



## San Gabriel Valley Council of Governments

### AGENDA AND NOTICE

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

**Monrovia Community Center: 119 W. Palm Ave.; Monrovia, CA 91016**  
**Thursday, January 24, 2018 – 12:00 PM**

**Chair: Craig Hensley**  
City of Duarte

**Vice-Chair: Michael Huntley**  
City of Monterey Park

#### **Members**

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

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

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

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

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

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

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



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



**PRELIMINARY BUSINESS**

**3 MINUTES**

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

**CONSENT CALENDAR**

**2 MINUTES**

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

4. Planners TAC Meeting Minutes – 11/29/2018 -- Page 1  
*Recommended Action: Approve.*

**PRESENTATIONS**

**25 MINUTES**

5. Establishing a Regional Housing and Land Trust Fund: Presentation by Heather Stratman, Principle Strategic Advisors -- Page 5  
*Recommended Action: For information and discussion.*

**DISCUSSION ITEMS**

**25 MINUTES**

6. Housing, Planning, and Development Legislative Preview for the 2019-2020 Legislative Session: Presentation by: Peter Duyshart, Project Assistant, SGVCOG -- Page 15  
*Recommended Action: Discuss and provide direction to staff.*
7. AB 626: Microenterprise Home Kitchen Operation (MEHKO): Discussion of Cities' Approaches to Complying with the Law -- Page 33  
*Recommended Action: For information and discussion.*

**UPDATE ITEMS**

**3 MINUTES**

8. Measure M MSP Funding Update  
*Recommended Action: For information only.*
9. ACE Capital Projects and Construction Update  
*Recommended Action: For information only.*

**ACTION ITEMS**

**EXECUTIVE DIRECTOR'S COMMENTS**

**CHAIR'S REPORT**

**2 MINUTES**

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

**ANNOUNCEMENTS**

**2 MINUTES**

**ADJOURN**



## **SPECIAL SGVCOG Planners TAC Meeting Minutes**

Date: November 29, 2018

Time: 12:00 P.M.

Location: **Monrovia Community Center**  
**119 West Palm Avenue; Monrovia, CA 91016**

### **PRELIMINARY BUSINESS**

1. Call to Order. The meeting was called to order at 12:03 P.M.
2. Roll Call

#### **Planners TAC Members Present**

V. Reynoso, P. Lam; Alhambra  
B. Johnson; Claremont  
C. Hensley, J. Golding, N. Baldwin; Duarte  
E. Scherer; La Verne  
S. Bermejo; Monrovia  
K. Wong; Rosemead  
L. Stevens; San Dimas  
M. Chang; San Gabriel  
J. Jimenez; South El Monte  
S. Reimers; Temple City  
J. Anderson; West Covina  
A. Baldwin, N. Ornelas, Jr.; LA County DRP

#### **Planners TAC Members Absent**

Arcadia  
Covina  
Diamond Bar  
El Monte  
Glendora  
Irwindale  
Montebello  
Monterey Park  
Sierra Madre  
South Pasadena

#### **SGVCOG Staff**

P. Duyshart

#### **Guests**

R. Garcia; Baldwin Park  
R. Schaetzl; La Puente  
J. Farned; SGV Mosquito and Vector Control District

3. Public Comment.

No public comment.

### **CONSENT CALENDAR**

4. Planners TAC Meeting Minutes – 10/25/2018  
*Recommended Action: Approve.*

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

**[Motion Passed]**

Ayes	Alhambra, Claremont, Duarte, La Verne, Monrovia, Rosemead, San Dimas, San Gabriel, South El Monte, Temple City, West Covina, LA County DRP
Noes	
Abstain	

Absent	Arcadia, Covina, Diamond Bar, El Monte, Glendora, Irwindale, Montebello, Monterey Park, Sierra Madre, South Pasadena
--------	--

## DISCUSSION ITEMS

### 5. Metro Congestion Management Program (CMP) Opt-Out

Paul Backstrom, a Transportation Planning Manager for LA Metro’s Sustainability and Active Transportation Division, provided the presentation, and led the discussion, for this item. The overarching question regarding Metro’s proposal for the county to opt-out of the Congestion Management Program (CMP) is: “Is the continued implementation of the CMP worth the investment of our scarce public dollars and staff resources?”

During his presentation, Mr. Backstrom did the following:

- Provided an overview of the State’s Congestion Management Program.
- Provided multiple reasons as to why LA County as a whole should opt-out of the CMP.
- Described how the CMP is actually not consistent with Metro Best Practices.
- Gave an overview of previous Metro Board action on this matter.
- Provided a timeline for cities pertaining to the possible action of opting out of the CMP.

Mr. Backstrom then opened it up to members of the TAC to ask him questions and engage in discussion on this matter.

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

- One member of the Planning TAC asked: Do we know what positions the cities of LA, Long Beach, and the County are taking? It would be a waste of time for smaller SGV cities to even go through this process if those 3 agencies do not go through with opting out. Mr. Backstrom pointed out that the CMP Opt-Out matter is going to City of LA in February; however, there is no set date from Long Beach yet, but there is commitment from staff.
- Another TAC member asked: Is there indication that transportation advocacy groups are going to try to actively oppose the opt-out effort? Mr. Backstrom stated that, no, there have not been indications of this. These groups didn’t show up to Metro committee or board meetings.
- A TAC member remarked that he wished that this option was made available to cities 6-7 years ago because cities spent a lot of time on CMP compliance and on the fee program portion of this.
- Mr. Backstrom then asked which cities are currently considering opting out. One city indicated that it has opted out, while two other cities say they will be opting out at upcoming Council meetings.

## PRESENTATIONS

### 6. Collaborative Mosquito and Vector Control Strategies to Protect Public Health in the San Gabriel Valley

Jason Farned, who is the Operations Manager of the San Gabriel Valley Mosquito and Vector Control District, provided a presentation to the Public Works TAC during which he gave an overview of the specific services that the SGVMVCD provides for its member jurisdictions. He went through some of the strategies that are implemented in order to protect public health in the San Gabriel Valley. Mr. Farned discussed, as it relates to mosquitos and vectors: active control and source reduction, disease and abundance surveillance, scientific research, and outreach and education. He also talked about integrated vector management (IVM), chemical control, and how

storm drains, drainage channels, and pools can exacerbate the spread of mosquito and vector-borne diseases.

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

- A TAC member asked: Because of the new MBDS requirements, most new private developments have to have on-site storm water collection infrastructure. Has the District given any thought to if that exacerbates the mosquito problem? One problem here is these projects are very scattered. Mr. Farned replied that this is something that the District considers and tries to track, but it's tough because these are private properties.

**7. LA County Department of Regional Planning – Significant Ecological Areas (SEA) Ordinance**

Alejandrina Baldwin, a Principal Planner for the Environmental Planning and Sustainability Section of the LA County Department of Regional Planning, provided a presentation to the Planning TAC on this item. She gave information about the purpose and the background of SEAs and explained how the County's 1982 SEA Ordinance has relation to the 1980 General Plan and the upcoming 2035 General Plan. Currently, the County is updating the 1982 SEA Ordinance to reflect current challenges and circumstances related to protecting SEAs today, and regulating certain actions or uses.

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

- A TAC member asked if the new SEA Ordinance was adopted already. Ms. Baldwin stated that this ordinance will go to the County in February.
- Another TAC member asked: In the General Plan, did the County leave detailed ecological standards to this SEA effort?

## **EXECUTIVE DIRECTOR'S COMMENTS**

There were no comments or announcements made by, or on behalf of, the SGVCOG Executive Director.

## **UPDATE ITEMS**

**8. Measure M MSP Funding Update**

P. Duyshart gave the update on this item. He notified TAC members that the Governing Board approved the recommended MSP funding allocation and list of projects for the San Gabriel Valley's subregional MSP 5-Year Plan. Mr. Duyshart then announced that, in the coming month, the COG will review the project financial plan forms that the pertinent cities submitted for accuracy and compliance with Metro expectations, and will notify cities of any changes to the forms that need to be made. The COG will be submitting the projects and the MSP 5-Year Plans to Metro for review in early 2019.

**9. ACE Capital Projects and Construction Update**

P. Duyshart also gave the update on this item. He announced that the COG is re-opening the Capital Projects Review and solicitation process for a couple of key reasons:

1. Some cities told the COG that uncertainly over the future of SB 1 funding this past summer and fall caused cities to not submit possible projects for consideration.
2. Some cities told the COG that they thought that the COG would automatically do the MSP projects that they submitted for them, and this created ambiguity.

Mr. Duyshart announced that cities which want to submit possible capital projects that they would want the COG to take over construction management of to notify the COG, in writing, of which projects they want the COG to consider as soon as possible.

## **CHAIR'S REPORT**

### **10. Solicitation of presentation topics**

There was no discussion on this item.

### **11. Current City Projects**

There was no discussion of city projects.

### **12. Future Planners' TAC Meeting Time and Location**

At the last couple of TAC meetings, P. Duyshart reminded TAC members that the TAC's normal meeting venue, the Upper San Gabriel Valley Municipal Water District, recently informed COG staff that their Board Room will no longer be available for meetings on the fourth Thursday of each month. This meant that the Planning TAC will either have to be moved to a different recurring monthly day, or will have to change venues. When Duyshart first asked at the September meeting whether the TAC members would rather switch venues or would rather stay at the Upper District, the TAC unanimously responded that it would be preferred to stay at the Upper District. Duyshart then reported that the Upper District states that their room is available for use on the following days:

- 2<sup>nd</sup> Monday of each month
- 4<sup>th</sup> Monday of each month
- 4<sup>th</sup> Tuesday of each month
- 4<sup>th</sup> Wednesday of each month

However, at this November meeting, P. Duyshart reported to the TAC that, in the time between the October TAC meeting and the November TAC meeting, the Upper District informed the SGVCOG that they will be charging the COG a room usage fee for any COG TAC or Committee meetings moving forward. Since the TAC's current temporary meeting venue, the Monrovia Community Center, does not charge a room usage fee, and is within just 1.2 miles of the Upper District, the COG will be holding Planning TAC meetings at the Monrovia Community Center for the foreseeable future. The COG and the TAC could consider having one to two meetings per year at different venues, but, besides that possibility, TAC meetings will now be at the Community Center.

## **ANNOUNCEMENTS**

C. Hensley, the Chair of the Planning TAC, announced that the next Planning Directors' TAC Meeting will be on Thursday, January 24<sup>th</sup>, 2019.

## **ADJOURN**

The meeting adjourned at 1:12 P.M.

# REPORT

---

DATE: January 24, 2019

TO: SGVCOG Planning Technical Advisory Committee

FROM: Marisa Creter, Executive Director

RE: **REGIONAL HOUSING TRUSTS**

## **RECOMMENDED ACTION**

For information only.

## **BACKGROUND**

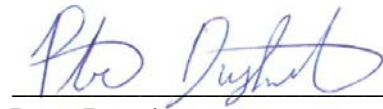
During this past year, nineteen cities in the San Gabriel Valley (SGV) created plans to address homelessness. Several plans included potential development of interim, supportive, and affordable housing in their plans. In November, seventeen SGV cities responded to the 2018 City Implementation RFP, submitting proposals to fund strategies in their homeless plans. Nine of these plans focused on strategies that will lead to increased interim, supportive or affordable housing. One eligible activity under the RFP was the development of a Regional Housing Trust Fund. Several cities have indicated interest in exploring a Regional Housing Trust Fund and some of the cities' proposals included requests for funding to help start a Regional Housing Trust Fund.

Over the course of 2017 and 2018, the Association of California Cities-Orange County (ACCOC) worked in partnership with the County of Orange and others to develop an Orange County Housing Finance Trust (OCHFT). In May 2018, AB 448 was introduced by Assembly members Daly and Quirk-Silva. This legislation, co-authored by Senators Moorlach, Bates, and Nguyen, created a JPA that acts as a financial and funding vehicle for homelessness solutions, including but not limited to, the planning and construction of permanent supportive housing. The OCHFT has the ability to receive both public and private funding, bond against those funds, utilize tax credits, and service debt. It will not act as a regulator of land use, an owner or operator of housing units, or as a substitute for local control. Heather Stratman, of Principle Strategic Advisors, played a key role in the development of the OCHFT. Ms. Stratman will provide a presentation about Regional Housing Trust Funds to the Planning TAC. Ms. Stratman provided a similar presentation on this item to the SGVCOG Homelessness Committee this past December.

