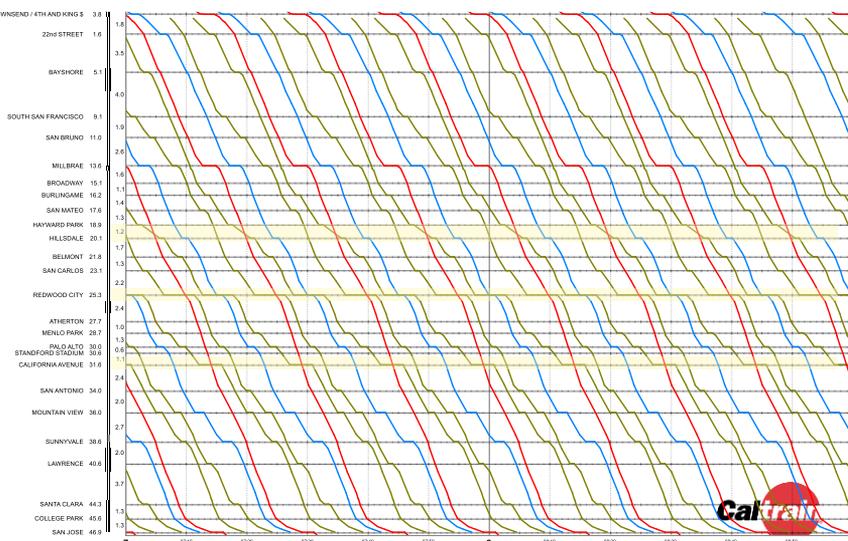
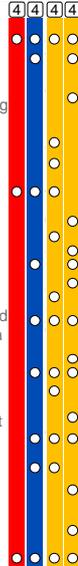
Passing Track Needs

- 3 miles of new passing tracks: Hayward Park to Hillsdale, at Redwood City, and at a station in northern Santa Clara county (shown: California Ave)

Options with Service Structure

- Generally need each pattern to stop at every other station
- Pattern overtaken by express must stop at Hayward Park & Hillsdale; other pattern cannot stop at these stations
- Flexible station overtake location in northern Santa Clara County

Frequency per Hour



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Local/Express: 16 Trains

Features

- Complete local stop service
- Two express lines serving major markets
- All stations receive at least 4 TPH, with many receiving 8 or 12 TPH

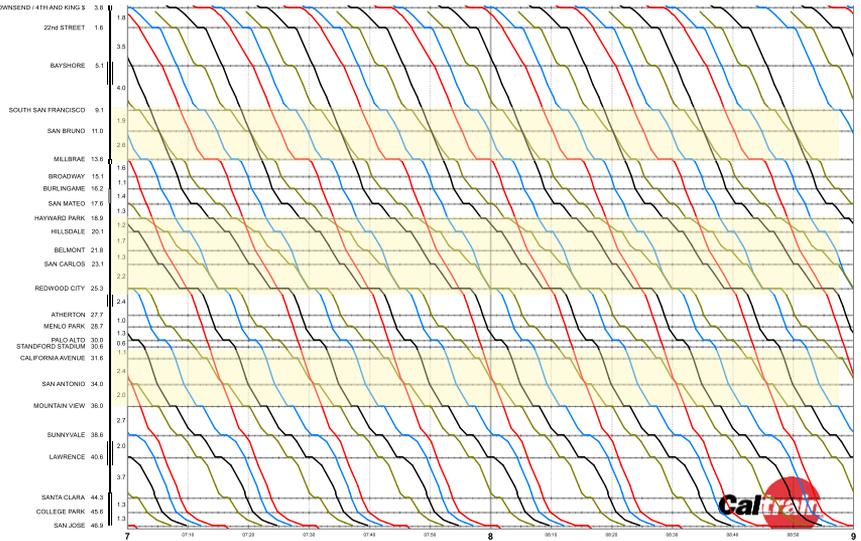
Passing Track Needs

- 15 miles of new passing tracks: South San Francisco to Millbrae, Hayward Park to Redwood City, and northern Santa Clara County (shown: California Avenue to north of Mountain View)

Options with Service Structure

- Express B pattern must run non-stop from 22nd St to San Mateo, but has some flexibility in number and location of stops along mid-Peninsula
- Flexible 5 mile passing track location in northern Santa Clara County
- Passing tracks between Lawrence and San Jose may enhance reliability and save 1-2 min of travel time for HSR and Caltrain (for passengers traveling south of Diridon)

Frequency per Hour



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FOR MORE INFORMATION
WWW.CALTRAIN.COM

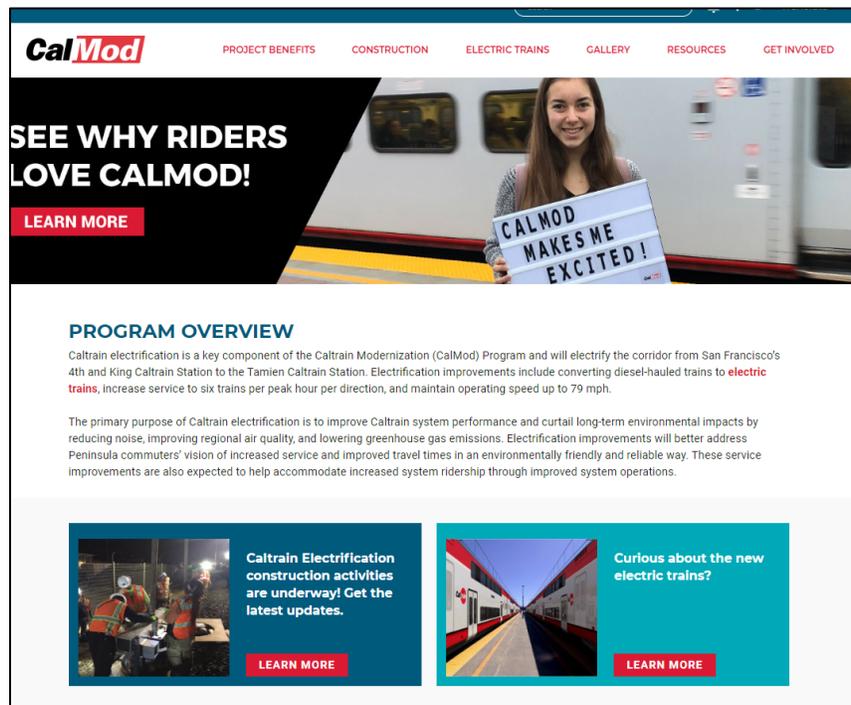




Memorandum

Date: December 20, 2018
To: CalMod Local Policy Maker Group (LPMG)
From: John Funghi, CalMod Chief Officer; Casey Fromson, Gov. Affairs Director
Re: Caltrain Electrification Project Update

This year, we've made great progress on the Caltrain Modernization (CalMod) program. In January 2018, we launched a new website CalMod.org, the one-stop-shop to get all the exciting updates on CalMod construction and the electric trains as well as information on events and other resources.



Construction has been underway since July 2017 but this year, we reached many construction milestones including pouring 550+ foundations, installing 250+ poles, and stringing the first mile of wire in San Bruno. Work on the traction power facilities occurred in San Jose, South San Francisco and San Mateo, and pre-construction work has occurred throughout the corridor from San Francisco to San Jose. Most of the construction work happens at night to make sure Caltrain can still serve over 65,000

daily riders. To view a time-lapse of a pole installation in South San Francisco, click [here](#).



Work on the new high-performance electric trains gained momentum this year as well. In March, the first car's roof was welded to the car's lower half, marking the start of recognizable train cars. Manufacturing progressed, including inspections and various testing; and in summer, the first cab car donned the new exterior design chosen by Caltrain riders. This cab is now ready for interior equipment and furnishing installation. Three trainsets are now underway, and the new electric [train manufacturing](#) plant in Salt Lake City, Utah is giving riders a lot to be excited about.



The “Did You Know” and the Rider Appreciation campaigns were launched, sharing the future benefits of the electric trains and thanking all of you for your continued support during construction.

- In March, our “[Did You Know](#)” social media campaign was designed to educate the public about the project. The campaign reached 10,743 people and 2,499 of you engaged with our posts!
- In November, [Rider Appreciation](#) events were held in San Francisco, Redwood City, and San Jose. The events were a great opportunity to hear directly from riders about why they are excited about CalMod.

We held 52 community outreach events up and down the Caltrain corridor to educate and answer questions about the project. Over 170,000 mailers were sent to residents throughout the corridor to ensure everyone was well-informed of construction activities and the benefits of the new trains. [Learn more](#) about how you can get involved.

And to end the year with more great news - we [received funding](#) to build an additional 37 electric vehicles and install Wi-Fi on the new electric trains! This will allow Caltrain to retire additional diesel trains, making room for additional comfort and convenience for our riders.

It’s been a great year, and we are excited about more to come in 2019!

DETAILED PROGRESS REPORT

To view the detailed Monthly Progress Report, please visit:

http://www.caltrain.com/projectsplans/CaltrainModernization/CalMod_Document_Library.html



Memorandum

Date: December 20, 2018
To: Local Policy Maker Group (LPMG)
From: Boris Lipkin, Northern California Regional Director
Re: California High-Speed Rail Program Update

STATEWIDE PROGRAM

Central Valley Construction Update



[CLICK TO SEE VIDEO](#)

Construction activities continue to progress across construction packages 1-4 in the Central Valley. Major work on bridges, viaducts, the Fresno trench, and other elements along the 119 miles of construction is steadily advancing and is outlined below:

- Construction Package 1
 - 32 miles total
 - Anticipated cost of \$1.55 billion
 - As of November 2018:
 - \$877 million spent
 - \$202.3 million in Small Business revenues
 - 1,604 jobs in construction trades
- Construction Packages 2 & 3
 - 65 miles total
 - Anticipated cost of \$1.65 billion
 - As of November 2018:
 - \$571 million spent
 - \$23.3 million in Small Business revenues
 - 634 jobs in construction trades

- Construction Package 4
 - 22 miles total
 - Anticipated cost of \$513 million
 - As of November 2018:
 - \$94 million spent
 - \$11.1 million in Small Business revenues
 - 228 jobs in construction trades

Read the [December Construction Update](#) or [visit the construction website at www.buildhsr.com](http://www.buildhsr.com) for the latest on the project construction activities across the Central Valley.

