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JOINT RULES COMMITTEE

April 23, 2019

Laura Raymond
Director
Alliance for Community Transit - Los Angeles

Doug Smith
Staff Attorney
Public Counsel

Re: April 23 Update on Senate Bill 50

Dear ACT-LA and the 54 other signatories of the March 27th Letter of Significant Concerns:

Thank you for your constructive engagement on Senate Bill 50 and working so closely with us to ensure this bill achieves equity for all communities in California. Our office heard the concerns from your coalition in your letter dated March 27, 2019, and we have worked diligently since then to address each issue. We offer this outline as a way to memorialize the agreements we have reached since that letter, and we look forward to continuing to refine and build on this work in the weeks ahead.

1. No Direct Displacement

- **How will tenants be protected from displacement?** The bill includes a seven-year ban on demolishing renter-occupied housing, and a fifteen-year ban on demolishing housing that has had an Ellis Act eviction. These provisions were negotiated and crafted with this coalition during the fall, were included in the original introduced bill, and have not been changed.

2. Sensitive Communities

- **What are potentially sensitive communities?** Using a broad swath of objective measures to find communities that are potentially sensitive, including, but not necessarily limited to:
 - The high segregation and poverty and low-resource categories of the TCAC Opportunity Maps
 - The top 25 percent of scores on the CalEnviroScreen 3.0 map
 - The 2019 US HUD 2019 qualified census tracts
 - *Note: We are open to reviewing a proposal from the equity working group that includes a metric capturing change over time in neighborhoods, but we have not received it yet.*
- **How will regions determine which communities are sensitive?** We have agreed that each region shall go through a community outreach process convened by a Council of Government, subject to minimum requirements for outreach to disadvantaged populations.

- **What happens in sensitive communities by default?** We have agreed to an “opt in” rather than an “opt out” mechanism for sensitive communities before July 1, 2025. At minimum, this opt in requirement will require:
 - A minimum of 20 percent of adult residents in a census tract (or 20% of the population across multiple tracts) to sign a petition attesting to their desire to opt in, subject to signature verification.
 - A fair and robust petition process, including language requirements for materials in all languages spoken by 25 percent of the affected neighborhoods
- **How does the community planning process work?** We have made agreements about the outline of the community planning process that sensitive communities would undergo, including:
 - A deferral period of the bill’s effects between July 1, 2020, and July 1, 2025
 - Notification requirements to nearby communities
 - Minimum performance standards of three required community outreach events, including materials available in languages spoken by all languages spoken by at least 25 percent of the neighborhood
 - Requirements to partner with local nonprofits, community-based organizations, and other organizations deeply ingrained in disadvantaged communities
 - Include policies above and beyond increasing density, including provisions on the following:
 - Affordability requirements to building, scaled to density of the building.
 - Protecting vulnerable residents from displacement
 - Promoting economic justice for workers and residents
 - Nurturing other locally-identified priorities, provided that they are not in conflict with the goals of SB 50.
 - *Note: Any plan within a sensitive community area that was completed and adopted prior to SB 50 may be used as a community plan, provided that it meets the standards above.*
- **What about the maps in the Bay Area?** Our current proposal is to use the maps produced by CASA in the Bay Area, given that it has already undergone a months-long community stakeholder process, but we are open to continuing discussions about applying the statewide process to the Bay Area.
- **Outstanding questions:** We have agreed to working with the coalition on creating a mechanism that balances identifying the most sensitive communities in the state with *also* ensuring that the designation is targeted enough to ensure that these plans are adequately funded. We are concerned that if the designation is too expansive, funding identified for community planning will be spread too thin and not be sufficient in the places that most need it. We are committed to working with this coalition on a mechanism that meets all of our goals, given these constraints.

3. Affordable Housing Requirements:

- **Will it include a requirement for Extremely Low-Income housing?** We hear concerns that housing for extremely low income people would not be a requirement in every project in our bill. We have since agreed to make extremely low income housing a requirement in each of the affordability options.
- **How will the affordability requirements address value capture relative to base zoning?** While our proposal has always proposed value capture as a mechanism for subsidizing below-market rate units, we heard your concerns that our value capture approach that resembled a traditional inclusionary housing scheme did not match your preference: a sliding-scale based on the variation from underlying base zoning. We have agreed to blend our two value capture approaches so that larger projects determine affordable housing rates through a “relative to base zoning” calculation.

- **What about projects that don't include their affordable housing onsite?** We have agreed with the coalition on a structure that allows for the flexibility (and increased ability to leverage financing) via offsite affordable housing, while addressing concerns about maintaining proximity to transit and also ensuring that all affordable units are constructed at the same time as the market rate project.
 - **Will offsite affordable housing projects have good transit access, too?** Our agreement includes provisions that the affordable housing project must be within ½ mile of principal project site and on a site that is also eligible for the Equitable Communities Incentive (i.e. has good transit access or, in some cases, is in the same job rich area).
 - **How do we know the affordable housing project will actually get built?** The affordable project must receive a building permit before the principal project may receive a Certificate of Occupancy.
 - **How do you calculate the affordability contribution for these offsite projects?** Offsite projects must provide at least the number of affordable units at the same income categories which would have been required onsite. The fee or the value of dedicated land must be at least equal to the capitalized value of the forgone revenue that would be incurred if the principal project provided the required number and type of affordable units onsite.

4. Existing, successful local programs in the City of Los Angeles:

- **How does this interact with the Transit Oriented Communities program in Los Angeles?**
We have agreed that if a parcel can take advantage of the Transit Oriented Communities Program in Los Angeles, it cannot use SB 50. We are in active conversation with Public Counsel and the City of Los Angeles to figure out how exactly to make sure SB 50 complements the TOC component of the Community Plan Updates, and we are working on language now.

Thank you again for your collaboration on Senate Bill 50 and for being strong advocates for fairness and equity in all of your work. We appreciate the dialogue, and we are grateful for the time and care you have invested in helping our office make this the best bill it can be.

Sincerely,



Scott Wiener
Senator