Prepared by: \_\_\_\_\_

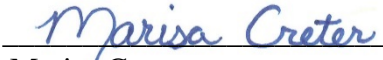
  
Jan Cicco  
Regional Homelessness Coordinator

Prepared by:



Peter Duyshart  
Project Assistant

Approved by:



Marisa Creter  
Executive Director

**ATTACHMENT**

Attachment A – Regional Housing Trust Fund Presentation Slides -- Page 7



# PRINCIPLE STRATEGIC ADVISORS





## Regional Housing Trusts

- Vehicle to fund and finance projects
- Dedicated revenue stream
- Brings stakeholders to the table to collaborate
- Opportunity for regional engagement
- Can fund a variety of housing stock
  - PSH
  - Rapid Rehousing
  - Very Low and Low Affordable Housing
  - Emergency Shelter Beds



## Benefits

- **The Economic Multiplier**
- **Access to & Flexibility of Funding**
- **Capacity Building**
- **Regional Consistency**

# Housing Trusts in California

---

**Silicon Valley Housing Trust**

**Skid Row Housing Trust**

**Housing Trust of Santa Barbara County**

**Ventura Housing Trust Fund**

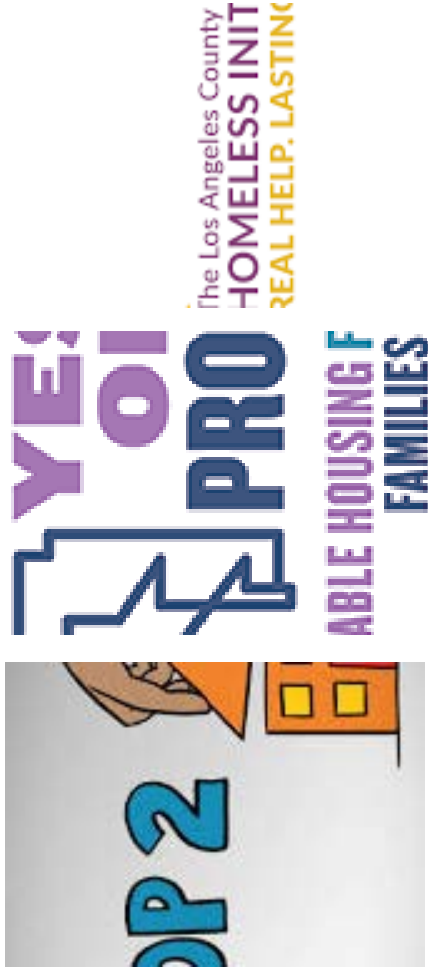
**City of Berkley Housing Trust Fund**

**Orange County Housing Finance Trust (AB 448)**



# Funding

- LA County Measure H
- Prop 1
- Prop 2
- Mental Health Service Funding
- SB 2
- RDA 2.0

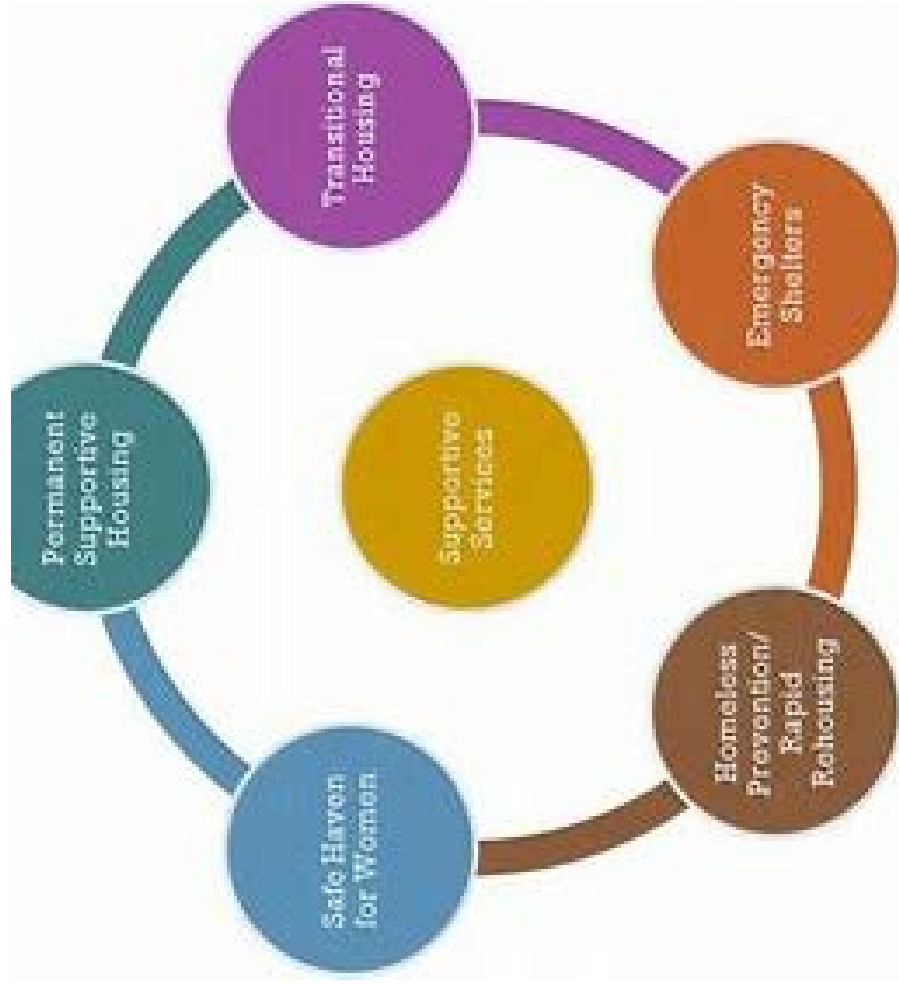


## Develop a Plan

**Regionalization:** The foundation of the plan is the acknowledgement that homelessness is regional and requires such a solution.

**Finance & Funding:** Gap funding is critical to the construction of the units. There is money in the system, but fragmented.

**Wrap Around Services:** Provide exceptional, integrated, wrap around services to support residents.



## Lessons Learned

- Find the Leadership
- Understand the data & need
- Create a narrative
- Build the **System**
- Regionalization is HARD – and that's ok!
- The City/County Relationship requires ongoing collaboration
- Engage the non-profits (developers & service providers)
- Don't take the community for granted
- Outreach, educate and repeat (x 3)
- The business community needs to be at the table
- It might get hard...really hard

Page 13 of 54



Heather Stratman  
[hstratman@principlesa.org](mailto:hstratman@principlesa.org)  
714-655-7228



DATE: January 24, 2019

TO: Planning Directors' Technical Advisory Committee

FROM: Marisa Creter, Executive Director

RE: **HOUSING, PLANNING, & DEVELOPMENT LEGISLATIVE PREVIEW  
FOR THE 2019-2020 LEGISLATIVE SESSION**

## **RECOMMENDED ACTION**

Discuss and provide direction to staff.

## **BACKGROUND:**

Due to housing shortages across the State of California, the California Legislature has taken aggressive action in the last few years to try to address the housing shortage and to increase the housing inventory across the state, including for affordable units. Last year, in September 2017, Governor Brown signed a 15-bill housing package into law. Soon after, by March of 2018, the Legislature had already proposed 19 prominent new pieces of housing legislation which pertain to planning and zoning, parking, density bonus, and accessory dwelling units. 14 of these pieces of legislation were signed into law by Governor Jerry Brown in September 2018. With a wide variety new laws only recently chaptered by the Secretary of State, the legislature is continuing to look to add more laws in an effort to try to make housing more affordable and to increase the production and stock of housing throughout the State. Many of these laws affect local governments and cities, specifically related to local control, and as a result, cities are having to dedicate resources and time to ensuring compliance with new State laws, and any proper implementation.

The 2019-2020 session of the California State Legislature convened on December 3, 2018. Beginning on that date, and in the weeks after, state legislators have been introducing a plethora of legislation, many of which pertain to housing, planning, and development. In order to stay on top of the most the most significant and consequential bills of this new legislative cycle, the SGVCOG has prepared a legislative update report for bills which pertain to homelessness and low-income housing, zoning and planning, land-use, housing in general, etc. This will enable the SGVCOG Planning TAC to be apprised and informed of germane legislation which can have a significant impact policy-wise on these aforementioned public policy issues. The following bills which are apposite to housing, community, and economic development, and thus are of importance to local and City planners, are as follows:

## **Zoning and Land Use Legislation:**

- **SB 50 (Wiener)** – This bill was introduced on December 3, 2018 by Senator Scott Wiener, has been unofficially called the “More Housing, Opportunity, Mobility, Equity, and Stability Act,” or the “More HOMES Act.” This piece of legislation currently has four co-sponsors in the Senate and seven more co-sponsors in the Assembly. SB 50 is a follow-up

bill to SB 827, which failed in a policy committee last year, and was formally opposed by the SGVCOG. This bill, while less stringent and firm than SB 827, would reform zoning law in the State of California. SB 50 would create an “equitable communities incentive” which can supersede local restrictions on a case-by-case basis. The legislation also contains provisions to protect tenants from displacement and communities from gentrification.

- **SB 4 (McGuire and Beall)** – This piece of legislation is an intent bill. The bill would state the intent of the California State Legislature to enact legislation which would limit restrictive local land use policies. The bill would also declare the intent of the Legislature to pass bills which would encourage increased housing development near transit and job centers in an equitable manner.

### **Low-income and Affordable Housing Legislation:**

- **AB 10 (Chiu, Bonta, Maienschein, Reyes, and Wicks)** – This bill would increase the aggregate housing credit dollar amount that may be allocated toward the Low-Income Housing Tax Credit (LIHTC) Program by \$500 million, and would also allocate \$25 million per year toward farmworker housing projects. This bill would take effect immediately as a tax levy. In addition to the primary authors of this bill, there are currently 15 co-sponsors for this bill from the Assembly, and four co-sponsors for this bill from the Senate.
- **SB 9 (Beall)** – Existing law, beginning on January 1, 2016, allows a taxpayer that is allowed a low-income housing tax credit to elect to sell a portion of that credit to other parties. The sale of these low-income housing tax credits is only permitted until January 1, 2020 under existing law; however, SB 9 would allow the sale of these tax credits to continue indefinitely past January 1, 2020. This, in theory, could increase the value of the low-income housing tax credits.
- **ACA 1 (Curry)** – This proposed Assembly Constitutional Amendment would lower the threshold from two-thirds to 55% for sales and use taxes and bonds which are meant to fund affordable housing. If ACA 1 is passed by both chambers of the State Legislature, then it would require approval from two-thirds of the voting electorate.
- **AB 14 (Rivas)** – This bill would appropriate an unspecified sum from the General Fund into the existing Housing Rehabilitation Loan Fund of the California Housing Rehabilitation Program. These funds would be expended under the Multifamily Housing Program in order to fund housing for homeless youths and homeless families. Loans must be prioritized to funding housing projects in disadvantaged communities.
- **AB 36 (Bloom)** – This is an intent bill. This piece of legislation would express the Legislature’s intent to enact legislation in order to stabilize rental prices and increase the availability of affordable rental housing.
- **SCA 1 (Allen & Wiener)** – This Senate Constitutional Amendment would repeal the provision of Article XXXIV, which currently prohibits the development, construction, or acquisition of “low rent” housing facilities unless approved by a majority of qualified electors of the jurisdiction during an election.

## Accessory Dwelling Units Legislation:

- **AB 68 (Ting)** – The piece of legislation would reform policy and law pertaining to accessory dwelling units, and would, in theory, make it easier and quicker for residential property owners to construct new accessory dwelling units. The bill would prohibit local governments from adopting ordinances on minimum lot size, lot coverage, or floor area ratio, among other components, and would require a more streamlined approval process for accessory dwelling unit applications and permits.
- **AB 69 (Ting)** – This bill also relates to accessory dwelling units, and requires the California Department of Housing and Community Development to propose building standards which govern accessory dwelling units and homes smaller than 800 square feet. These standards would have to be submitted to the Building Standards Commission for adoption by January 1, 2021.
- **SB 13 (Wieckowski)** – If SB 13 is adopted and signed into law, it would simply express the intent of the State Legislature to enact legislation in the future which would limit the barriers for homeowners who seek to build accessory dwelling units on their properties.