SAN JOSE TO MERCED PROJECT SECTION

November Community Working Groups

The San Jose to Merced Project Section Community Working Groups (CWG) met in November:

- November 7, 2018: Morgan Hill-Gilroy CWG at IFDES Lodge Portuguese Hall of Gilroy
- November 28, 2018: San Jose CWG at Biblioteca Latinoamericana

During these meetings, members reviewed: program-wide updates; the Authority’s Connecting Communities Strategy; the San Jose to Merced Project Section alternatives, including the blended alignment between San Jose and Gilroy and wildlife crossing accommodations and analysis; and upcoming and recent community outreach. Additionally, the San Jose CWG meeting reviewed the alignment and coordination efforts between the City of San Jose, the Santa Clara Valley Transit Authority, Caltrain, and the Authority as it relates to planned projects at Diridon Station and throughout the city at large. Key feedback provided by CWG members during the November meetings are listed below.

Key areas of interest:

- Private property impacts
- Community impacts associated with train frequency
- Continued updates on status of projects and planning at Diridon Station outside scope of High-Speed Rail
- Overlap of DISC planning and High-Speed Rail environmental analysis
- City of San Jose Generated Options
- Rationale and timeline for selecting a Preferred Alternative
- Accommodations for wildlife crossings in system design
- Blended Alternative
 - Status of electrification, particularly between San Jose and Gilroy
 - Status of Union Pacific negotiations
 - Request for additional opportunities for stakeholders to learn more about blended alignment and provide input
 - Implications of electrification at existing Gilroy and Diridon stations
 - Potential impacts and safety concerns at grade crossings
 - Traffic concerns associated with increased gate down times

Materials from both CWG meetings can be found [here](#).

ENVIRONMENTAL JUSTICE OUTREACH

During November and December, the Authority’s Outreach Team conducted canvassing of communities with concentrations of environmental justice (EJ) populations and service providers along the San Jose to Merced Project Section to generate neighborhood-specific, place-based insights. This feedback will be utilized by the Authority as it continues to develop a staff recommended Preferred Alternative for the San Jose to Merced Project Section. Key topics heard during these canvassing activities are listed below and are organized by geography:

San Jose

- Concerns heard
 - Transportation coordination and connections
 - Traffic
 - Safety (e.g., at grade crossings, illicit activities around tracks)
 - Homeless shelters inventory
 - Displacement by gentrification
- Benefits heard
 - In-language outreach and engagement (e.g., Spanish and Vietnamese)
 - Community benefits (e.g., transportation assistance, new shelter)

Morgan Hill

- Concerns heard
 - Safety (at at-grade crossings)
 - Noise
 - Proximity to “communities of concern”
 - Access to services and transportation (no station)
 - Homeless program disruption (Focus Program)
- Benefits heard
 - Economic opportunities for residents
 - Community benefits (e.g., transportation assistance; WiFi and recycled water infrastructure improvements)

San Martin

- Concerns heard
 - New Islamic Center project impacts (Alternative 2)
 - Access to services and transportation (no HSR station)
 - Homeless displacement
 - Safety
- Benefits heard
 - New land acquisition and siting of Islamic Center
 - Community benefits (e.g., transportation assistance)

Gilroy

- Concerns heard
 - Schools and city facilities displacement (Alternatives 1 & 2)
 - Community project impacts (Alternatives 1 & 2)

- Safety
- Access to services
- Benefits heard
 - Funding of new land acquisition and siting of schools and facilities
 - Community benefits (e.g., interim funding of school programs and resources; transportation assistance for students/staff at displaced schools)

Los Banos

- Concerns heard
 - Access to emergency/health/family services, if Henry Miller or Igomar Roads are impacted by construction etc.
 - Safety
 - Traffic
 - Noise
 - Increased homelessness around tracks
- Benefits heard
 - Additional busing for Volta school
 - Ensure road access for students of Volta school during construction and beyond (Henry Miller or Ingomar)

Next steps for EJ outreach include: follow up outreach in San Jose, Morgan Hill, and Gilroy; in-language materials and meetings; service provider and small groups meetings The Authority will also look to continue furthering community partnerships to engage EJ populations and organize meetings with service provider and small groups of community leaders.

RECENT AND UPCOMING OUTREACH ACTIVITIES

- February 19: Santa Clara City Council Study Session

NORTHERN CALIFORNIA PROJECT UPDATE Local Policy Maker Group

December 20, 2018



2

AGENDA

Statewide
Update

Northern
California
Update

Environmental
Justice
Outreach

Statewide

NorCal Update

EJ Outreach

STATEWIDE UPDATE

CENTRAL VALLEY CONSTRUCTION UPDATE

Construction Package 1

- 32 Miles
- \$1.55 Billion
- \$877 Million* spent (\$202.3 Million – Small Biz)

Construction Package 2 & 3

- 65 Miles
- \$1.65 Billion
- \$571 Million* spent (\$23.3 Million – Small Biz)

Construction Package 4

- 22 Miles
- \$513 Million
- \$94 Million* spent (\$11.1 Million – Small Biz)



* As of November 2018

Statewide

NorCal Update

EJ Outreach

CENTRAL VALLEY CONSTRUCTION UPDATE

JOB NUMBERS AS OF OCTOBER 2018

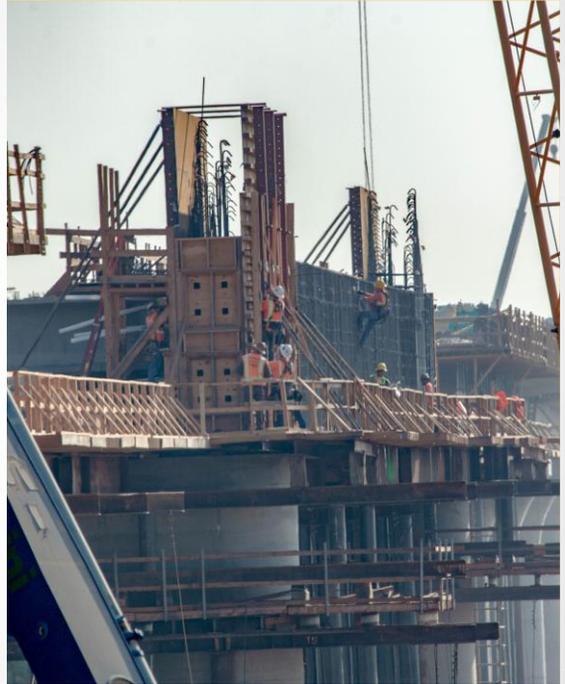
CONSTRUCTION
LABOR WORKERS

↑ INCREASED **2466**

CP 1: ↑ INCREASED **1604**

CP 2-3: ↑ INCREASED **634**

CP 4: ↑ INCREASED **228**



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Statewide

NorCal Update

EJ Outreach



NORTHERN CALIFORNIA UPDATE



SAN JOSE TO MERCED NOVEMBER COMMUNITY WORKING GROUPS



Meetings

Morgan Hill-Gilroy

November 7 at 6:00 to 8:00 p.m.

San Jose

November 28 at 6:00 to 8:30 p.m.



Participation

- 6 CWG members
- 14 members of the public

- 18 CWG members
- 17 members of the public

NOVEMBER COMMUNITY WORKING GROUPS

Key Themes Heard from Working Group Members

- Private property impacts
- Community impacts associated with train frequency
- Continued updates on status of projects and planning at Diridon Station outside scope of High-Speed Rail
- Overlap of DISC planning and High-Speed Rail environmental analysis
- City of San Jose Generated Options
- Rationale and timeline for selecting a Preferred Alternative
- Accommodations for wildlife crossings in system design

Statewide

NorCal Update

EJ Outreach

NOVEMBER COMMUNITY WORKING GROUPS

Key Themes Heard from Working Group Members – Blended Alternative

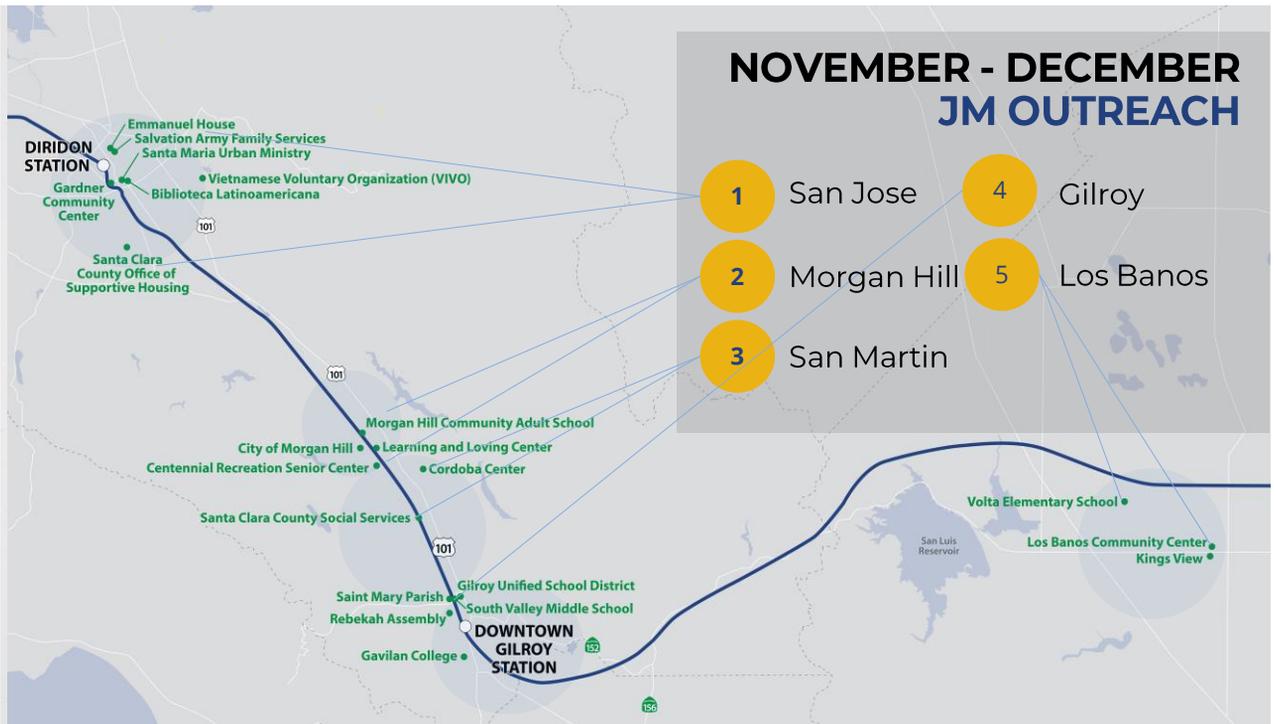
- Status of electrification, particularly between San Jose and Gilroy
- Status of Union Pacific negotiations
- Request for additional opportunities for stakeholders to learn more about blended alignment and provide input
- Implications of electrification at existing Gilroy and Diridon stations
- Potential impacts and safety concerns at grade crossings
- Traffic concerns associated with increased gate down times

Statewide

NorCal Update

EJ Outreach

ENVIRONMENTAL JUSTICE OUTREACH



JM EJ OUTREACH

1. SAN JOSE CANVASS

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Key Themes

Concerns Heard

- Transportation coordination and connections
- Traffic
- Safety (e.g., at grade crossings, illicit activities around tracks)
- Homeless shelters inventory
- Displacement by gentrification

Benefits Heard

- In-language outreach and engagement (e.g., Spanish and Vietnamese)
- Community benefits (e.g., transportation assistance, new shelter sitings)

JM EJ OUTREACH

2. MORGAN HILL CANVASS

14

Key Themes

Concerns Heard

- Safety (at at-grade crossings)
- Noise
- Proximity to "communities of concern"
- Access to services and transportation (no station)
- Homeless program disruption (Focus Program)

Benefits Heard

- Economic opportunities for residents
- Community benefits (e.g., transportation assistance; WiFi and recycled water infrastructure improvements)

JM EJ OUTREACH

2. MORGAN HILL CANVASS

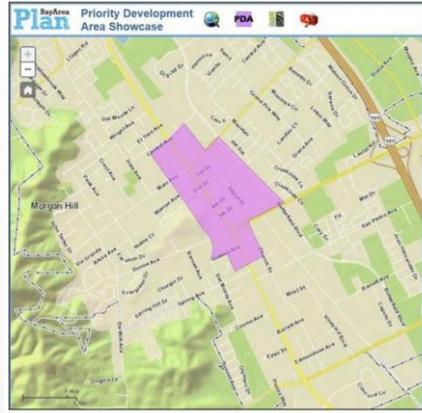
15

- Communities of Concern
- Priority Development Area

Communities of Concern 2017
This dataset represents the tracts selected as Communities of Concern for the 2017 Regional Transportation Plan. The dataset was developed using ACS 2010-2014 Data for Eight Variables Considered for MTC Communities of Concern.



County of Santa Clara, Bureau of Land Management, Esri, HERE, DeLorme, INCREMENT P, NOAA, USGS



JM EJ OUTREACH

2. MORGAN HILL CANVASS

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- Photo of Priority Development Area



JM EJ OUTREACH

2. MORGAN HILL CANVASS

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Photo of Priority Development Area



JM EJ OUTREACH

3. SAN MARTIN CANVASS

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Key Themes

Concerns Heard

- New Islamic Center project impacts (Alternative 2)
- Access to services and transportation (no HSR station)
- Homeless displacement
- Safety

Benefits Heard

- New land acquisition and siting of Islamic Center
- Community benefits (e.g., transportation assistance)

JM EJ OUTREACH

4. GILROY CANVASS

19

Key Themes

Concerns Heard

- Schools and city facilities displacement (Alternatives 1 & 2)
- Community project impacts (Alternatives 1 & 2)
- Safety
- Access to services

Benefits Heard

- Funding of new land acquisition and siting of schools and facilities
- Community benefits (e.g., interim funding of school programs and resources; transportation assistance for students/staff at displaced schools)

JM EJ OUTREACH

5. LOS BANOS CANVASS

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Key Themes

Concerns Heard

- Access to emergency/health/family services, if Henry Miller or Igomar Roads are impacted by construction etc.
- Safety
- Traffic
- Noise
- Increased homelessness around tracks

Benefits Heard

- Additional busing for Volta school
- Ensure road access for students of Volta school during construction and beyond (Henry Miller or Ingomar)

JM EJ OUTREACH NEXT STEPS

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Next Steps

- Follow up outreach in Morgan Hill, Gilroy and San Jose communities
- In-language materials and meetings
- Service provider and small groups meetings

THANK YOU & HOW TO STAY INVOLVED

WEBSITE www.hsr.ca.gov

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EMAIL san francisco_san jose@hsr.ca.gov



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California High-Speed Rail Authority
100 Paseo De San Antonio, Suite 206
San Jose, CA 95113

www.hsr.ca.gov



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twitter.com/cahsra



[youtube.com/user/CAHighSpeedRail](https://www.youtube.com/user/CAHighSpeedRail)

A 2018 GUIDE TO
New Housing Law
in California



INTRODUCTION

Housing affordability is an urgent issue in California, where a majority of renters (over 3 million households) pay more than 30 percent of their income toward rent and nearly one-third (over 1.5 million households) spend more than 50 percent of their income on rent. In addition, California’s homeownership rates are at the lowest point since the 1940s. This has led many experts in the field to declare the current state of housing supply and affordability a crisis.

In his January 2017 budget proposal, Governor Brown set the tone and parameters for substantive action to address housing supply and affordability issues. He indicated that new and increased funding for housing must be instituted along with regulatory reform that streamlines local project approval processes and imposes more stringent measures of local accountability. These parameters guided legislative action throughout 2017, resulting in a package of bills signed into law.

Gov. Brown and state legislators made significant changes to local land-use processes and approved new sources of revenue for housing construction. Throughout the 2017 legislative session, the League advocated for proposals that preserved local authority while advancing much-needed housing development approvals.

This reference guide covers recent actions taken by the state Legislature to address the housing crisis and provides in-depth analysis and guidance on changes made to state and local land-use law that will affect city processes and functions related to housing development.

PART I. THE CALIFORNIA HOUSING CRISIS

Principal Causes of the Affordable Housing Shortage

Local governments are just one piece of the complex scenario that comprises the housing development process. Cities don’t build homes — the private sector does. California’s local governments must zone enough land in their General Plans to meet the state’s projected housing need; however, cities don’t control local market realities or the availability of state and federal funding needed to support the development of affordable housing. This is true not just in California but nationwide.

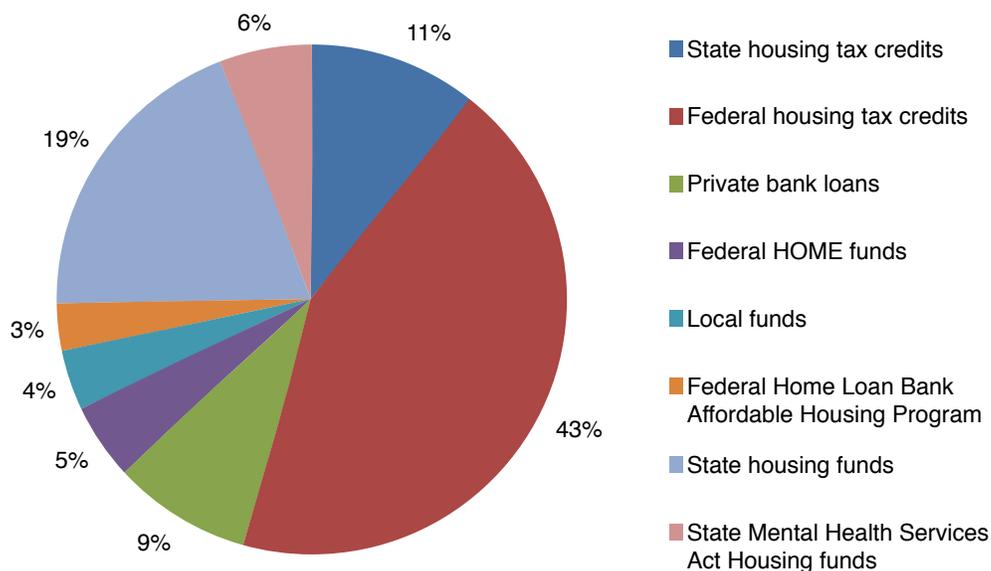
Significant barriers and disincentives constrain the production of affordable housing. These include:

- Lack of funding and subsidies needed to support housing that low- and moderate-income families can afford;
- Local and national economic and job market conditions; and
- Challenges for developers.

Lack of Funding and Subsidies for Affordable Housing

In addition to private sector financing, funding and subsidies to support the development of affordable housing come from two primary sources: federal and state government housing programs.