## Redevelopment Legislation:

- **AB 11 (Chiu, et al.)** – This bill is titled the Community Redevelopment Law of 2019. If Governor Gavin Newsom signs this bill into law at some point, then Redevelopment would be re-established in some form. The law would enable local governments to potentially establish the formation of an affordable housing and infrastructure agency; these agencies would utilize redevelopment-style tax increments to fund housing and infrastructure projects. 30% of all of the taxes which are allocated to these agencies would be required to be used to build affordable housing.
- **SB 5 (Beall and McGuire)** – This piece of legislation would establish the “Local-State Sustainable Investment Incentive Program,” which would be a redevelopment style-program. The bill would authorize local government entities, EIFDs, or certain authorities to participate in this program. The bill would allocate \$200 million to \$250 million per year from 2020-2029 for local governments to construct workforce and affordable housing, transit-oriented development, and other similar projects. At least 50% of the funds which would be sent to localities must be used for the development of affordable housing.
- **SB 15 (Portantino)** – This is an intent bill: this bill would state the intent of the California Legislature to enact legislation relating to redevelopment.
- **AB 180 (Gipson)** – This bill would require that references to redevelopment agencies in local housing elements be referred to as housing successor agencies instead.

## Homelessness Legislation:

- **AB 22 (Burke)** – This piece of legislation would declare that it will be State of California policy, by 2025, that every child in the state has the right to safe and clean shelter and that no child should lack safe and clean shelter.
- **SB 48 (Wiener)** – This is an intent bill. SB 48 would state the intent of the Legislature to enact legislation at some point which creates a right to shelter for unhoused residents

through the State of California. The bill would ensure that every person that is homeless has the ability and right to quickly and easily secure shelter that is both safe and supportive.

- **AB 58 (Rivas)** – This legislation would require that the Governor appoint a representative from the State Department of Education to be a member of the Homeless Coordinating and Financing Council.
- **SB 18 (Skinner)** – SB 18 is co-sponsored by two additional senators and two assembly members. The bill, if chaptered into law, would appropriate an unspecified amount of money from the General Fund to the Department of Housing and Community Development for the purpose of providing statewide competitive grants for rental assistance through the California Emergency Solutions and Housing Program. The bill would also establish the Homelessness Prevention and Legal Aid Fund.
- **AB 67 (Rivas)** – SB 67 would mandate the state’s Homeless Coordinating and Financing Council to develop a working and standard definition of “homeless” and “at risk of homelessness,” the purpose of which would be to better implement programs which provide services to individuals and families who are homeless or who are at risk of being so.
- **AB 139 (Quirk-Silva)** – This is a comprehensive and multi-faceted bill which is titled the “Emergency and Transitional Housing Act of 2019.” The bill contains many provisions which are related to addressing emergency and transitional housing, including how local agencies’ housing elements address this type of housing.

### Housing-related Legislation:

- **SB 6 (Beall and McGuire)** – This is an intent bill. The piece of legislation would state the intent of the State Legislature to enact legislation that would help encourage housing production throughout the state, including streamlining approval processes, identifying sufficient and adequate sites for housing construction, and penalizing local planning which restricts housing production.
- **SB 25 (Caballero)** – This legislation would streamline projects built in federally-designated opportunity zones, as well as for projects receiving funds through the Greenhouse Gas Reduction Fund. SB 25 would establish specified procedures for the administrative and judicial review of the environmental review and approvals processes for these qualifying projects.
- **AB 53 (Jones-Sawyer and Bonta)** – This legislation would make it unlawful for the owner of any rental housing dwelling unit or accommodation to inquire about a criminal record during the initial application assessment phase, except for certain circumstances in which state or federal law mandates it.
- **AB 178 (Dahle)** – This bill would specify that residential construction of low-rise residential buildings or houses which are meant to repair, restore, or replace a building which was destroyed in a natural disaster will not be subject to the State’s new photovoltaic energy requirements. Instead, these rebuilds will only need to comply with the photovoltaic requirements that were in effect at the time that the natural disaster took place.
- **AB 191 (Patterson)** – This legislation would exempt homes which are rebuilt due to natural disasters which occurred after January 1, 2017 to not have to meet current building standards related to energy conservation and fire prevention. This bill would apply up until January 1, 2030.

## REPORT

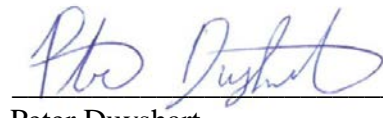
---

Please refer to Attachment A for a League of California Cities list of each housing, community, and economic development bill and each bill's respective status. Also, Attachment B consists of the presentation slides for this agenda item, which are not part of the agenda packet and are instead provided as a separate handout.

### **RECOMMENDATION**

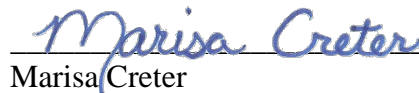
Staff is presenting these pieces of legislation for discussion. Staff is seeking direction from the Planning TAC regarding which bills the SGVCOG should monitor or even take a position on.

Prepared by:



Peter Duyshart  
Project Assistant

Approved by:



Marisa Creter  
Executive Director

### **ATTACHMENTS:**

Attachment A – League of California Cities Legislative Bill Tracking List -- Page 20

Attachment B – Legislation Presentation Slides (provided separately from the agenda packet)

## Housing, Community and Economic Development Legislative Bill Tracking

**AB 10****(Chiu D) Income taxes: credits low-income housing: farmworker housing.****Status:** 12/4/2018-From printer. May be heard in committee January 3.**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** (1)Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation, in modified conformity with federal law, of state insurance, personal income, and corporation tax credit amounts to qualified low-income housing projects that have been allocated, or qualify for, a federal low-income housing tax credit, and farmworker housing. Existing law limits the total annual amount of the state low-income housing credit for which a federal low-income housing credit is required to the sum of \$70,000,000, as increased by any percentage increase in the Consumer Price Index for the preceding calendar year, any unused credit for the preceding calendar years, and the amount of housing credit ceiling returned in the calendar year. Existing law additionally allows a state credit, which is not dependent on receiving a federal low-income housing credit, of \$500,000 per calendar year for projects to provide farmworker housing. For purposes of determining the credit amount, existing law defines the term "applicable percentage" depending on, among other things, whether the qualified low-income building is a new building that is not federally subsidized, a new building that is federally subsidized, or is an existing building that is "at risk of conversion."This bill, under the law governing the taxation of insurers, the Personal Income Tax Law, and the Corporation Tax Law, for calendar years beginning in 2020, would increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by an additional \$500,000,000, as specified, and would allocate to farmworker housing projects \$25,000,000 per year of that amount. The bill, under those laws, would modify the definition of applicable percentage relating to qualified low-income buildings to depend on whether the building is a new or existing building and federally subsidized, or a building that is, among other things, at least 15 years old, serving households of very low income or extremely low income, and will complete substantial rehabilitation, as specified.This bill contains other related provisions and other existing laws.

<b>Primary Lobbyist</b>	<b>League Position</b>
Rhine, Jason	Watch

**AB 11****(Chiu D) Community Redevelopment Law of 2019.****Status:** 12/4/2018-From printer. May be heard in committee January 3.**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The California Constitution, with respect to any taxes levied on taxable property in a redevelopment project established under the Community Redevelopment Law, as it then read or may be amended, authorizes the Legislature to provide for the division of those taxes under a redevelopment plan between the taxing agencies and the redevelopment agency, as provided.This bill, the Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined. The bill would require the city or county to submit that resolution to each affected taxing entity and would authorize an entity that receives that resolution to elect to not receive a passthrough payment, as provided. The bill would require the city or county that adopted that resolution to hold a public hearing on the proposal to consider all written and oral objections to the formation, as well as any recommendations of the affected taxing entities, and would authorize that city or county to adopt a resolution of formation at the conclusion of that hearing. The bill would then require that city or county to submit the resolution of intention to the Strategic Growth Council for a determination as to whether the agency would promote statewide greenhouse gas reduction goals. The bill would require the council to approve formation of the agency if it determines that formation of the agency both (1) would not result in a state fiscal impact, determined as specified by the Controller, that exceeds a specified amount and (2) would promote statewide greenhouse gas reduction goals. The bill would deem an agency to be in existence as of the date of the council's



approval. The bill would require the council to establish a program to provide technical assistance to a city or county desiring to form an agency pursuant to these provisions. This bill contains other related provisions and other existing laws.

**Primary**      **League**  
**Lobbyist**   **Position**  
 Rhine, Jason   Watch

**AB 14****(Rivas, Luz D) Multifamily Housing Program: homeless youths: homeless families.**

**Status:** 12/4/2018-From printer. May be heard in committee January 3.

**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing law creates the Multifamily Housing Program under the administration of the Department of Housing and Community Development to provide a standardized set of program rules and features applicable to all housing types, based on the existing California Housing Rehabilitation Program. Among other things, the program provides financial assistance in the form of deferred payment loans to fund projects for the development and construction of new, and rehabilitation or acquisition and rehabilitation of existing, transitional or rental housing developments. Existing law establishes the Housing Rehabilitation Loan Fund within the State Treasury and continuously appropriates money in that fund to the department for specified purposes relating to housing rehabilitation, including the Multifamily Housing Program. Existing law requires that a specified percentage of the total assistance provided under the Multifamily Housing Program be awarded to units restricted to senior citizens, which is known as the total assistance calculation. This bill would appropriate an unspecified sum from the General Fund into the Housing Rehabilitation Loan Fund to be expended under the Multifamily Housing Program to fund housing for homeless youths and homeless families in accordance with certain requirements, including that the department prioritize loans to housing projects in disadvantaged communities, as defined, and that unspecified amounts be set aside for both certain homeless youths and certain homeless families. This bill would exclude expenditures under its provisions from the total assistance calculation described above. This bill also would authorize the department to monitor the expenditures and activities of loan recipients and request the repayment of funds from a recipient of a loan for failure to comply with program requirements, as specified.

**Primary**      **League**  
**Lobbyist**   **Position**  
 Rhine, Jason   Watch

**AB 22****(Burke D) Housing: safe and clean shelter for children.**

**Status:** 12/4/2018-From printer. May be heard in committee January 3.

**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing law establishes the Department of Housing and Community Development in the Business, Consumer Services, and Housing Agency, and requires the department to administer various housing programs throughout the state, including programs that address the needs of homeless individuals and families, and reviewing local ordinances for the design, development, and operation of homeless shelters in cities and counties that have declared a shelter crisis. This bill would declare that it is the policy of the state that every child has the right to safe and clean shelter and that no child should be without safe and clean shelter by 2025. The bill would require the agency, the department, and every other state agency, to consider this policy when establishing, adopting, or revising any policy, regulation, or grant criterion pertinent to safe and clean shelter for children.

**Primary**      **League**  
**Lobbyist**   **Position**  
 Rhine, Jason   Watch

**AB 36****(Bloom D) Affordable housing: rental prices.**

**Status:** 12/4/2018-From printer. May be heard in committee January 3.

**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing law declares that the Legislature has provided specified reforms and incentives

to facilitate and expedite the construction of affordable housing, and provides a list of statutes to that effect. This bill would state the findings and declarations of the Legislature that, among other things, affordable housing has reached a crisis stage that threatens the quality of life of millions of Californians as well as the state economic outlook. This bill also would express the Legislature's intent to enact legislation in order to stabilize rental prices and increase the availability of affordable rental housing.

**Primary**            **League**  
**Lobbyist**        **Position**  
Rhine, Jason       Watch

**AB 38****(Wood D) Fire safety.**

**Status:** 12/4/2018-From printer. May be heard in committee January 3.

**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** (1) Existing law, California Building Standards Law, requires the State Fire Marshall to develop, and the California Building Standards Commission to review, building standards to implement the state's fire and life safety policy. This bill would require, no later than July 1, 2020, the State Fire Marshall to develop, and the California Building Standards Commission to review, building standards for buildings in very high fire hazard severity zones. The bill would require, beginning on July 1, 2020, all newly constructed buildings and all transferred buildings in very high fire hazard severity zones to comply with the building standards. By requiring new building standards for buildings in very high fire hazard severity zones, this bill would expand the definition of a crime and impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Primary**            **League**  
**Lobbyist**        **Position**  
Rhine, Jason       Watch

**AB 53****(Jones-Sawyer D) Rental housing discrimination: applications: criminal records.**

**Status:** 12/4/2018-From printer. May be heard in committee January 3.

**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing law generally prohibits housing discrimination with respect to the personal characteristics of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information. This bill would make it unlawful for the owner of any rental housing accommodation to deny the rental or lease of a housing accommodation without first satisfying specified requirements relating to the application process. The bill would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, a criminal record during the initial application assessment phase, as defined, unless otherwise required by state or federal law. The bill would permit an owner of a rental housing accommodation, after the successful completion of the initial application assessment phase, to request a criminal background check of the applicant and consider an applicant's criminal record in deciding whether to rent or lease to the applicant. The bill would require the owner of a rental housing accommodation who is considering denying an application to rent or lease on the basis of the applicant's criminal record, to, within 5 days of receiving the information that is the basis of the potential denial, provide the applicant with a written statement listing the reasons for the possible denial before making a final decision. If, within 14 days of receipt of the written statement of the potential denial, the applicant provides the owner notice of evidence demonstrating the inaccuracy of the item or items within the applicant's criminal record or evidence of rehabilitation or other mitigating factors, as specified, the bill would require the owner to reconsider his or her decision for a specified time, and would require the owner to provide written notification to the applicant of his or her final decision to deny the application. The bill would prohibit the owner of the rental housing accommodation from requiring in an application for rental accommodation or as otherwise part of the application process disclosure of, or, if such information is received, denying a dwelling based in whole or in part on specified information or occurrences, including, among others, arrests that did not result in conviction, convictions that have been voided, and juvenile justice determinations.

**Primary**            **League**  
**Lobbyist**        **Position**



Rhine, Jason Watch

**AB 58****(Rivas, Luz D) Homeless Coordinating and Financing Council.****Status:** 12/4/2018-From printer. May be heard in committee January 3.**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law requires the Governor to create the Homeless Coordinating and Financing Council to, among other things, identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California. Existing law requires the Governor to appoint up to 17 members of the council, including representatives from specified state agencies and departments, and state advocates or other members of the public or state agencies at the Governor's discretion. This bill would additionally require the Governor to appoint a representative from the State Department of Education to be a member of the council.

**Primary Lobbyist** Rhine, Jason  
**League Position** Watch

**AB 67****(Rivas, Luz D) Individuals or families who are homeless or at risk of homelessness: definition.****Status:** 12/4/2018-From printer. May be heard in committee January 3.**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law provides various housing and supportive services for individuals and families who are homeless or at risk of homelessness, and defines the terms "homeless" and "at risk of homelessness" for those purposes, as specified. Existing law requires the Governor to create the Homeless Coordinating and Financing Council to, among other things, identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California. This bill would require the coordinating council, in consultation with specified state entities, to develop, and recommend in a report to the Legislature, a standard definition of "homeless" and "at risk of homelessness" for purposes of providing programs and services to individuals and families who are homeless or at risk of homelessness. The bill would require the coordinating council, in developing the recommended definitions, to review and consider the existing definitions of those terms, as provided in state laws and regulations and the federal McKinney-Vento Homeless Assistance Act. This bill contains other existing laws.

**Primary Lobbyist** Rhine, Jason  
**League Position** Watch

**AB 68****(Ting D) Land use: accessory dwelling units.****Status:** 12/4/2018-From printer. May be heard in committee January 3.**Location:** 12/3/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily residential zones and sets forth required ordinance standards, including, among others, maximum unit size, parking, and height standards. This bill would prohibit an ordinance from imposing requirements on minimum lot size, lot coverage, or floor area ratio, and would prohibit an ordinance from establishing size requirements for accessory dwelling units that do not permit at least an 800 square foot unit of at least 16 feet in height to be constructed. This bill contains other related provisions and other existing laws.

**Primary Lobbyist** Rhine, Jason  
**League Position** Watch

**AB 69****(Ting D) Land use: accessory dwelling units.****Status:** 12/4/2018-From printer. May be heard in committee January 3.**Location:** 12/3/2018-A. PRINT

--	--	--	--	--	--	--	--	--	--	--	--

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily residential zones and sets forth required ordinance standards, including, among others, maximum unit size, parking, and height standards. Existing law requires a local agency to submit the accessory dwelling unit ordinance to the Department of Housing and Community Development within 60 days after adoption and authorizes the department to review and comment on the ordinance. This bill would authorize the department to submit written findings to a local agency as to whether the local ordinance complies with state law, and to notify the Attorney General if the ordinance violates state law. The bill would require a local agency to consider the department's findings and would authorize the local agency to amend its ordinance to comply with state law or adopt a resolution with findings explaining why the ordinance complies with state law, and addressing the department's findings. This bill contains other related provisions and other existing laws.

**Primary Lobbyist**  
Rhine, Jason

**League Position**  
Watch

**AB 136****(Quirk-Silva D) Alcohol and drug programs: residential recovery and treatment ombudsperson: pilot program.**

**Status:** 1/7/2019-Read first time.

**Location:** 12/5/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing law provides for the licensure and regulation of adult alcoholism or drug abuse recovery or treatment facilities by the State Department of Health Care Services. Existing law defines "alcoholism or drug abuse recovery or treatment facility" to mean a premises, place, or building that provides residential nonmedical services, as defined, to adults who are recovering from problems related to alcohol, drug, or alcohol and drug misuse or abuse, and who need alcohol, drug, or alcohol and drug recovery treatment or detoxification services. Existing law requires a program licensed by the department to disclose to the department specified information including, among other things, ownership or control of, or financial interest in, a recovery residence. Existing law defines a "recovery residence" as a residential dwelling that provides primary housing for individuals who seek a cooperative living arrangement that supports personal recovery from a substance use disorder and that does not require licensure by the department or does not provide licensable services. This bill would require the department to establish the Office of the State Ombudsperson for Substance Abuse Residential Recovery and Treatment as a one-year pilot project, from January 1, 2021, to December 31, 2021, inclusive. The bill would require the office to work in concert with participating counties to collaborate in investigations of complaints received by the counties against alcoholism or drug abuse recovery or treatment facilities and recovery residences. The bill would require each participating county, by July 1, 2022, to report to the Legislature on the results of the county's collaboration with the pilot program. This bill contains other related provisions.

**Primary Lobbyist**  
Rhine, Jason

**League Position**  
Watch

**AB 139****(Quirk-Silva D) Emergency and Transitional Housing Act of 2019.**

**Status:** 1/7/2019-Read first time.

**Location:** 12/11/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** (1) The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. That law requires, after the legislative body of the city or county has adopted all or part of a general plan, the planning agency to investigate and make recommendations to the legislative body of the city or county regarding reasonable and practical means to implement the general plan or element and to provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes specified information pertaining to the implementation of the general plan, including, among other things, a listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on specified sites. This

bill would additionally require the report to include the number of emergency shelter beds currently available within the jurisdiction and the number of shelter beds that the jurisdiction has contracted for that are located within another jurisdiction, as specified. By increasing the duties of local officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Primary**                      **League**  
**Lobbyist**                   **Position**  
Rhine, Jason                Watch

#### **AB 143 (Quirk-Silva D) Shelter crisis: homeless shelters: County of Orange.**

**Status:** 1/7/2019-Read first time.

**Location:** 12/13/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law authorizes a governing body of a political subdivision, as those terms are defined, to declare a shelter crisis if the governing body makes a specified finding. Upon declaration of a shelter crisis, existing law, among other things, suspends certain state and local laws, regulations, and ordinances to the extent that strict compliance would prevent, hinder, or delay the mitigation of the effects of the shelter crisis. This bill would apply these additional provisions to a shelter crisis declared by the County of Orange or any city located within the County of Orange and extend the repeal date of these provisions to January 1, 2022. By expanding the scope of these provisions to apply within the County of Orange, the bill would expand the above-described exemption from the California Environmental Quality Act. The bill, with respect to a shelter crisis declared by the County of Orange or a city located within the County of Orange, would require the county or city, as applicable, to develop the above-described shelter plan on or before July 1, 2020, and provide the first above-described annual report on or before January 1 of the year following the declaration of a shelter crisis. This bill contains other related provisions and other existing laws.

**Primary**                      **League**  
**Lobbyist**                   **Position**  
Rhine, Jason                Watch

#### **AB 148 (Quirk-Silva D) Regional transportation plans: sustainable communities strategies.**

**Status:** 1/7/2019-Read first time.

**Location:** 12/14/2018-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law requires certain transportation planning agencies to prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system. Existing law requires the regional transportation plan to include, if the transportation planning agency is also a metropolitan planning organization, a sustainable communities strategy. Existing law requires the sustainable communities strategy to, among other things, identify areas within the region sufficient to house an 8-year projection of the regional housing need for the region, as specified. Existing law requires the State Air Resources Board, on or before September 1, 2018, and every 4 years thereafter, to prepare a report that assesses progress made by each metropolitan planning organization in meeting the regional greenhouse gas emission reduction targets set by the state board. Existing law requires each transportation planning agency to adopt and submit to the California Transportation Commission and the Department of Transportation an updated regional transportation plan every 4 or 5 years, as specified. This bill would require each sustainable communities strategy to also identify areas within the region sufficient to house an 8-year projection of the emergency shelter needs for the region, as specified. For the 5th and each subsequent update to the sustainable communities strategy, the bill would require the metropolitan planning organization to, among other things, (1) identify the region's progress in the development of housing and emergency shelters in the areas within the region that were identified, in the prior sustainable communities strategy, as sufficient to house the 8-year projection of the region's regional housing and emergency shelter needs, and (2) determine whether the development will successfully meet the 8-year projection. By imposing new requirements on local agencies, the bill would impose a state-mandated local program. The bill would require the state board's report, as described above, to include data-supported metrics that identify housing and emergency shelter developments related to the 8-year projection of the regional housing and emergency shelter needs that was assumed in the prior sustainable communities strategy, and the physical location of housing and emergency shelters identified in the

most recently submitted sustainable communities strategy update. This bill contains other related provisions and other existing laws.

**Primary**            **League**  
**Lobbyist**        **Position**  
Rhine, Jason       Watch

**AB 163 (Garcia, Cristina D) Group homes: foster family agencies: unaccompanied undocumented minors.**

**Status:** 1/8/2019-From printer. May be heard in committee February 7.

**Location:** 1/7/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law, the California Community Care Facilities Act, provides for the licensure and regulation of community care facilities, including group homes and foster family agencies, by the State Department of Social Services. Existing law subjects every licensed community care facility, except as specified, to unannounced inspections by the department, and authorizes the department to inspect these facilities as often as necessary to ensure the quality of care provided. A violation of this act is a misdemeanor. This bill would require a group home or foster family agency that houses unaccompanied undocumented minors, as defined, who are under the custody of the federal Office of Refugee Resettlement, to, among other things, report the number of unaccompanied undocumented minors under the custody of the federal Office of Refugee Resettlement who are placed in the group home or placed by the foster family agency with a resource family and their length of placement, and arrange a meeting for those minors to meet with a specified organization providing certain legal services. The bill would require a county child welfare department representative to meet with each unaccompanied undocumented minor under the custody of the federal Office of Refugee Resettlement who is placed in a group home or placed by the foster family agency with a resource family to assess the well-being of the minor and to offer mental health services to the minor. The bill would require the department to inspect each group home and each foster family agency, and its resource families, with those minors at least once each quarter to ensure compliance with the act and the quality of care provided. Because the failure of a group home or foster family agency to comply with these provisions would be a misdemeanor, and the bill would impose new requirements on county officials, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Primary**            **League**  
**Lobbyist**        **Position**  
Rhine, Jason       Watch

**AB 168 (Aguilar-Curry D) Housing: streamlined approvals.**

**Status:** 1/9/2019-From printer. May be heard in committee February 8.

**Location:** 1/8/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law, until January 1, 2026, authorizes a development proponent to submit an application for a multifamily housing development that is subject to a streamlined, ministerial approval process, as provided, and not subject to a conditional use permit, if the development satisfies specified objective planning standards. Under existing law the objective planning standards include, among others, a requirement that the development not be located on specified sites, including those within a coastal zone, very high fire hazard severity zone, delineated earthquake fault zone, or special flood hazard area, and sites designated as prime farmland, wetlands, or a habitat for a protected species. This bill would require the objective planning standards include a requirement that the development not be located on a site that is a tribal cultural resource.