Sample Funding Mixes for Affordable Multifamily Developments



Source: California Department of Housing and Community Development, *California’s Housing Future: Challenges and Opportunities*

It's extremely rare for a single affordable housing program to provide enough funding to finance an entire development, due to the costs of development and funding constraints and criteria that encourage developers to leverage other funds. The developer will typically apply for funding from multiple programs and private sector lenders that have overlapping policy goals and requirements. Private-sector lenders may also have additional criteria. The process of applying for and securing funding from multiple sources can add significantly to the lead time needed to start construction.

One multifamily development can easily need five to 10 funding sources to finance its construction. Developers generally layer financing from state and federal tax credits, state housing programs, local land donation and other local grants, federal housing programs and private loans from financial institutions. The chart "Sample Funding Mixes for Affordable Multifamily Developments" (below, left) offers an example of funding mixes for affordable multifamily developments.

Federal funding for affordable housing comprises a significant portion of California's resources to support affordable housing. However, due to pressures to cut federal spending and reduce the deficit, federal funding for housing has declined in recent years despite the increase in the number of severely cost-burdened, low-income renter households (which rose from 1.2 million in 2007 to 1.7 million in 2014). Between 2003 and 2015, Community Development Block Grant (CDBG) and HOME funds allocated to California by the U.S. Department of Housing and

Urban Development (HUD) to produce affordable housing units have declined by 51 percent and 66 percent respectively (see "HUD Program Allocations to California 2003–2015" below).

Furthermore, few sources of affordable housing funding are stable or growing from year to year despite an increasing population and demand for housing. This funding uncertainty deters both efforts to address housing challenges in a sustained manner and developers' ability to build affordable housing.

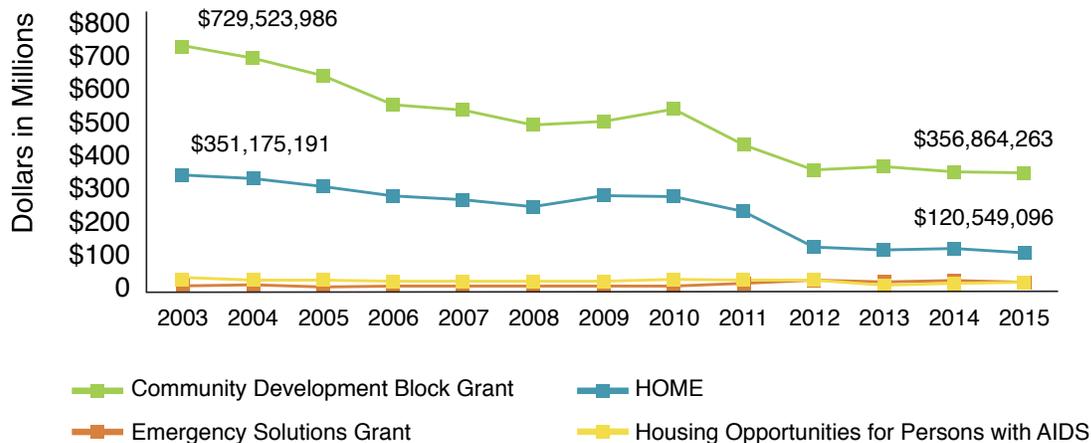
The elimination of redevelopment agencies in California and the subsequent loss of over \$5 billion in funding since 2011 compounded the state's affordable housing challenges. The state has never had a significant permanent source of affordable housing funding, and proceeds from the 2006 housing bond that helped create and preserve affordable apartments, urban infill infrastructure and single-family homes have been expended.

Local and National Economic and Job Market Conditions

Numerous factors contribute to local and national market conditions that affect the availability of affordable housing. The economic recovery from the Great Recession, when many middle-income families lost their homes to foreclosures, has occurred at different rates in communities throughout California. Areas with high-tech industry and some coastal areas recovered more rapidly than other regions.

continued

HUD Program Allocations to California 2003–2015
(Adjusted for Inflation)



Source: HUD Formula Program Allocations by State: 2003–2015 and California Department of Housing and Community Development, California's Housing Future: Challenges and Opportunities

Overall, the recovery has been uneven. Jobs in manufacturing and blue-collar industries have not fully rebounded, and jobs in the expanding service sector pay lower wages. Many households are still struggling to recover from the recession and home foreclosure crisis, and many recent college graduates are carrying significant debt — reducing their ability to purchase a home or pay rent.

Mortgage underwriting standards became more stringent in the aftermath of the foreclosure crisis, which can make it more difficult for potential homebuyers to qualify for the needed financing.

Some of the state’s major homebuilders went out of business during the recession, leaving fewer companies to meet the demand for housing. Production of housing fell dramatically during the recession, which contributed significantly to a shortage of homes across the affordability spectrum. As the chart “Annual Production of Housing Units 2000–2015” (below) shows, housing “starts” statewide are at about half of pre-recession levels and fall far short of the state’s projected need for 180,000 new homes per year.

Housing values also reflect the uneven recovery happening throughout the state. *The Wall Street Journal* recently compared home prices today to those of 2004. In San Jose, which is part of Silicon Valley where tech jobs pay top wages, prices are 54 percent higher than 2004 levels, but this is not so in areas hindered by a slower recovery from the recession. In Central Valley cities such as Stockton and Merced, housing prices are 21 and 16 percent lower respectively.

Challenges for Developers

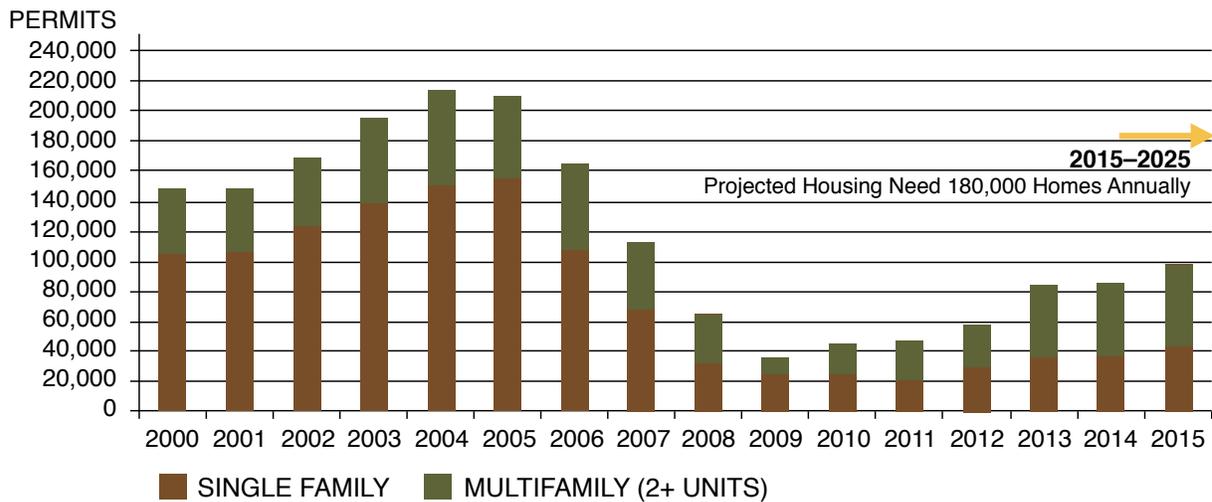
In addition to funding challenges to develop affordable housing, other challenges further exacerbate the obstacles to development, including:

- Identifying an adequate supply of water;
- Complying with state regulations and energy standards, greenhouse gas reduction requirements and other environmental conditions;
- Competing with other developers to build high-end, more expensive housing;
- Infrastructure deficits;
- Market conditions, such as those described earlier; and
- The cost of land and construction.

Other Factors

In addition — but to a far lesser degree — factors at the local level can also impact the development of affordable housing. In some cities, new development requires voter approval. Community concerns about growth, density and preserving the character of an area may affect local development. Public hearings and other processing requirements add time to the approval timeline. Project opponents can use the environmental permitting process and litigation to limit or stop a project. However, the process of complying with the California Environmental Quality Act (CEQA) also serves to protect communities by ensuring that important environmental issues are identified and addressed.

Annual Production of Housing Units 2000-2015
Compared to Projected Statewide Need for Additional Homes



Source: California Department of Housing and Community Development, California’s Housing Future: Challenges and Opportunities

PART II. LEGISLATIVE RESPONSE: UNDERSTANDING THE CHANGES TO HOUSING AND LAND-USE LAWS

In an attempt to address some of the barriers to housing construction at the state and local level, lawmakers introduced more than 130 bills during the 2017 legislative session; many focused on constraining local land-use authority or eliminating local discretion. After months of negotiations and public hearings, 15 bills made it into the “housing package” and were signed by Gov. Brown. These bills fall into three main categories: funding, streamlining and local accountability. This section describes the most notable changes made to the state housing laws and identifies items or actions a city may want to consider in moving forward.

Funding Measures

The Legislature passed and Gov. Brown signed into law two key funding measures. The first, SB 2 (Atkins), imposes a new real estate recording fee to fund important affordable housing-related activities on a permanent, ongoing basis, effective Sept. 29, 2017. The second, SB 3 (Beall), places a \$4 billion general obligation bond to fund housing on the November 2018 ballot and requires voter approval; if approved, funds likely will not be available until 2019.

SB 2 (Atkins, Chapter 364, Statutes of 2017) Building Homes and Jobs Act is projected to generate hundreds of millions of dollars annually for affordable housing, supportive housing, emergency shelters, transitional housing and other housing needs via a \$75 to \$225 recording fee on specified real estate documents.

In 2018, 50 percent of the funds collected are earmarked for local governments to update or create General Plans, Community Plans, Specific Plans, sustainable communities strategies and local coastal programs. Funds may also be used to conduct new environmental analyses that improve or expedite local permitting processes. The remaining 50 percent of the funds are allocated to the California Department of Housing and Community Development (HCD) to assist individuals experiencing or in danger of experiencing homelessness.

Beginning in 2019 and for subsequent years, 70 percent of the proceeds are allocated to local governments through the federal CDBG formula, so that the funds may be used to address housing needs at the local level. HCD will allocate the remaining 30 percent as follows: 5 percent for state incentive programs; 10 percent for farmworker housing; and 15 percent for the California Housing Finance Agency to create mixed-income multifamily residential housing for lower- to moderate-income households.

In consultation with stakeholders, HCD will adopt guidelines to implement SB 2 and determine methodologies to distribute funding allocations.

SB 3 (Beall, Chapter 365, Statutes of 2017) Veterans and Affordable Housing Bond Act of 2018 places a \$4 billion general obligation bond on the November 2018 ballot to fund affordable housing programs and the veterans homeownership program (CalVet). If approved by voters, SB 3 would fund the following existing programs:

- Multifamily Housing Program — \$1.5 billion, administered by HCD, to assist the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower-income households through loans to local public entities and nonprofit and for-profit developers;
- Transit-Oriented Development Implementation Program — \$150 million, administered by HCD, to provide low-interest loans for higher-density rental housing developments close to transit stations that include affordable units and as mortgage assistance for homeownership. Grants are also available to cities, counties and transit agencies for infrastructure improvements necessary for the development;
- Infill Incentive Grant Program — \$300 million, administered by HCD, to promote infill housing developments by providing financial assistance for infill infrastructure that serves new construction and rehabilitates existing infrastructure to support greater housing density;
- Joe Serna, Jr. Farmworker Housing Grant Fund — \$300 million, administered by HCD, to help finance the new construction, rehabilitation and acquisition of owner-occupied and rental housing units for agricultural workers;
- Local Housing Trust Fund Matching Grant Program — \$300 million, administered by HCD, to help finance affordable housing by providing matching grants, dollar for dollar, to local housing trusts;
- CalHome Program — \$300 million, administered by HCD, to help low- and very low- income households become or remain homeowners by providing grants to local public agencies and nonprofit developers to assist individual first-time homebuyers. It also provides direct loan forgiveness for development projects that include multiple ownership units and provides loans for property acquisition for mutual housing and cooperative developments;
- Self-Help Housing Fund — \$150 million, administered by HCD. This program assists low- and moderate-income families with grants to build their homes with their own labor; and
- CalVet Home Loan Program — \$1 billion, administered by the California Department of Veterans Affairs, provides loans to eligible veterans at below-market interest rates with few or no down payment requirements.

continued

Streamlining Measures

Gov. Brown made it very clear in the FY 2017–18 annual budget that he would not sign any housing funding bills without also expediting and streamlining the local housing permitting process. Lawmakers were eager to introduce measures to meet his demand. SB 35 (Wiener), SB 540 (Roth) and AB 73 (Chiu) take three different approaches to streamlining the housing approval process.

SB 35 (Wiener, Chapter 366, Statutes of 2017) streamlines multifamily housing project approvals, at the request of a developer, in a city that fails to issue building permits for its share of the regional housing need by income category. In a SB 35 city, approval of a qualifying housing development on qualifying site is a ministerial act, without CEQA review or public hearings.

Which Cities Must Streamline Housing Approvals Under SB 35?

Cities that meet the following criteria must approve qualifying multifamily housing projects that are consistent with objective planning and design review standards:

- The city fails to submit an annual housing element report for two consecutive years prior to the date when a development application is submitted; or
- HCD determines that the city issued fewer building permits than the locality's share of the Regional Housing Needs Allocation (RHNA) in each of the four income categories for that reporting period (the first four years or last four years of the eight-year housing element cycle).

Once eligibility has been determined, the development must be located on a site that:

- Is within a city that includes some portion of either an urbanized area (population 50,000 or more) or urban cluster (population at least 2,500 and less than 50,000);
- Has at least 75 percent of the perimeter adjoining parcels that are developed with urban uses; and
- Is zoned for residential use or residential mixed-use development or has a General Plan designation that allows residential use or a mix of residential and nonresidential uses, with at least two-thirds of the square footage of the development designated for residential use.

As set forth in the measure, “objective standards” involve “no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official.”

After determining that the locality is subject to streamlining, development sites are excluded if they are located in any of the following areas:

- Coastal zone;
- Prime farmland or farmland of statewide importance;
- Wetlands;
- Very high or high fire hazard severity zone;
- Delineated earthquake fault zone, unless the development complies with applicable seismic protection building code standards;
- Hazardous waste site, unless the state Department of Toxic Substances Control has cleared the site for residential use or residential mixed uses;
- Floodplain or floodway, unless the development has been issued a floodplain development permit or received a no-rise certification; and
- Lands under conservation easement.

In addition, development sites are excluded if they would demolish:

- A historic structure;
- Any housing occupied by tenants in the past 10 years; or
- Housing that is subject to rent or price control.

To be eligible for streamlining, the housing development must:

- Be on a qualifying site;
- Abide by certain inclusionary requirements (10 percent must be affordable to households earning 80 percent or less of area median income or 50 percent must be affordable to households earning 80 percent or less of area median income, depending upon the city's past approval of above-moderate income and lower-income housing, respectively); and
- Pay prevailing wages and use a “skilled and trained workforce.”

Ministerial Approval

If a city determines that development is in conflict with “objective planning standards,” then it must provide written documentation within 60 days of submittal if the development contains 150 or fewer housing units and within 90 days of submittal if the development contains more than 150 housing units.

Approvals must be completed within 90 to 180 days (depending on the number of units in housing development), must be ministerial and not subject to CEQA.

No parking requirements can be imposed on an SB 35 housing development project if it is located:

- Within a half-mile of public transit;
- Within an architecturally and historically significant historic district;
- In an area where on-street parking permits are required but not offered to the occupants of the development; or
- Where there is a car-share vehicle located within one block of the development.

One parking space per unit can be required of all other SB 35 projects.

How Long Does the Approval Last?

The approval does not expire if the project includes public investment in housing affordability beyond tax credits where 50 percent of units are affordable to households earning less than 80 percent of area median income (AMI).

If the project does not include 50 percent of units affordable to households earning less than 80 percent of AMI, approval automatically expires in three years except for a one-year extension if significant progress has been made in preparing the development for construction (such as filing a building permit application).

All approvals remain valid for three years and as long as vertical construction has begun and is in progress.

Opportunities and Considerations

Even though SB 35 makes significant changes to existing law, it is important to consider the following:

- All proposed projects seeking streamlining must be consistent with a jurisdiction's objective zoning standards and objective design review standards. If these standards are outdated or in need of revisions, there is opportunity to do so;
- If a jurisdiction does not have "objective zoning standards and objective design review standards," it may want to create them given that discretionary review is prohibited; and
- Funding assistance will be available in mid- to late 2019 under SB 2 (Atkins, Chapter 364, Statutes of 2017) for updating planning documents, including General Plans, Community Plans, Specific Plans, sustainable communities strategies and local coastal programs. HCD is currently establishing funding guidelines.

SB 540 (Roth, Chapter 369, Statutes of 2017) streamlines the housing approval process by allowing jurisdictions to establish Workforce Housing Opportunity Zones (WHOZs), which focus on workforce and affordable housing in areas close to jobs and



transit and conform to California's greenhouse gas reduction laws. SB 540's objective is to set the stage for approval of housing developments by conducting all of the necessary planning, environmental review and public input on the front end through the adoption of a detailed Specific Plan. SB 540 provides the development community with certainty that for a five-year period, development consistent with the plan will be approved without further CEQA review or discretionary decision-making.

How Does the Streamlining Process Work?

Jurisdictions that opt in outline an area of contiguous or noncontiguous parcels that were identified in the locality's housing element site inventory. All development that occurs within the WHOZ must be consistent with the Specific Plan for the zone and the adopted sustainable communities strategy (SCS) or an alternative planning strategy (APS). See "About the Sustainable Communities Strategy and Alternative Planning Strategy" below for more information.

continued

About the Sustainable Communities Strategy and Alternative Planning Strategy

Under the Sustainable Communities Act, the California Air Resources Board (ARB) sets regional targets for greenhouse gas emissions reductions from passenger vehicle use. In 2010, ARB established these targets for 2020 and 2035 for each region covered by one of the state's metropolitan planning organizations (MPOs).

Each MPO must prepare a sustainable communities strategy (SCS) as an integral part of its regional transportation plan (RTP). The SCS contains land use, housing and transportation strategies that, if implemented, would allow the region to meet its greenhouse gas emission reduction targets. If the combination of measures in the SCS would not meet the regional targets, the MPO must prepare a separate alternative planning strategy (APS) to meet the targets.

The process for establishing a WHOZ is:

- Prepare and adopt a detailed Specific Plan and environmental impact report (EIR);
- Identify in the Specific Plan uniformly applied mitigation measures for traffic, water quality, natural resource protection, etc.;
- Identify in the Specific Plan uniformly applied development policies such as parking ordinances, grading ordinances, habitat protection, public access and reduction of greenhouse gas emissions;
- Clearly identify design review standards in the Specific Plan; and
- Identify a source of funding for infrastructure and services.

Not more than 50 percent of a jurisdiction's RHNA may be included in a WHOZ that accommodates 100 to 1,500 units.

The Specific Plan and EIR are valid for five years. After five years, the jurisdiction must review the plan and EIR, including conducting the CEQA analysis required in Public Resources Code section 21166, in order to extend the WHOZ for five additional years.

For a development project to receive streamlining within the WHOZ, the project must:

- Be consistent with the SCS;
- Comply with the development standards in the Specific Plan for the WHOZ;
- Comply with the mitigation measures in the Specific Plan for the WHOZ;
- Be consistent with the zonewide affordability requirements — at least 30 percent of the units affordable to moderate or middle-income households, 15 percent of the units affordable to lower-income households and 5 percent of the units affordable for very low-income households. No more than 50 percent of the units may be available to above-moderate-income households;

- Within developments affordable to households of above-moderate income, include 10 percent of units for lower-income households unless local inclusionary ordinance requires a higher percentage; and
- Pay prevailing wages.