**Primary**            **League**  
**Lobbyist**        **Position**  
Rhine, Jason       Watch

**AB 173 (Chau D) Mobilehomes: payments: nonpayment or late payments.**

**Status:** 1/9/2019-From printer. May be heard in committee February 8.

**Location:** 1/8/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** (1) Existing law requires the Department of Housing and Community Development,

when a person who is not currently the registered owner of a manufactured home or mobilehome applies to the department for registration or transfer of registration of the manufactured home or mobilehome prior to December 31, 2019, and meets other specified requirements including, among others, payment of any charges assessed by the department during the period between the time the applicant took ownership interest or December 31, 2015, whichever is later, and the time the applicant applies for relief, to waive all outstanding charges assessed by the department prior to the transfer of title of the manufactured home or mobilehome, release any lien imposed with respect to those charges, issue a duplicate or new certificate of title or registration card, and amend the title record of the manufactured home or mobilehome. This bill would extend the date for an application under these provisions to December 31, 2022, and would require an applicant to pay any charges assessed by the department during the period between the time the applicant took ownership interest or December 31, 2018, whichever is later, and the time the applicant applies for relief. This bill contains other related provisions and other existing laws.

**Primary League**  
**Lobbyist Position**  
 Rhine, Jason Watch

**AB 178 (Dahle R) Energy: building standards: photovoltaic requirements.**

**Status:** 1/10/2019-From printer. May be heard in committee February 9.

**Location:** 1/9/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law authorizes the State Energy Resources Conservation and Development Commission to prescribe, by regulation, energy efficiency standards, including appliance efficiency standards. Under this authority, the commission has established regulations for the installation of photovoltaic systems meeting certain requirements for low-rise residential buildings built on or after January 1, 2020. This bill would specify that residential construction intended to repair, restore, or replace a residential building damaged or destroyed as a result of a disaster in an area in which a state of emergency has been proclaimed by the Governor is required to comply with the photovoltaic requirements, if any, that were in effect at the time the damaged or destroyed residential building was originally constructed and is not required to comply with any additional or conflicting photovoltaic requirements in effect at the time of repair, restoration, or replacement.

**Primary League**  
**Lobbyist Position**  
 Rhine, Jason Watch

**AB 180 (Gipson D) Land use: local planning: housing element.**

**Status:** 1/10/2019-From printer. May be heard in committee February 9.

**Location:** 1/9/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The Planning and Zoning Law requires a city or county to prepare and adopt a comprehensive, long-term general plan and requires the general plan to include specified mandatory elements, including a housing element. That law requires the housing element to contain, among other items, an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. This bill would revise references to redevelopment agencies within those housing element provisions to instead refer to housing successor agencies. The bill would also make nonsubstantive changes.

**Primary League**  
**Lobbyist Position**  
 Rhine, Jason Watch

**AB 188 (Daly D) Fire insurance: valuation of loss.**

**Status:** 1/11/2019-From printer. May be heard in committee February 10.

**Location:** 1/10/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law generally regulates classes of insurance, including fire insurance. Existing law provides that the measure of indemnity in fire insurance under an open policy is the expense to replace the thing lost or injured in its condition at the time of the injury, with the expense computed



as of the start of the fire. Existing law also provides that under an open policy that requires payment of actual cash value, the measure of the actual cash value recovery is the policy limit or the fair market value of the structure, whichever is less, in the case of a total loss to the structure. In the case of a partial loss to the structure or loss to its contents, the actual cash value recovery under existing law is the amount it would cost the insured to repair, rebuild, or replace the thing lost or injured less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less. This bill would delete the provisions regarding the actual cash value of the claim of total loss to the structure and would instead require that the actual cash value of the claim, for either a total or partial loss to the structure or its contents, be the amount it would cost the insured to repair, rebuild, or replace the thing lost or injured less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less.

**Primary**      **League**  
**Lobbyist**   **Position**  
Rhine, Jason   Watch

**AB 191      (**Patterson R**)   **Building standards: exemptions: rebuilding after disasters.****

**Status:** 1/11/2019-From printer. May be heard in committee February 10.

**Location:** 1/10/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law, the State Housing Law, establishes statewide construction and occupancy standards for buildings used for human habitation, including energy conservation and fire prevention requirements relating to energy efficiency and the installation of interior sprinklers. This bill would, until January 1, 2030, exempt homes being rebuilt after wildfires or specified emergency events that occurred on or after January 1, 2017, from meeting certain current building standards.

**Primary**      **League**  
**Lobbyist**   **Position**  
Rhine, Jason   Watch

**AB 193      (**Patterson R**)   **Professions and vocations.****

**Status:** 1/11/2019-From printer. May be heard in committee February 10.

**Location:** 1/10/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** (1) Existing law establishes the Department of Consumer Affairs in the Business, Consumer Services, and Housing Agency to, among other things, ensure that certain businesses and professions that have potential impact upon the public health, safety, and welfare are adequately regulated. This bill would require the department, beginning on January 1, 2021, to conduct a comprehensive review of all occupational licensing requirements and identify unnecessary licensing requirements that cannot be adequately justified. The bill would require the department to report to the Legislature on January 1, 2023, and every 2 years thereafter, on the department's progress, and would require the department to issue a final report to the Legislature no later than January 1, 2033. The bill would require the department to apply for federal funds that have been made available specifically for the purpose of reviewing, updating, and eliminating overly burdensome licensing requirements, as provided. This bill contains other related provisions and other existing laws.

**Primary**      **League**  
**Lobbyist**   **Position**  
Rhine, Jason   Watch

**AB 195      (**Patterson R**)   **Department of Housing and Community Development: grant-based programs: reporting.****

**Status:** 1/11/2019-From printer. May be heard in committee February 10.

**Location:** 1/10/2019-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Existing law establishes the Department of Housing and Community Development in the Business, Consumer Services, and Housing Agency. The department is responsible for administering various housing and home loan programs throughout the state. Existing law requires the department, on or before December 31 of each year, to submit an annual report containing

specified information to the Governor and both houses of the Legislature on the operations and accomplishments during the previous fiscal year of the housing programs administered by the department. This bill would require the department to include in those annual reports specified information relating to grant-based programs administered by the department, including the amount of the original awards to recipients, the portions not yet disbursed to recipients, and an estimate of how many individuals could benefit from the remaining balance. This bill contains other related provisions.

**Primary**                **League**  
**Lobbyist**           **Position**  
Rhine, Jason        Watch

**SB 4****(McGuire D) Housing.**

**Status:** 12/4/2018-From printer. May be acted upon on or after January 3.

**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Under existing law, various agencies administer programs to preserve and expand safe and affordable housing opportunities and promote sound community growth. This bill would state the intent of the Legislature to enact legislation that would limit restrictive local land use policies and legislation that would encourage increased housing development near transit and job centers, in a manner that ensures that every jurisdiction contributes its fair share to a housing solution, while acknowledging relevant differences among communities.

**Primary**                **League**  
**Lobbyist**           **Position**  
Rhine, Jason        Watch

**SB 5****(Beall D) Local-State Sustainable Investment Incentive Program.**

**Status:** 12/4/2018-From printer. May be acted upon on or after January 3.

**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, subject to certain modifications. Existing law requires an annual reallocation of property tax revenue from local agencies in each county to the Educational Revenue Augmentation Fund (ERAF) in that county for allocation to specified educational entities. This bill would establish in state government the Local-State Sustainable Investment Incentive Program, which would be administered by the Sustainable Investment Incentive Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority or transit village development district to apply to the Sustainable Investment Incentive Committee to participate in the program and would authorize the committee to approve or deny applications for projects meeting specific criteria. This bill contains other related provisions and other existing laws.

**Primary**                **League**  
**Lobbyist**           **Position**  
Rhine, Jason        Watch

**SB 6****(Beall D) Housing production.**

**Status:** 12/4/2018-From printer. May be acted upon on or after January 3.

**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Under existing law, various agencies administer programs to preserve and expand safe and affordable housing opportunities and promote sound community growth throughout the state. This bill would state the intent of the Legislature to enact legislation that would help encourage housing production throughout the state, including streamlining approval processes, identifying sufficient and adequate sites for housing construction, and penalizing local planning that restricts housing production.

**Primary**                **League**  
**Lobbyist**           **Position**

**SB 9****(Beall D) Income taxes: low-income housing credits: allocation: sale.****Status:** 12/4/2018-From printer. May be acted upon on or after January 3.**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation, in modified conformity with federal law, of state insurance, personal income, and corporation tax credit amounts to qualified low-income housing projects that have been allocated, or qualify for, a federal low-income housing tax credit, and farmworker housing projects. This bill would delete the January 1, 2020, date with respect to both of these provisions, thereby requiring the allocation of credits among partners in accordance with the partnership agreement and authorizing the sale of a credit, as described above, indefinitely. This bill contains other existing laws.

**Primary**                      **League**  
**Lobbyist**                   **Position**  
Rhine, Jason                Watch

**SB 13****(Wieckowski D) Accessory dwelling units.****Status:** 12/4/2018-From printer. May be acted upon on or after January 3.**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Existing law prohibits an accessory dwelling unit from being considered a new residential use for purposes of calculating certain fees, including local agency connection fees or capacity charges for utilities. This bill would express the intent of the Legislature to enact legislation that would reduce impact fees and other existing barriers for homeowners seeking to create accessory dwelling units for the purpose of creating additional residential housing within their neighborhoods.

**Primary**                      **League**  
**Lobbyist**                   **Position**  
Rhine, Jason                Watch

**SB 15****(Portantino D) Redevelopment.****Status:** 12/4/2018-From printer. May be acted upon on or after January 3.**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** The Community Redevelopment Law authorized the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined, to wind down the affairs of the dissolved redevelopment agencies. This bill would state the intent of the Legislature to enact legislation relating to redevelopment.

**Primary**                      **League**  
**Lobbyist**                   **Position**  
Rhine, Jason                Watch

**SB 18****(Skinner D) Keep Californians Housed Act.****Status:** 12/4/2018-From printer. May be acted upon on or after January 3.**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing law establishes the Department of Housing and Community Development and requires, among other things, that it update and provide a revision of the California Statewide Housing Plan to the Legislature every 4 years, as provided. This bill, no later than January 1, 2021, would require the department to develop and publish on its Internet Web site, and to annually update, a guide to all state laws pertaining to landlords and the landlord-tenant relationship. The



bill would also require the department to survey each city in this state to determine which cities, if any, provide resources or programs to inform landlords of their legal rights and obligations and to post on its Internet Web site a list of those cities which, in the judgment of the department, have the most robust resources and programs. This bill contains other related provisions and other existing laws.

**Primary**            **League**  
**Lobbyist**        **Position**  
Rhine, Jason       Watch

**SB 25****(Caballero D) California Environmental Quality Act: qualified opportunity zones.**

**Status:** 12/4/2018-From printer. May be acted upon on or after January 3.

**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA establishes a procedure by which a person may seek judicial review of the decision of the lead agency made pursuant to CEQA. This bill would establish specified procedures for the administrative and judicial review of the environmental review and approvals granted for projects located in qualified opportunity zones that are funded, in whole or in part, by qualified opportunity funds, or by moneys from the Greenhouse Gas Reduction Fund and allocated by the Strategic Growth Council. Because a public agency would be required to comply with those new procedures, this bill would impose a state-mandated local program. The bill would apply certain rules of court establishing procedures requiring actions or proceedings seeking judicial review pursuant to CEQA or the granting of project approvals, including any appeals therefrom, to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceedings with the court to an action or proceeding seeking judicial review of the lead agency's action related to those projects located in a qualified opportunity zone. This bill contains other related provisions and other existing laws.

**Primary**            **League**  
**Lobbyist**        **Position**  
Rhine, Jason       Watch

**SB 48****(Wiener D) Homelessness: right to shelter.**

**Status:** 12/4/2018-From printer. May be acted upon on or after January 3.

**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Existing law establishes various entities and programs to provide assistance to homeless persons, including, among others, the Homeless Emergency Aid Program, the Emergency Housing and Assistance Program, the California Emergency Solutions Grants Program, homeless youth emergency service pilot projects, and the Homeless Coordinating and Financing Council. This bill would state the intent of the Legislature to enact legislation that creates a right to shelter for unhoused residents throughout the state, which would be required to include the navigation center model. The bill would state the purposes of this legislation, including ensuring that every person living on California's streets has the ability to promptly secure shelter that is safe and supportive. The bill would specify certain elements that this right to shelter would include. The bill would specify that the right to shelter is not intended to be in lieu of prioritizing permanent housing for people who lack housing.