If a developer proposes a project that complies with all of the required elements, a jurisdiction must approve the project without further discretionary or CEQA review unless it identifies a physical condition that would have a specific adverse impact on public health or safety.

AB 73 (Chiu, Chapter 371, Statutes of 2017) streamlines the housing approval process by allowing jurisdictions to create a housing sustainability district to complete upfront zoning and environmental review in order to receive incentive payments for development projects that are consistent with the ordinance. AB 73 is similar to SB 540 in concept; however, there are several key differences; for example, in AB 73:

- The housing sustainability district is a type of housing overlay zone, which allows for the ministerial approval of housing that includes 20 percent of units affordable to very low-, low- and moderate-income households;
- The ordinance establishing the housing sustainability district requires HCD approval and must remain in effect for 10 years;
- A Zoning Incentive Payment (unfunded) is available if HCD determines that approval of housing is consistent with the ordinance; and
- Developers must pay prevailing wages and ensure the use of a skilled and trained workforce.

Accountability Measures

The third aspect of the Legislature and the governor's housing package pertains to bills that seek to hold jurisdictions accountable for the lack of housing construction in their communities. While this view fails to acknowledge the many factors that affect housing construction and are beyond the

To make continued progress on housing in 2018, legislators should also consider creating more tools for local governments to fund infrastructure and affordable housing.

control of local government, the following measures significantly change existing law.

SB 167 (Skinner, Chapter 368, Statutes of 2017), AB 678 (Bocanegra, Chapter 373, Statutes of 2017), and AB 1515 (Daly, Chapter 378, Statutes of 2017) are three measures that were amended late in the 2017 legislative session to incorporate nearly all of the same changes to the Housing Accountability Act (HAA). The HAA significantly limits the ability of a jurisdiction to deny an affordable or market-rate housing project that is consistent with existing planning and zoning requirements (see “About the Housing Accountability Act” below). These measures amend the HAA as follows:

- Modifies the definition of mixed-use development to apply where at least two-thirds of the square footage is designated for residential use;
- Modifies the findings requirement to deny a housing development project to be supported by a preponderance of the evidence, rather than by substantial evidence in the record;
- Defines “lower density” to mean “any conditions that have the same effect or impact on the ability of the project to provide housing;”
- Requires an applicant to be notified if the jurisdiction considers a proposed housing development project to be inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement or other similar provision. The jurisdiction must provide such notice within 30 days of the application being determined complete for a project with 150 or fewer housing units, and within 60 days for project with more than 150 units. If the jurisdiction fails to provide the required notice, the project is deemed consistent, compliant and in conformity with the applicable plan, program, policy ordinance, standard, requirement or other similar provision: and
- Deems a housing development project “consistent, compliant and in conformity with an applicable plan, program, policy, ordinance, standard, requirement or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project is consistent, compliant or in conformity.”

About the Housing Accountability Act

The Housing Accountability Act states, “The Legislature’s intent in enacting this section in 1982 and in expanding its provisions since then was to significantly increase the approval and construction of new housing for all economic segments of California’s communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density of or render infeasible housing development projects. This intent has not been fulfilled.”

SB 167, AB 678 and AB 1515 also provide new remedies for a court to compel a jurisdiction to comply with the HAA:

- If a court finds that a jurisdiction’s findings are not supported by a preponderance of the evidence, the court must issue an order compelling compliance within 60 days. The court may issue an order directing the jurisdiction to approve the housing development project if the court finds that the jurisdiction acted in bad faith when it disapproved or conditionally approved the housing development project;
- If a jurisdiction fails to comply with the court order within 60 days, the court must impose fines on the jurisdiction at a minimum of \$10,000 per unit in the housing development project on the date the application was deemed complete;
- If a jurisdiction fails to carry out a court order within 60 days, the court may issue further orders including an order to vacate the decision of the jurisdiction and to approve the housing development project as proposed by the applicant at the time the jurisdiction took the action determined to violate the HAA along with any standard conditions; and
- If the court finds that a jurisdiction acted in bad faith when it disapproved or conditionally approved a housing project and failed to carry out the court’s order or judgment within 60 days, the court must multiply the \$10,000 per-unit fine by a factor of five. “Bad faith includes but is not limited to an action that is frivolous or otherwise entirely without merit.”

continued

Other Measures of Importance

In addition to the notable bills described here, Gov. Brown signed several other measures that provide new inclusionary powers to local governments, require additional General Plan reporting, increase housing element requirements and expand HCD's ability to review actions taken at the local level.

AB 1505 (Bloom, Chapter 376, Statutes of 2017) allows a jurisdiction to adopt an ordinance that requires a housing development to include a certain percentage of residential rental units affordable to and occupied by households with incomes that do not exceed limits for households with extremely low, very low, low or moderate income (see "AB 1505 Offers Solution to Palmer Decision" below). Such an ordinance must provide alternative means of compliance such as in-lieu fees, off-site construction, etc.

HCD may review any inclusionary rental housing ordinance adopted after Sept. 15, 2017, as follows:

- If the ordinance requires more than 15 percent to be occupied by households earning 80 percent or less of area median income and the jurisdiction failed to either meet at least 75 percent of its share of its above-moderate income RHNA (prorated based on the length of time within the planning period) or submit a General Plan annual report;
- HCD may request an economic feasibility study with evidence that such an ordinance does not unduly constrain the production of housing; and
- Within 90 days of submission of the economic feasibility study, HCD must decide whether the study meets the section's requirements. If not, the city must limit the ordinance to 15 percent low-income.

AB 1505 Offers Solution to Palmer Decision

The court in *Palmer/Sixth Street Properties L.P. v. City of Los Angeles*, (2009) 175 Cal. App. 4th 1396, invalidated a Los Angeles inclusionary housing requirement contained in a Specific Plan for an area of the city as applied to rental units on the basis that its pricing controls violated the Costa-Hawkins Act, which outlawed traditional rent control in new buildings in California. The court reasoned that the Costa-Hawkins Act pre-empted the application of inclusionary housing ordinances to rental housing. As a result of the decision, many cities with inclusionary housing ordinances suspended or amended their ordinances as applied to rental units; some adopted affordable housing rental impact fees. AB 1505 offers a solution and response to the *Palmer* decision.

AB 879 (Grayson, Chapter 374, Statutes of 2017) expands upon existing law that requires, by April 1 of each year, general law cities to send an annual report to their respective city councils, the state Office of Planning and Research (OPR) and HCD that includes information related to the implementation of the General Plan, including:

- The city's progress in meeting its share of RHNA;
- The city's progress in removing governmental constraints to the maintenance, improvement and development of housing; and
- Actions taken by the city toward completion of the programs identified in its housing element and the status of the city's compliance with the deadlines in its housing element.

Under AB 879, all cities including charter cities must submit an annual report containing the above information. In addition, cities must also provide the following new information in the annual report:

- The number of housing development applications received in the prior year;
- The number of units included in all development applications in the prior year;
- The number of units approved and disapproved in the prior year;
- A listing of sites rezoned to accommodate that portion of the city's RHNA for each income level that could not be accommodated in its housing element inventory and any additional sites identified under the "no net loss" provisions;
- The net number of new units of housing that have been issued a "completed entitlement," building permit or certificate of occupancy thus far in the housing element cycle (identified by the Assessor's Parcel Number) and the income category that each unit of housing satisfied (distinguishing between rental and for-sale units);
- The number of applications submitted under the new processing provided for by Section 65913.4 (enacted by SB 35), the location and number of developments approved pursuant to this new process, the total number of building permits issued pursuant to this new process and total number of units constructed pursuant to this new process; and
- The number of units approved within a Workforce Housing Opportunity Zone.

AB 879 also requires cities to include additional information when they submit their housing element to HCD, including:

- An analysis of governmental constraints that must include local ordinances that “directly impact the cost and supply of residential development”; and
- An analysis of nongovernmental constraints that must include requests to develop housing at densities below those anticipated in site inventory and the length of time between receiving approval for housing development and submittal of an application for building permit. The analysis must also include policies to remove nongovernmental constraints.

AB 1397 (Low, Chapter 375, Statutes of 2017) makes numerous changes to how a jurisdiction establishes its housing element site inventory. These changes include the following:

- Sites must be “available” for residential development and have “realistic and demonstrated” potential for redevelopment;
- Parcels must have sufficient water, sewer and dry utilities or part of a mandatory program to provide such utilities;
- Places restrictions on using nonvacant sites as part of the housing element inventory;
- Places limitations on continuing identification of nonvacant sites and certain vacant sites that have not been approved for housing development; and
- Stipulates that lower-income sites must be between one-half acre and 10 acres in size unless evidence is provided that a smaller or larger site is adequate.

AB 72 (Santiago, Chapter 370, Statutes of 2017) provides HCD new broad authority to find a jurisdiction’s housing element out of substantial compliance if it determines that the jurisdiction fails to act in compliance with its housing element and allows HCD to refer violations of law to the attorney general. Specifically, AB 72:

- Requires HCD to review any action or failure to act by a jurisdiction that it determines is “inconsistent” with an adopted housing element or Section 65583, including any failure to implement any program actions included in the housing element;
- Requires HCD to issue written findings to the city as to whether the jurisdiction’s action or failure to act complies with the jurisdiction’s housing element or Section 65583 and provides no more than 30 days for the jurisdiction to respond to such findings. If HCD finds that the jurisdiction does not comply, then HCD can revoke its findings of compliance until the jurisdiction comes into compliance; and
- Provides that HCD may notify the attorney general that the jurisdiction is in violation of the Housing Accountability Act, Sections 65863, 65915 and 65008.

continued

Related Resources

For additional information and links to related resources, visit www.cacities.org/housing.



The “housing package” bills fall into three main categories: funding, streamlining and local accountability.