**Primary**            **League**  
**Lobbyist**        **Position**  
Rhine, Jason       Watch

**SB 50****(Wiener D) Planning and zoning: housing development: equitable communities incentive.**

**Status:** 12/4/2018-From printer. May be acted upon on or after January 3.

**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** 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 1/2-mile or 1/4-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. This bill contains other related provisions and other existing laws.

**Primary Lobbyist** Rhine, Jason  
**League Position** Watch

### SCA 1

#### **(Allen D) Public housing projects.**

**Status:** 12/4/2018-From printer. May be acted upon on or after January 3.

**Location:** 12/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** The California Constitution prohibits the development, construction, or acquisition of a low-rent housing project, as defined, in any manner by any state public body until a majority of the qualified electors of the city, town, or county in which the development, construction, or acquisition of the low-rent housing project is proposed approve the project by voting in favor at an election, as specified. This measure would repeal these provisions.

**Primary Lobbyist** Rhine, Jason  
**League Position** Watch

**Total Measures: 35**

**Total Tracking Forms: 35**

1/16/2019 12:09:07 PM

# REPORT

---

DATE: January 24, 2019

TO: SGVCOG Planning Technical Advisory Committee

FROM: Marisa Creter, Executive Director

RE: **AB 626: MICROENTERPRISE HOME KITCHEN OPERATION (MEHKO)**

## **RECOMMENDED ACTION**

For information and discussion.

## **BACKGROUND**

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

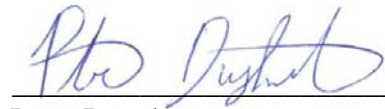
While MEHKOs are now allowed to apply for service permits, and to operate as a food service facility, there are restrictions placed upon MEHKOs in order to limit their operations. Below is a summary of the most notable and pertinent restrictions on MEHKOs, as stipulated by AB 626:

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

## **NEXT STEPS**

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

Prepared by:



Peter Duyshart  
Project Assistant

Approved by:



Marisa Creter  
Executive Director

**ATTACHMENT**

Attachment A – MEHKO Summary Fact Sheet -- Page 35

Attachment B – AB 626 Legislation Text -- Page 36

**AB 626: MICROENTERPRISE HOME KITCHEN OPERATION****Microenterprise Home Kitchen Operation (MEHKO)**

- A MEHKO is a new type of restricted food service facility which allows a resident in a private home to prepare and serve food to consumers.
- MEHKOs provide valuable opportunities to legally launch and grow a small food business from home, eliminating barriers to enter the local food economy.
- Effective 1/1/2019, MEHKOs are defined as a food facility and must comply with the requirements of the California Retail Food Code (CRFC).

**Permit Requirements**

- The CRFC requires a MEHKO to have a permit from the local enforcement agency.
- The Department of Public Health Environmental Health Division (DPH-EH) is the local enforcement agency responsible for the permitting and enforcement activities for food facilities in the unincorporated areas of the County and 85 contract cities.
- The County and contract cities may choose to enact an ordinance or resolution to authorize the DPH-EH to issue public health permits and conduct inspections.

**Operational Restrictions**

- The operation has no more than one full-time equivalent food employee.
  - Not including a family member or household member.
- The operation has no more than fifty thousand dollars (\$50,000) in verifiable gross annual sales.
- The operation only sells food directly to consumers and not to any wholesaler or retailer.

**Food Service Restrictions**

- Food preparation is limited to:
  - No more than 30 individual meals per day and
  - No more than 60 individual meals per week
- Food is prepared, cooked, and served on the same day.
- Food is consumed on site at the MEHKO or offsite if the food is picked up by the consumer or delivered within a safe time period based on holding equipment capacity.

**DPH-EH MEHKO Program**

- The annual public health fee is \$292.
- One annual inspection
  - Exempt from the grading system
- Investigations will be conducted to address complaint allegations.

## **Assembly Bill No. 626**

### **CHAPTER 470**

An act to amend Sections 110460, 111955, 113789, and 114390 of, to add Section 113825 to, and to add Chapter 11.6 (commencing with Section 114367) to Part 7 of Division 104 of, the Health and Safety Code, relating to the California Retail Food Code.

[Approved by Governor September 18, 2018. Filed with  
Secretary of State September 18, 2018.]

#### **legislative counsel's digest**

**AB 626, Eduardo Garcia. California Retail Food Code: microenterprise home kitchen operations.**

Existing law, the California Retail Food Code, establishes uniform health and sanitation standards for retail food facilities for regulation by the State Department of Public Health, and requires local enforcement agencies to enforce these provisions. Existing law defines “food facility” as an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level, as specified. Existing law exempts, among others, a private home, including a registered or permitted cottage food operation, from the definition of food facility. A violation of the California Retail Food Code is generally a misdemeanor.

This bill would, among other things, include a microenterprise home kitchen operation within the definition of a food facility, and would define a microenterprise home kitchen operation to mean a food facility that is operated by a resident in a private home where food is stored, handled, and prepared for, and may be served to, consumers, and that meets specified requirements, including, among others, that the operation has no more than one full-time equivalent food employee and has no more than \$50,000 in verifiable gross annual sales. The bill would specify that the governing body of a city or county, or city and county, shall have full discretion to authorize, by ordinance or resolution, the permitting of microenterprise home kitchen operations in accordance with the provisions of this bill, except as provided. The bill would require a microenterprise home kitchen operation to be considered a restricted food service facility for purposes of certain provisions of the code, except as otherwise provided, and would exempt a microenterprise home kitchen operation from various provisions applicable to food facilities, including, among others, provisions relating to handwashing, sinks, ventilation, and animals. The bill would require the applicant for a permit to operate a microenterprise home kitchen operation to submit to the local enforcement agency written standard operating procedures that include specified information, including all food types or

products that will be handled and the days and times that the home kitchen will potentially be utilized as a microenterprise home kitchen operation.

The bill would require an Internet food service intermediary, as defined, that lists or promotes a microenterprise home kitchen operation on its Internet Web site or mobile application to, among other things, be registered with the department, to clearly and conspicuously post on its Internet Web site or mobile application the requirements for the permitting of a microenterprise home kitchen operation, as specified, prior to the publication of the microenterprise home kitchen operation's offer of food for sale, and to submit the name and permit number of a microenterprise home kitchen operation to the local enforcement agency if it receives, through its Internet Web site or mobile application, 3 or more unrelated individual food safety or hygiene complaints in a calendar year from consumers who have made a purchase through its Internet Web site or mobile application. The bill would also make related findings and declarations.

By expanding the scope of a crime, this bill would impose a state-mandated local program.

This bill would incorporate additional changes to Section 113789 of the Health and Safety Code proposed by AB 2178 and AB 2524 to be operative only if this bill and AB 2178, this bill and AB 2524, or all 3 bills are enacted and this bill is enacted last.

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.

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) California is the largest agricultural producer and exporter in the United States.

(2) California is home to the "farm-to-table" movement, which embraces the idea that restaurants and other food sellers should prioritize locally and sustainably produced foods.

(3) Many cities have embraced the idea of locally grown, produced, and prepared foods. Sacramento, for example, proclaimed itself the farm-to-fork capital of America.

(4) Accordingly, Californians have shown a preference for supporting local agriculture and local business and for finding sustainable solutions to food insecurity.

(5) The retail and commercial food market is an integral part of California's economy.

(6) Small-scale, home-cooking operations can create significant economic opportunities for Californians that need them most — often women, immigrants, and people of color.

(7) Under existing law, individuals can sell food through retail food facilities or cottage food operations, the latter of which being limited to a restricted list that primarily consists of nonperishable food items that can be prepared in the home. Both of these options make it difficult for the vast majority of home cooks to independently benefit from their labor, skills, and limited resources.

(8) Because the bar for entry to restaurant ownership is high, and the cost of renting a retail kitchen is so great, an informal economy of locally produced and prepared hot foods exists in the form of meal preparation services, food carts, and communally shared meals.

(9) However, due to a lack of appropriate regulations, many experienced cooks in California are unable to legally participate in the locally prepared food economy and to earn an income legally therein.

(10) As a result, and because they feel they have no other option, thousands of private chefs, home caterers, and many other food microentrepreneurs cook out of private homes or unlicensed food facilities, with little access to education for best practices or safety guidelines.

(11) Many of these cooks are unable to enter the traditional food economy based on disability, family responsibilities, or lack of opportunity.

(12) Under existing law, preparing and selling food from a home kitchen normally can be treated as a criminal act and may be punishable as a misdemeanor.

(13) Providing guidelines, training, and safety resources to home cooks would also increase public health safeguards in existing informal food economies.

(14) The exchange of home-cooked food can also improve access to healthy foods for communities, particularly in food deserts with severely limited options.

(15) The California Retail Food Code establishes health and sanitation standards for retail food facilities. That law exempts private homes from the definition of a food facility and includes cottage food operations in that exemption.

(16) Therefore, the Legislature should create a framework that authorizes the safe preparation and sale of meals prepared in home kitchens, providing adequate regulations and requirements for food handling and safety.

(b) It is the intent of the Legislature that this act authorize the use of home kitchens for small-scale, direct food sales by home cooks to consumers, providing appropriate flexibility in food types and appropriate health and sanitation standards.

SEC. 2. Section 110460 of the Health and Safety Code is amended to read:

110460. No person shall engage in the manufacture, packing, or holding of any processed food in this state unless the person has a valid registration from the department, except those engaged exclusively in the storing, handling, or processing of dried beans. The registration shall be valid for one calendar year from the date of issue, unless it is revoked. The registration shall not be transferable. This section shall not apply to a cottage food



operation that is registered or has a permit pursuant to Section 114365 or a microenterprise home kitchen, as defined in Section 113825.

SEC. 3. Section 111955 of the Health and Safety Code is amended to read:

111955. “Food processing establishment,” as used in this chapter, shall mean any room, building, or place or portion thereof, maintained, used, or operated for the purpose of commercially storing, packaging, making, cooking, mixing, processing, bottling, canning, packing, slaughtering, or otherwise preparing or handling food except restaurants. “Food processing establishment” shall not include a cottage food operation that is registered or has a permit pursuant to Section 114365 or a microenterprise home kitchen, as defined in Section 113825.

SEC. 4. Section 113789 of the Health and Safety Code is amended to read:

113789. (a) “Food facility” means an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level, including, but not limited to, the following:

(1) An operation where food is consumed on or off the premises, regardless of whether there is a charge for the food.

(2) A place used in conjunction with the operations described in this subdivision, including, but not limited to, storage facilities for food-related utensils, equipment, and materials.

(b) “Food facility” includes permanent and nonpermanent food facilities, including, but not limited to, the following:

(1) Public and private school cafeterias.

(2) Restricted food service facilities.

(3) Licensed health care facilities, except as provided in paragraph (12) of subdivision (c).

(4) Commissaries.

(5) Mobile food facilities.

(6) Mobile support units.

(7) Temporary food facilities.

(8) Vending machines.

(9) Certified farmers’ markets, for purposes of permitting and enforcement pursuant to Section 114370.

(10) Farm stands, for purposes of permitting and enforcement pursuant to Section 114375.

(11) Fishermen’s markets.

(12) Microenterprise home kitchen operations.

(c) “Food facility” does not include any of the following:

(1) A cooperative arrangement wherein no permanent facilities are used for storing or handling food.

(2) A private home when used for private, noncommercial purposes or when used as a cottage food operation that is registered or has a permit pursuant to Section 114365.

(3) A church, private club, or other nonprofit association that gives or sells food to its members and guests, and not to the general public, at an event that occurs not more than three days in any 90-day period.

(4) A for-profit entity that gives or sells food at an event that occurs not more than three days in a 90-day period for the benefit of a nonprofit association, if the for-profit entity receives no monetary benefit, other than that resulting from recognition from participating in an event.