Looking Ahead

While it may appear that Gov. Brown and the Legislature made great progress in addressing the housing supply and affordability crisis gripping many regions of the state, the reality is somewhat more mixed. The passage of the 2017 housing package does not signal the end of the policy discussion. Aside from various incentive and funding measures, a portion of the housing package responded to a theme, championed by several advocacy groups and academics, that the local planning and approval process is the major cause of the state currently producing 100,000 units fewer annually than pre-recession levels. From a local government perspective, that assertion is incomplete and inaccurate. Going forward, it is time to dig deeper.

The legislative focus in 2017 lacked an exploration of other economic factors affecting the housing market. The foreclosure crisis resulted in displaced homeowners with damaged credit, widespread investor conversions of foreclosed single-family units into rentals and increasingly stringent lending criteria. Demographic factors may also affect demand as baby boomers with limited retirement savings and increased health-care costs approach retirement age. Younger residents, saddled with student debt, face challenges saving for down payments. Manufacturing and other higher-wage jobs are stagnating and being replaced via automation and conversion to a lower-wage service economy. Fewer skilled construction workers are available after many switched occupations during the recession.

Also missing in 2017 was a deeper examination of how other state policies intended to address legitimate issues affect land availability and the cost of housing. These include laws and policies aimed at limiting sprawl and protecting agricultural,

coastal and open-space land from development; and building codes, energy standards, disabled access, wage requirements and other issues.

The funding for affordable housing approved during the 2017 session was certainly welcome — yet given the demand, it falls far short of the resources needed. It is unlikely, however, that cities can expect additional state funding for housing — other than the housing bond on the November ballot — from the Legislature in 2018.

Although many changes were made to the planning and approval process in 2017, local governments are still waiting for the market to fully recover and developers to step forward and propose housing projects at the levels observed prior to the recession. In 2018, a fuller examination by the Legislature is needed to explore the reasons why developers are not proposing projects at the pre-recession levels. Local governments cannot approve housing that is not proposed.

To make continued progress on housing in 2018, legislators should also consider creating more tools for local governments to fund infrastructure and affordable housing. Some legislators have begun discussing the need to restore a more robust redevelopment and affordable housing tool for local agencies, and that is encouraging. Reducing the local vote thresholds for infrastructure and affordable housing investments would also be helpful.

For more information, visit www.cacities.org/housing or contact Jason Rhine, legislative representative; phone: (916) 658-8264; email: jrhine@cacities.org. ■

Acknowledgments

Part I of this document is excerpted and adapted from “Finding Solutions to the Affordable Housing Crisis” by Carolyn Coleman, which appeared in the March 2017 issue of *Western City* magazine, the monthly publication of the League of California Cities online at www.westerncity.com.

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SENATE BILL**No. 50**

Introduced by Senator Wiener**(Coauthors: Senators Caballero, Hueso, Moorlach, and Skinner)**(Coauthors: Assembly Members Burke, Kalra, Kiley, Low,
Robert Rivas, Ting, and Wicks)December 3, 2018

An act to add Chapter 4.35 (commencing with Section 65918.50) to Division 1 of Title 7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 50, as introduced, Wiener. Planning and zoning: housing development: equitable communities incentive.

Existing law, known as the Density Bonus Law, requires, when an applicant proposes a housing development within the jurisdiction of a 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 require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development, as defined, that satisfies specified criteria, including, among other things, that the residential development is either a job-rich housing project or a transit-rich housing project, as those terms are defined; the site does not contain, or has not contained, housing occupied by tenants or accommodations withdrawn from rent or lease in accordance with specified law within specified time periods; and the residential development complies with specified additional requirements under

existing law. The bill would require that a residential development eligible for an equitable communities incentive receive waivers from maximum controls on density and automobile parking requirements greater than 0.5 parking spots per unit, up to 3 additional incentives or concessions under the Density Bonus Law, and specified additional waivers if the residential development is located within a ½-mile or ¼-mile radius of a major transit stop, as defined. The bill would authorize a local government to modify or expand the terms of an equitable communities incentive, provided that the equitable communities incentive is consistent with these provisions.

The bill would include findings that the changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. The bill would also declare the intent of the Legislature to delay implementation of this bill in sensitive communities, as defined, until July 1, 2020, as provided.

By adding to the duties of local planning 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.

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

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

1 SECTION 1. Chapter 4.35 (commencing with Section
2 65918.50) is added to Division 1 of Title 7 of the Government
3 Code, to read:

4
5 CHAPTER 4.35. EQUITABLE COMMUNITIES INCENTIVES
6

7 65918.50. For purposes of this chapter:
8 (a) “Affordable” means available at affordable rent or affordable
9 housing cost to, and occupied by, persons and families of extremely
10 low, very low, low, or moderate incomes, as specified in context,
11 and subject to a recorded affordability restriction for at least 55
12 years.

1 (b) “Development proponent” means an applicant who submits
2 an application for an equitable communities incentive pursuant to
3 this chapter.

4 (c) “Eligible applicant” means a development proponent who
5 receives an equitable communities incentive.

6 (d) “FAR” means floor area ratio.

7 (e) “High-quality bus corridor” means a corridor with fixed
8 route bus service that meets all of the following criteria:

9 (1) It has average service intervals of no more than 15 minutes
10 during the three peak hours between 6 a.m. to 10 a.m., inclusive,
11 and the three peak hours between 3 p.m. and 7 p.m., inclusive, on
12 Monday through Friday.

13 (2) It has average service intervals of no more than 20 minutes
14 during the hours of 6 a.m. to 10 a.m., inclusive, on Monday through
15 Friday.

16 (3) It has average intervals of no more than 30 minutes during
17 the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

18 (f) “Job-rich housing project” means a residential development
19 within an area identified by the Department of Housing and
20 Community Development and the Office of Planning and Research,
21 based on indicators such as proximity to jobs, high area median
22 income relative to the relevant region, and high-quality public
23 schools, as an area of high opportunity close to jobs. A residential
24 development shall be deemed to be within an area designated as
25 job-rich if both of the following apply:

26 (1) All parcels within the project have no more than 25 percent
27 of their area outside of the job-rich area.

28 (2) No more than 10 percent of residential units or 100 units,
29 whichever is less, of the development are outside of the job-rich
30 area.

31 (g) “Local government” means a city, including a charter city,
32 a county, or a city and county.

33 (h) “Major transit stop” means a site containing an existing rail
34 transit station or a ferry terminal served by either bus or rail transit
35 service.

36 (i) “Residential development” means a project with at least
37 two-thirds of the square footage of the development designated
38 for residential use.

39 (j) “Sensitive community” means an area identified by the
40 Department of Housing and Community Development, in

1 consultation with local community-based organizations in each
2 region, as an area vulnerable to displacement pressures, based on
3 indicators such as percentage of tenant households living at, or
4 under, the poverty line relative to the region.

5 (k) “Tenant” means a person residing in any of the following:

6 (1) Residential real property rented by the person under a
7 long-term lease.

8 (2) A single-room occupancy unit.

9 (3) An accessory dwelling unit that is not subject to, or does
10 not have a valid permit in accordance with, an ordinance adopted
11 by a local agency pursuant to Section 65852.22.

12 (4) A residential motel.

13 (5) Any other type of residential property that is not owned by
14 the person or a member of the person’s household, for which the
15 person or a member of the person’s household provides payments
16 on a regular schedule in exchange for the right to occupy the
17 residential property.

18 (l) “Transit-rich housing project” means a residential
19 development the parcels of which are all within a one-half mile
20 radius of a major transit stop or a one-quarter mile radius of a stop
21 on a high-quality bus corridor. A project shall be deemed to be
22 within a one-half mile radius of a major transit stop or a one-quarter
23 mile radius of a stop on a high-quality bus corridor if both of the
24 following apply:

25 (1) All parcels within the project have no more than 25 percent
26 of their area outside of a one-half mile radius of a major transit
27 stop or a one-quarter mile radius of a stop on a high-quality bus
28 corridor.

29 (2) No more than 10 percent of the residential units or 100 units,
30 whichever is less, of the project are outside of a one-half mile
31 radius of a major transit stop or a one-quarter mile radius of a stop
32 on a high-quality bus corridor.

33 65918.51. (a) A local government shall, upon request of a
34 development proponent, grant an equitable communities incentive,
35 as specified in Section 65918.53, when the development proponent
36 seeks and agrees to construct a residential development that
37 satisfies the requirements specified in Section 65918.52.

38 (b) It is the intent of the Legislature that, absent exceptional
39 circumstances, actions taken by a local legislative body that

1 increase residential density not undermine the equitable
2 communities incentive program established by this chapter.

3 65918.52. In order to be eligible for an equitable communities
4 incentive pursuant to this chapter, a residential development shall
5 meet all of the following criteria:

6 (a) The residential development is either a job-rich housing
7 project or transit-rich housing project.

8 (b) The residential development is located on a site that, at the
9 time of application, is zoned to allow housing as an underlying
10 use in the zone, including, but not limited to, a residential,
11 mixed-use, or commercial zone, as defined and allowed by the
12 local government.

13 (c) (1) If the local government has adopted an inclusionary
14 housing ordinance requiring that the development include a certain
15 number of units affordable to households with incomes that do not
16 exceed the limits for moderate-income, lower income, very low
17 income, or extremely low income specified in Sections 50079.5,
18 50093, 50105, and 50106 of the Health and Safety Code, and that
19 ordinance requires that a new development include levels of
20 affordable housing in excess of the requirements specified in
21 paragraph (2), the residential development complies with that
22 ordinance.

23 (2) If the local government has not adopted an inclusionary
24 housing ordinance, as described in paragraph (1), and the residential
25 development includes ____ or more residential units, the residential
26 development includes onsite affordable housing for households
27 with incomes that do not exceed the limits for extremely low
28 income, very low income, and low income specified in Sections
29 50093, 50105, and 50106 of the Health and Safety Code. It is the
30 intent of the Legislature to require that any development of ____
31 or more residential units receiving an equitable communities
32 incentive pursuant to this chapter include housing affordable to
33 low, very low or extremely low income households, which, for
34 projects with low or very low income units, are no less than the
35 number of onsite units affordable to low or very low income
36 households that would be required pursuant to subdivision (f) of
37 Section 65915 for a development receiving a density bonus of 35
38 percent.

39 (d) The site does not contain, or has not contained, either of the
40 following:

1 (1) Housing occupied by tenants within the seven years
2 preceding the date of the application, including housing that has
3 been demolished or that tenants have vacated prior to the
4 application for a development permit.

5 (2) A parcel or parcels on which an owner of residential real
6 property has exercised his or her rights under Chapter 12.75
7 (commencing with Section 7060) of Division 7 of Title 1 to
8 withdraw accommodations from rent or lease within 15 years prior
9 to the date that the development proponent submits an application
10 pursuant to this chapter.

11 (e) The residential development complies with all applicable
12 labor, construction employment, and wage standards otherwise
13 required by law and any other generally applicable requirement
14 regarding the approval of a development project, including, but
15 not limited to, the local government's conditional use or other
16 discretionary permit approval process, the California
17 Environmental Quality Act (Division 13 (commencing with Section
18 21000) of the Public Resources Code), or a streamlined approval
19 process that includes labor protections.

20 (f) The residential development complies with all other relevant
21 standards, requirements, and prohibitions imposed by the local
22 government regarding architectural design, restrictions on or
23 oversight of demolition, impact fees, and community benefits
24 agreements.

25 (g) The equitable communities incentive shall not be used to
26 undermine the economic feasibility of delivering low-income
27 housing under the state density bonus program or a local
28 implementation of the state density bonus program, or any locally
29 adopted program that puts conditions on new development
30 applications on the basis of receiving a zone change or general
31 plan amendment in exchange for benefits such as increased
32 affordable housing, local hire, or payment of prevailing wages.

33 65918.53. (a) A residential development that meets the criteria
34 specified in Section 65918.52 shall receive, upon request, an
35 equitable communities incentive as follows:

36 (1) Any eligible applicant shall receive the following:

37 (A) A waiver from maximum controls on density.

38 (B) A waiver from maximum automobile parking requirements
39 greater than 0.5 automobile parking spots per unit.

1 (C) Up to three incentives and concessions pursuant to
2 subdivision (d) of Section 65915.

3 (2) An eligible applicant proposing a residential development
4 that is located within a one-half mile radius, but outside a
5 one-quarter mile radius, of a major transit stop and includes no
6 less than ____ percent affordable housing units shall receive, in
7 addition to the incentives specified in paragraph (1), waivers from
8 all of the following:

9 (A) Maximum height requirements less than 45 feet.

10 (B) Maximum FAR requirements less than 2.5.

11 (C) Notwithstanding subparagraph (B) of paragraph (1), any
12 maximum automobile parking requirement.

13 (3) An eligible applicant proposing a residential development
14 that is located within a one-quarter mile radius of a major transit
15 and includes no less than ____ percent affordable housing units
16 shall receive, in addition to the incentives specified in paragraph
17 (1), waivers from all of the following:

18 (A) Maximum height requirements less than 55 feet.

19 (B) Maximum FAR requirements less than 3.25.

20 (C) Notwithstanding subparagraph (B) of paragraph (1), any
21 maximum automobile parking requirement.

22 (4) Notwithstanding any other law, for purposes of calculating
23 any additional incentive or concession in accordance with Section
24 65915, the number of units in the residential development after
25 applying the equitable communities incentive received pursuant
26 to this chapter shall be used as the base density for calculating the
27 incentive or concession under that section.

28 (5) An eligible applicant proposing a project that meets all of
29 the requirements under Section 65913.4 may submit an application
30 for streamlined, ministerial approval in accordance with that
31 section.

32 (b) The local government may modify or expand the terms of
33 an equitable communities incentive provided pursuant to this
34 chapter, provided that the equitable communities incentive is
35 consistent with, and meets the minimum standards specified in,
36 this chapter.

37 65918.54. The Legislature finds and declares that this chapter
38 addresses a matter of statewide concern rather than a municipal
39 affair as that term is used in Section 5 of Article XI of the

1 California Constitution. Therefore, this chapter applies to all cities,
2 including charter cities.

3 65918.55. (a) It is the intent of the Legislature that
4 implementation of this chapter be delayed in sensitive communities
5 until July 1, 2020.

6 (b) It is further the intent of the Legislature to enact legislation
7 that does all of the following:

8 (1) Between January 1, 2020, and ____, allows a local
9 government, in lieu of the requirements of this chapter, to opt for
10 a community-led planning process aimed toward increasing
11 residential density and multifamily housing choices near transit
12 stops.

13 (2) Encourages sensitive communities to opt for a
14 community-led planning process at the neighborhood level to
15 develop zoning and other policies that encourage multifamily
16 housing development at a range of income levels to meet unmet
17 needs, protect vulnerable residents from displacement, and address
18 other locally identified priorities.

19 (3) Sets minimum performance standards for community plans,
20 such as minimum overall residential development capacity and
21 the minimum affordability standards set forth in this chapter.

22 (4) Automatically applies the provisions of this chapter on
23 January 1, 2025, to sensitive communities that do not have adopted
24 community plans that meet the minimum standards described in
25 paragraph (3), whether those plans were adopted prior to or after
26 enactment of this chapter.

27 SEC. 2. No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 a local agency or school district has the authority to levy service
30 charges, fees, or assessments sufficient to pay for the program or
31 level of service mandated by this act, within the meaning of Section
32 17556 of the Government Code.

California legislator revives bill to boost apartment complexes near transit

By Liam Dillon
DEC 04, 2018 | 12:05 AM
| SACRAMENTO

A California state senator has revived a major effort to boost homebuilding near transit, a proposal he says is necessary to address the state's housing affordability and climate change challenges that have only deepened since his initial bill failed earlier this year.

Under the new proposal from Sen. Scott Wiener (D-San Francisco), developers would be allowed to build four- to five-story apartment complexes in neighborhoods surrounding Los Angeles Metro stations, Bay Area Rapid Transit and other rail stops around the state. The legislation would also ease some local restrictions on building homes near frequently used bus stops.

Wiener's bill follows a similar attempt in the last legislative session that sparked fierce debate over how far the state should impinge on local authority to shape community development amid a housing shortage that's been estimated in the millions. The previous attempt died in a legislative committee after outcry from local governments, labor groups and advocates for low-income residents.

"The heart of the bill is really the same," Wiener said of his new legislation, Senate Bill 50. "We have a 3.5-million-home deficit in California. It's undermining our economy. It's undermining our climate goals. We have to be bold in solving this problem."

Wiener made three major changes to the bill that aim to soften opposition from tenant groups and their allies that helped torpedo the prior effort. The legislation blocks developers from using the bill if they planned to knock down properties that renters had occupied within at least the previous seven years. It also allows communities facing pressures from gentrification and displacement to propose alternative plans to boost homebuilding instead of using the system outlined in the bill. And it loosens local zoning restrictions in communities with high median incomes, quality schools and short commutes to jobs, even if there isn't access to transit nearby — an effort to push development into wealthier areas that might have previously resisted it.

Key details about the latter two provisions remain unresolved, as do rules about how much of the new development will be reserved for low-income residents.

But some interest groups that objected to Wiener's last bill are reacting differently to the new proposal. The powerful union representing construction workers, State Building & Construction Trades Council of California, opposed the earlier legislation but backs SB 50, which includes language stating that existing labor standards for housing development will be preserved.

"We're very confident that together we're going to achieve a lot of good public policy around housing, particularly affordable housing that's around transportation," said Cesar Diaz, the union's political director.

Last year, a coalition of 37 low-income housing and tenant groups in Los Angeles opposed Wiener's bill right after it was introduced, saying it would accelerate the displacement of longtime tenants in favor of wealthier newcomers.

Since the legislation failed, many of the same organizations have been in discussions with Wiener's office about changes to the bill. Cynthia Strathmann, the executive director of Strategic Actions for a Just Economy, said her group is waiting to see how debate over the bill evolves before taking a position.

"For everyone who's just waiting for us to lose our you-know-what right now, we're not losing it," Strathmann said.

Still, intense opposition to Wiener's proposal is expected, especially as specifics of the new effort become known.

Jason Rhine, assistant legislative director for the League of California Cities, said his organization had not seen the bill as of Monday afternoon and had yet to take a position. But he said Wiener's recognition that certain neighborhoods should be treated differently under the bill shows that efforts to promote development must take local needs into consideration.

"We certainly want to maintain community input in the process," Rhine said. "We want to find a path forward that isn't one-size-fits-all and isn't necessarily a state mandate."

Lawmakers are expected to introduce numerous bills aimed at addressing the state's housing problems in the coming year, with SB 50 among the highest-profile. Gov.-elect Gavin Newsom has called for the construction of 3.5 million new homes by 2025 — an unprecedented increase in housing production that will require major changes to processes across the state for approving new development. And legislators have announced other plans that would increase state subsidies for low-income development by billions of dollars.

In the seven months since Wiener's first bill failed, housing costs in the state have remained at or near record highs. Last month's Camp fire destroyed nearly 14,000 homes in rural Butte County, which Wiener said highlighted the need for the state to push development toward denser urban locales. The state is also failing to reduce vehicle travel, which is harming efforts to meet future climate change goals, according to a report released last week from the California Air Resources Board.

"This issue has become more and more salient over the last year," Wiener said. "The wildfires have made clear that we can't just be business as usual."

<http://www.latimes.com/politics/la-pol-ca-housing-transit-bill-20181204-story.html>