(5) Premises set aside for wine tasting, as that term is used in Section 23356.1 of the Business and Professions Code, or premises set aside by a beer manufacturer, as defined in Section 25000.2 of the Business and Professions Code, and in the regulations adopted pursuant to those sections, that comply with Section 118375, regardless of whether there is a charge for the wine or beer tasting, if no other beverage, except for bottles of wine or beer and prepackaged nonpotentially hazardous beverages, is offered for sale or for onsite consumption and no food, except for crackers, pretzels, or prepackaged food that is not potentially hazardous food is offered for sale or for onsite consumption.

(6) An outlet or location, including, but not limited to, premises, operated by a producer, selling or offering for sale only whole produce grown by the producer or shell eggs, or both, provided the sales are conducted at an outlet or location controlled by the producer.

(7) A commercial food processing establishment, as defined in Section 111955.

(8) A child day care facility, as defined in Section 1596.750.

(9) A community care facility, as defined in Section 1502.

(10) A residential care facility for the elderly, as defined in Section 1569.2.

(11) A residential care facility for the chronically ill, which has the same meaning as a residential care facility, as defined in Section 1568.01.

(12) (A) An intermediate care facility for the developmentally disabled, as defined in subdivisions (e), (h), and (m) of Section 1250, with a capacity of six beds or fewer.

(B) A facility described in subparagraph (A) shall report any foodborne illness or outbreak to the local health department and to the State Department of Public Health within 24 hours of the illness or outbreak.

(13) A community food producer, as defined in Section 113752.

SEC. 4.1. Section 113789 of the Health and Safety Code is amended to read:

113789. (a) "Food facility" means an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level, including, but not limited to, the following:

(1) An operation where food is consumed on or off the premises, regardless of whether there is a charge for the food.

(2) A place used in conjunction with the operations described in this subdivision, including, but not limited to, storage facilities for food-related utensils, equipment, and materials.

(b) “Food facility” includes permanent and nonpermanent food facilities, including, but not limited to, the following:

- (1) Public and private school cafeterias.
- (2) Restricted food service facilities.
- (3) Licensed health care facilities, except as provided in paragraph (12) of subdivision (c).
- (4) Commissaries.
- (5) Mobile food facilities.
- (6) Mobile support units.
- (7) Temporary food facilities.
- (8) Vending machines.
- (9) Certified farmers’ markets, for purposes of permitting and enforcement pursuant to Section 114370.

(10) Farm stands, for purposes of permitting and enforcement pursuant to Section 114375.

(11) Fishermen’s markets.

(12) Microenterprise home kitchen operations.

(c) “Food facility” does not include any of the following:

(1) A cooperative arrangement wherein no permanent facilities are used for storing or handling food.

(2) A private home when used for private, noncommercial purposes or when used as a cottage food operation that is registered or has a permit pursuant to Section 114365.

(3) A church, private club, or other nonprofit association that gives or sells food to its members and guests, and not to the general public, at an event that occurs not more than three days in any 90-day period.

(4) A for-profit entity that gives or sells food at an event that occurs not more than three days in a 90-day period for the benefit of a nonprofit association, if the for-profit entity receives no monetary benefit, other than that resulting from recognition from participating in an event.

(5) Premises set aside for wine tasting, as that term is used in Section 23356.1 of the Business and Professions Code, or premises set aside by a beer manufacturer, as defined in Section 25000.2 of the Business and Professions Code, and in the regulations adopted pursuant to those sections, that comply with Section 118375, regardless of whether there is a charge for the wine or beer tasting, if no other beverage, except for bottles of wine or beer and prepackaged nonpotentially hazardous beverages, is offered for sale or for onsite consumption and no food, except for crackers, pretzels, or prepackaged food that is not potentially hazardous food is offered for sale or for onsite consumption.

(6) An outlet or location, including, but not limited to, premises, operated by a producer, selling or offering for sale only whole produce grown by the producer or shell eggs, or both, provided the sales are conducted at an outlet or location controlled by the producer.

(7) A commercial food processing establishment, as defined in Section 111955.

(8) A child day care facility, as defined in Section 1596.750.

(9) A community care facility, as defined in Section 1502.

(10) A residential care facility for the elderly, as defined in Section 1569.2.

(11) A residential care facility for the chronically ill, which has the same meaning as a residential care facility, as defined in Section 1568.01.

(12) (A) An intermediate care facility for the developmentally disabled, as defined in subdivisions (e), (h), and (m) of Section 1250, with a capacity of six beds or fewer.

(B) A facility described in subparagraph (A) shall report any foodborne illness or outbreak to the local health department and to the State Department of Public Health within 24 hours of the illness or outbreak.

(13) A community food producer, as defined in Section 113752.

(14) A limited service charitable feeding operation, as defined in Section 113819.

SEC. 4.2. Section 113789 of the Health and Safety Code is amended to read:

113789. (a) “Food facility” means an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level, including, but not limited to, the following:

(1) An operation where food is consumed on or off the premises, regardless of whether there is a charge for the food.

(2) A place used in conjunction with the operations described in this subdivision, including, but not limited to, storage facilities for food-related utensils, equipment, and materials.

(b) “Food facility” includes permanent and nonpermanent food facilities, including, but not limited to, the following:

(1) Public and private school cafeterias.

(2) Restricted food service facilities.

(3) Licensed health care facilities, except as provided in paragraph (12) of subdivision (c).

(4) Commissaries.

(5) Mobile food facilities.

(6) Mobile support units.

(7) Temporary food facilities.

(8) Vending machines.

(9) Certified farmers’ markets, for purposes of permitting and enforcement pursuant to Section 114370.

(10) Farm stands, for purposes of permitting and enforcement pursuant to Section 114375.

(11) Fishermen’s markets.

(12) Microenterprise home kitchen operations.

(13) Catering operation.

(14) Host facility.

(c) “Food facility” does not include any of the following:

(1) A cooperative arrangement wherein no permanent facilities are used for storing or handling food.

(2) A private home when used for private, noncommercial purposes or when used as a cottage food operation that is registered or has a permit pursuant to Section 114365.

(3) A church, private club, or other nonprofit association that gives or sells food to its members and guests, and not to the general public, at an event that occurs not more than three days in any 90-day period.

(4) A for-profit entity that gives or sells food at an event that occurs not more than three days in a 90-day period for the benefit of a nonprofit association, if the for-profit entity receives no monetary benefit, other than that resulting from recognition from participating in an event.

(5) Premises set aside for wine tasting, as that term is used in Section 23356.1 of the Business and Professions Code, or premises set aside by a beer manufacturer, as defined in Section 25000.2 of the Business and Professions Code, and in the regulations adopted pursuant to those sections, that comply with Section 118375, regardless of whether there is a charge for the wine or beer tasting, if no other beverage, except for bottles of wine or beer and prepackaged nonpotentially hazardous beverages, is offered for sale or for onsite consumption and no food, except for crackers, pretzels, or prepackaged food that is not potentially hazardous food is offered for sale or for onsite consumption.

(6) An outlet or location, including, but not limited to, premises, operated by a producer, selling or offering for sale only whole produce grown by the producer or shell eggs, or both, provided the sales are conducted at an outlet or location controlled by the producer.

(7) A commercial food processing establishment, as defined in Section 111955.

(8) A child day care facility, as defined in Section 1596.750.

(9) A community care facility, as defined in Section 1502.

(10) A residential care facility for the elderly, as defined in Section 1569.2.

(11) A residential care facility for the chronically ill, which has the same meaning as a residential care facility, as defined in Section 1568.01.

(12) (A) An intermediate care facility for the developmentally disabled, as defined in subdivisions (e), (h), and (m) of Section 1250, with a capacity of six beds or fewer.

(B) A facility described in subparagraph (A) shall report any foodborne illness or outbreak to the local health department and to the State Department of Public Health within 24 hours of the illness or outbreak.

(13) A community food producer, as defined in Section 113752.

SEC. 4.3. Section 113789 of the Health and Safety Code is amended to read:

113789. (a) “Food facility” means an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level, including, but not limited to, the following:

(1) An operation where food is consumed on or off the premises, regardless of whether there is a charge for the food.

(2) A place used in conjunction with the operations described in this subdivision, including, but not limited to, storage facilities for food-related utensils, equipment, and materials.

(b) “Food facility” includes permanent and nonpermanent food facilities, including, but not limited to, the following:

- (1) Public and private school cafeterias.
- (2) Restricted food service facilities.
- (3) Licensed health care facilities, except as provided in paragraph (12) of subdivision (c).
- (4) Commissaries.
- (5) Mobile food facilities.
- (6) Mobile support units.
- (7) Temporary food facilities.
- (8) Vending machines.
- (9) Certified farmers’ markets, for purposes of permitting and enforcement pursuant to Section 114370.
- (10) Farm stands, for purposes of permitting and enforcement pursuant to Section 114375.
- (11) Fishermen’s markets.
- (12) Microenterprise home kitchen operations.
- (13) Catering operation.
- (14) Host facility.

(c) “Food facility” does not include any of the following:

- (1) A cooperative arrangement wherein no permanent facilities are used for storing or handling food.
- (2) A private home when used for private, noncommercial purposes or when used as a cottage food operation that is registered or has a permit pursuant to Section 114365.
- (3) A church, private club, or other nonprofit association that gives or sells food to its members and guests, and not to the general public, at an event that occurs not more than three days in any 90-day period.
- (4) A for-profit entity that gives or sells food at an event that occurs not more than three days in a 90-day period for the benefit of a nonprofit association, if the for-profit entity receives no monetary benefit, other than that resulting from recognition from participating in an event.
- (5) Premises set aside for wine tasting, as that term is used in Section 23356.1 of the Business and Professions Code, or premises set aside by a beer manufacturer, as defined in Section 25000.2 of the Business and Professions Code, and in the regulations adopted pursuant to those sections, that comply with Section 118375, regardless of whether there is a charge for the wine or beer tasting, if no other beverage, except for bottles of wine or beer and prepackaged nonpotentially hazardous beverages, is offered for sale or for onsite consumption and no food, except for crackers, pretzels, or prepackaged food that is not potentially hazardous food is offered for sale or for onsite consumption.
- (6) An outlet or location, including, but not limited to, premises, operated by a producer, selling or offering for sale only whole produce grown by the

producer or shell eggs, or both, provided the sales are conducted at an outlet or location controlled by the producer.

(7) A commercial food processing establishment, as defined in Section 111955.

(8) A child day care facility, as defined in Section 1596.750.

(9) A community care facility, as defined in Section 1502.

(10) A residential care facility for the elderly, as defined in Section 1569.2.

(11) A residential care facility for the chronically ill, which has the same meaning as a residential care facility, as defined in Section 1568.01.

(12) (A) An intermediate care facility for the developmentally disabled, as defined in subdivisions (e), (h), and (m) of Section 1250, with a capacity of six beds or fewer.

(B) A facility described in subparagraph (A) shall report any foodborne illness or outbreak to the local health department and to the State Department of Public Health within 24 hours of the illness or outbreak.

(13) A community food producer, as defined in Section 113752.

(14) A limited service charitable feeding operation, as defined in Section 113819.

SEC. 5. Section 113825 is added to the Health and Safety Code, to read:

113825. (a) "Microenterprise home kitchen operation" means a food facility that is operated by a resident in a private home where food is stored, handled, and prepared for, and may be served to, consumers, and that meets all of the following requirements:

(1) The operation has no more than one full-time equivalent food employee, not including a family member or household member.

(2) Food is prepared, cooked, and served on the same day.

(3) Food is consumed onsite at the microenterprise home kitchen operation or offsite if the food is picked up by the consumer or delivered within a safe time period based on holding equipment capacity.

(4) Food preparation does not involve processes that require a HACCP plan, as specified in Section 114419, or the production, service, or sale of raw milk or raw milk products, as defined in Section 11380 of Title 17 of the California Code of Regulations.

(5) The service and sale of raw oysters is prohibited.

(6) Food preparation is limited to no more than 30 individual meals per day, or the approximate equivalent of meal components when sold separately, and no more than 60 individual meals, or the approximate equivalent of meal components when sold separately, per week. The local enforcement agency may decrease the limit of the number of individual meals prepared based on food preparation capacity of the operation, but shall not, in any case, increase the limit of the number of individual meals prepared.

(7) The operation has no more than fifty thousand dollars (\$50,000) in verifiable gross annual sales, as adjusted annually for inflation based on the California Consumer Price Index.

(8) The operation only sells food directly to consumers and not to any wholesaler or retailer. For purposes of this paragraph, the sale of food

prepared in a microenterprise home kitchen operation through the Internet Web site or mobile application of an Internet food service intermediary, as defined in Section 114367.6, is a direct sale to consumers. An operation that sells food through the Internet Web site or mobile application of an Internet food service intermediary shall consent to the disclosures specified in paragraphs (6) and (7) of subdivision (a) of Section 114367.6.

(b) “Microenterprise home kitchen operation” does not include either of the following:

- (1) A catering operation.
- (2) A cottage food operation, as defined in Section 113758.

(c) For purposes of this section, “resident of a private home” means an individual who resides in the private home when not elsewhere for labor or other special or temporary purpose.

SEC. 6. Chapter 11.6 (commencing with Section 114367) is added to Part 7 of Division 104 of the Health and Safety Code, to read:

#### Chapter 11.6. Microenterprise Home Kitchen Operation

114367. (a) Except as provided in subdivision (b), the governing body of a city or county, or city and county, shall have full discretion to authorize, by ordinance or resolution, the permitting of microenterprise home kitchen operations in accordance with this chapter.

(b) A permit issued by a county that has authorized the permitting of microenterprise home kitchen operations in accordance with this chapter shall be valid in any city within the county regardless of whether the city has separately enacted an ordinance or resolution to authorize or prohibit the permitting of microenterprise home kitchen operations within that city.

114367.1. (a) A microenterprise home kitchen operation, as defined in Section 113825, shall be considered a restricted food service facility for purposes of, and subject to all applicable requirements of, Chapter 1 (commencing with Section 113700) to Chapter 9 (commencing with Section 114265), inclusive, Chapter 12.6 (commencing with Section 114377), and Chapter 13 (commencing with Section 114380), except as otherwise provided in this chapter.

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

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

(2) Any provision in this part relating to sinks, warewashing machines, and manual or machine sanitation, including but not limited to, Sections 114099, 114099.2, 114099.4, 114099.6, 114099.7, 114101.1, 114101.2, 114103, 114107, 114123, 114125, 114163, and 114279, provided that the sink in a microenterprise home kitchen operation has hot and cold water and is fully operable.



(3) Prohibition on the presence of persons unnecessary to the food facility operation in the food preparation, food storage, or warewashing areas, as specified in Section 113945.1.

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

(5) Limitations on employee consumption of food, drink, or tobacco outside of designated areas, as specified in Sections 113977 and 114256.

(6) Limitations on consumer access to the food facility through food preparation areas, as specified in Section 113984.1.

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

(8) Limitations on outdoor display and sale of foods, as specified in Section 114069.

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

(10) Requirements pertaining to the characteristics and certification of utensils and equipment, as specified in Sections 114130, 114130.1, and 114139, provided that utensils and equipment are designed to retain their characteristic qualities under normal use conditions.

(11) Requirements pertaining to the characteristics, construction, and multiuse of food-contact and nonfood-contact surfaces, as specified in Sections 114130.1, 114130.3, and 114130.4, provided that food contact surfaces are smooth, easily cleanable, and in good repair.

(12) Requirements pertaining to the characteristics, construction, and disassembly of clean in place (CIP) equipment, as specified in Section 114130.5.

(13) Limitations on the use of wood as a food contact surface and in connection with other equipment, as specified in Section 114132.

(14) Any provision in this part relating to ventilation, including, but not limited to, Article 2 (commencing with Section 114149) of Chapter 6, provided that gases, odors, steam, heat, grease, vapors, and smoke are able to escape from the kitchen.

(15) Requirements that cold or hot holding equipment used for potentially hazardous food be equipped with integral or permanently affixed temperature measuring device or product mimicking sensors, as specified in subdivision (c) of Section 114157.

(16) Requirements pertaining to the installation of fixed, floor-mounted, and table-mounted equipment, as specified in Section 114169.

(17) Dedicated laundry facility requirements, as specified in Section 114185.5, provided that linens used in connection with the microenterprise home kitchen operation shall be laundered separately from the household and other laundry.

(18) Requirements pertaining to water, plumbing, drainage, and waste, as specified in Sections 114193, 114193.1, and 114245.7.

(19) Any requirement that a microenterprise home kitchen operation have more than one toilet facility or that access to the toilet facility not

require passage through the food preparation, food storage, or utensil washing areas, including, but not limited to, the requirements specified in Sections 114250 and 114276.

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

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

(22) Limitations on the presence and handling of animals, such as domestic, service, or patrol animals, as specified in Sections 114259.4 and 114259.5, provided that all animals, other than service animals, are kept outside of the kitchen and dining areas during food service and preparation.

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

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

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

(26) Planning and permitting provisions of Sections 114380, 114381, and 114381.2.

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

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

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

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

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

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

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

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

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

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

(5) Days and times that the home kitchen will potentially be utilized as a microenterprise home kitchen operation.

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

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

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

(f) A local enforcement agency may require a microenterprise home kitchen operation to renew its permit annually.

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

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

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

(j) Notwithstanding any other law, if there are multiple local agencies involved in the issuance of any type of permit, license, or other authorization to a microenterprise home kitchen operation, the governing body of the city or county, or city and county, shall designate one lead local agency that shall be vested with the sole authority to accept all applications for, to collect all fees for, and to issue, any permit, license, or other authorization required

for a microenterprise home kitchen operation to operate in the city or county, or city and county. A local agency other than the lead local agency shall not accept any applications for, collect any fees for, nor issue, any permits for the same purpose.

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

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

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

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

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

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

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

114367.4. (a) (1) A city, county, or city and county shall not prohibit the operation of, require a permit to operate, require a rezone of the property for, or levy any fees on, or impose any other restriction on, a microenterprise home kitchen operation in any residential dwelling for zoning purposes. A microenterprise home kitchen operation shall be a permitted use of residential property in any residential dwelling for zoning purposes if the microenterprise home kitchen operation complies with both of the following criteria:

(A) Abstain from posting signage or other outdoor displays advertising the microenterprise home kitchen operation.

(B) Be in compliance with applicable local noise ordinances.

(2) This subdivision does not supersede or otherwise limit the investigative and enforcement authority of the city, county, or city and county with respect to violations of its nuisance ordinances.

(b) The use of a residence for the purposes of a microenterprise home kitchen operation shall not constitute a change of occupancy for purposes of the State Housing Law (Part 1.5 (commencing with Section 17910) of Division 13 of the Health and Safety Code), or for purposes of local building and fire codes.

(c) A microenterprise home kitchen operation shall be considered a residence for the purposes of the State Uniform Building Standards Code and local building and fire codes.

114367.5. (a) A person delivering food on behalf of a microenterprise home kitchen operation with a permit issued pursuant to Section 114367.2 shall be an employee of the operation or a family member or household member of the permit holder, and, if the person drives a motor vehicle in the delivery of the food, the person shall have a valid driver's license.

(b) The microenterprise home kitchen operation shall keep on file a copy of the valid driver's license of a person delivering food on behalf of the operation.

114367.6. (a) An Internet food service intermediary that lists or promotes a microenterprise home kitchen operation on its Internet Web site or mobile application shall meet all of the following requirements:

(1) Be registered with the department.

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

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

(4) Clearly and conspicuously post on its Internet Web site or mobile application whether or not it has liability insurance that would cover any incidence arising from the sale or consumption of food listed or promoted on its Internet Web site or mobile application.

(5) Provide a dedicated field on its platform for a microenterprise home kitchen operation to post the permit number, and shall provide notice to the microenterprise home kitchen operation of the requirement that the permit number be updated annually.

(6) Clearly and conspicuously post on its Internet Web site or mobile application how a consumer can contact the Internet food service

intermediary through its Internet Web site or mobile application if the consumer has a food safety or hygiene complaint and a link to the department's Internet Web site that contains information for how to file a complaint with the local enforcement agency.

(7) Submit the name and permit number of a microenterprise home kitchen operation to the local enforcement agency if it receives, through its Internet Web site or mobile application, three or more unrelated individual food safety or hygiene complaints in a calendar year from consumers that have made a purchase through its Internet Web site or mobile application. The Internet food service intermediary shall submit this information to the local enforcement agency within two weeks of the third complaint received.

(8) If it is notified by the local enforcement agency of significant food safety related complaints from a verified consumer that has made a purchase through its Internet Web site or mobile application, submit to the local enforcement agency the name and permit number of microenterprise home kitchen operation where the food was purchased, and a list of consumers who purchased food on the same day from that microenterprise home kitchen operation through its Internet Web site or mobile application.

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

(b) For purposes of this chapter, an "Internet food service intermediary" means an entity that provides a platform on its Internet Web site or mobile application through which a microenterprise home kitchen operation may choose to offer food for sale and from which the Internet food service intermediary derives revenues, including, but not limited to, revenues from advertising and fees for services offered to a microenterprise home kitchen operation. Services offered by an Internet food service intermediary to a microenterprise home kitchen operation may include, but are not limited to, allowing a microenterprise home kitchen operation to advertise its food for sale and providing a means for potential consumers to arrange payment for the food, whether the consumer pays directly to the microenterprise home kitchen operation or to the Internet food service intermediary. Merely publishing an advertisement for the microenterprise home kitchen operation or food cooked therein does not make the publisher an Internet food service intermediary.

SEC. 7. Section 114390 of the Health and Safety Code is amended to read:

114390. (a) Enforcement officers shall enforce this part and all regulations adopted pursuant to this part.

(b) (1) For purposes of enforcement, any authorized enforcement officer may, during the facility's hours of operation and other reasonable times, enter, inspect, issue citations to, and secure any sample, photographs, or other evidence from a food facility, cottage food operation, or any facility suspected of being a food facility or cottage food operation, or a vehicle transporting food to or from a retail food facility, when the vehicle is

stationary at an agricultural inspection station, a border crossing, or at any food facility under the jurisdiction of the enforcement agency, or upon the request of an incident commander.

(2) If a food facility is operating under an HACCP plan, the enforcement officer may, for the purpose of determining compliance with the plan, secure as evidence any documents, or copies of documents, relating to the facility's adherence to the HACCP plan. Inspection may, for the purpose of determining compliance with this part, include any record, file, paper, process, HACCP plan, invoice, or receipt bearing on whether food, equipment, or utensils are in violation of this part.

(3) The enforcement officer may, for the purpose of determining compliance with the gross annual sales requirements for operating a microenterprise home kitchen operation or a cottage food operation, require those operations to provide copies of documents related to determining gross annual sales.

(c) Notwithstanding subdivision (a), an employee may refuse entry to an enforcement officer who is unable to present official identification showing the enforcement officer's picture and enforcement agency name. In the absence of the identification card, a business card showing the enforcement agency's name plus a picture identification card such as a driver's license shall meet this requirement.

(d) It is a violation of this part for any person to refuse to permit entry or inspection, the taking of samples or other evidence, access to copy any record as authorized by this part, to conceal any samples or evidence, withhold evidence concerning them, or interfere with the performance of the duties of an enforcement officer, including making verbal or physical threats or sexual or discriminatory harassment.

(e) A written report of the inspection shall be made, and a copy shall be supplied or mailed to the owner, manager, or operator of the food facility.

SEC. 8. (a) Section 4.1 of this bill incorporates amendments to Section 113789 of the Health and Safety Code proposed by both this bill and Assembly Bill 2178. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2019, (2) each bill amends Section 113789 of the Health and Safety Code, (3) Assembly Bill 2524 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after Assembly Bill 2178, in which case Sections 4, 4.2, and 4.3 of this bill shall not become operative.

(b) Section 4.2 of this bill incorporates amendments to Section 113789 of the Health and Safety Code proposed by both this bill and Assembly Bill 2524. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2019, (2) each bill amends Section 113789 of the Health and Safety Code, (3) Assembly Bill 2178 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after Assembly Bill 2524, in which case Sections 4, 4.1, and 4.3 of this bill shall not become operative.

(c) Section 4.3 of this bill incorporates amendments to Section 113789 of the Health and Safety Code proposed by this bill, Assembly Bill 2178,

and Assembly Bill 2524. That section of this bill shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2019, (2) all three bills amend Section 113789 of the Health and Safety Code, and (3) this bill is enacted after Assembly Bill 2178 and Assembly Bill 2524, in which case Sections 4, 4.1, and 4.2 of this bill shall not become operative.

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

O