



## AGENDA

Orange County Council of Governments  
Board of Directors Meeting

Orange County Council of Governments

**October 24, 2019**

As set forth in Orange County Council of Governments Bylaws and Joint Powers Agreement - the Orange County Council of Governments is a voluntary agency established to serve as a sub- regional organization to the Southern California Association of Governments representing Orange County on mandated and non-mandated regional planning activities, to provide a vehicle for Members to engage cooperatively on such activities, and to conduct studies and projects designed to improve and coordinate common governmental responsibilities and services on an area-wide and regional basis.

**Irvine City Hall  
Conference and Training Center (CTC)  
1 Civic Center Plaza  
Irvine, CA 92606  
October 24, 2019 – 10:30 a.m. to 12:00 p.m.**

### **Board Members (Voting)**

Stacy Berry, District 18, Chair  
Art Brown, District 21  
Wendy Bucknum, District 13  
Michael Carroll, District 14  
Rose Espinoza, Cities-at-Large  
Jim Ferryman, Orange County Sanitation District (OCSD)  
Michael Hennessey, Orange County Transportation Authority (OCTA)  
Cecilia Iglesias, District 16  
Fred Minagar, District 12  
Steve Nagel, District 15  
Trevor O'Neil, District 19  
Charles E. Puckett, District 17, Vice Chair  
Dwight Robinson, South Coast Air Quality Management District (SCAQMD)  
Mike Scheafer, Independent Special Districts of Orange County (ISDOC)  
Lyn Semeta, District 64  
Marty Simonoff, District 22  
Tri Ta, District 20  
Scott Voigts, Transportation Corridor Agencies (TCA)

### **Ex-Officio Members (Non-Voting)**

Alicia Berhow, Business Community (OCBC)  
Tony Cardenas, Orange County Division, League of California Cities  
Ryan Chamberlain, Caltrans District 12  
Bruce Channing, Association of California Cities Orange County (ACC-OC)  
Carolyn Emery, Orange County, Local Agency Formation Committee (LAFCO)  
Amanda Hughes, University Community  
Diana Kotler, Anaheim Resort Transportation (ART)  
Steven LaMotte, Private Sector  
Helen O'Sullivan, Non-Profit Housing Community (NeighborWorks Orange County)  
VACANT, Health Care/Hospital Industry



### **Agenda Descriptions**

The agenda descriptions are intended to provide members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action deemed to be appropriate and is not limited by the notice of the recommended action.

### **Public Comments on Agenda Items**

Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chair at the time the agenda item is considered. A speaker's comments shall be limited to three minutes.

### **Public Availability of Agenda Materials**

All documents relative to the items referenced in this agenda are available for public inspection at [www.occog.net](http://www.occog.net)

### **Accessibility**

Any person with a disability requiring a modification or accommodation in order to participate in this meeting should contact the Clerk of the Board at (949) 291-3455, no less than three business days prior to this meeting to enable the Orange County Council of Governments to make reasonable arrangements to assure accessibility to this meeting.

### **Call to Order**

### **Roll Call**

### **Pledge of Allegiance**

### **Public Comments**

Members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors; however, action may not be taken on matters that are not listed on the agenda unless authorized by law. Comments shall be limited to three minutes per speaker, unless different time limits are set by the Chairman, subject to the approval of the Board of Directors. CONSENT CALENDAR (Item Nos. 1 through 3) All matters listed under the Consent Calendar are routine and will be enacted by one vote without separate discussion unless Members of the Board, the public, or staff request specific items be removed for separate action or discussion.



### **Consent Calendar (Item Nos. 1 & 2)**

All matters listed under the Consent Calendar are routine and will be enacted by one vote without separate discussion unless Members of the Board, the public, or staff request specific items be removed for separate action or discussion.

- 1. Approval of Meeting Minutes for August 22, 2019, and September 26, 2019, Regular Meetings** Eileen White, OCCOG Clerk of the Board

*Recommended Action: Receive and file the minutes as amended or presented.*

- 2. OCCOG Financial Reports for August and September, 2019** John Hanson, OCCOG Treasurer

*Recommended Action: Approve the OCCOG Financial Reports for August and September 2019.*

### **Action Items**

- 3. RHNA Methodology and Regional Determination Next Steps** Marnie O'Brien Primmer, OCCOG Executive Director; Marika Poynter, TAC Chair

*Recommended Action: Approve draft letter to SCAG, and direct Executive Director*

*Primmer to send it to Kome Ajise on behalf of OCCOG.*

### **Discussion Items**

- 4. Legislative Update** Wendy Strack, Wendy J Strack Consulting LLC OCCOG Consultant

*Recommended Action: Receive and file*

- 5. Evaluation of AB5 on OCCOG use of Independent Contractors** Fred Galante, General Counsel

*Recommended Action: Receive and file*

### **Presentation**

- 6. Affordable Housing and Sustainable Communities (AHSC) Program Presentation,** Alejandro Huerta, SoCal AHSC Program Director, Enterprise Community Partners

*Recommended Action: Receive and file*



## AGENDA

**October 24, 2019**

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### Reports

- **Technical Advisory Committee**  
Marika Poynter, Technical Advisory Committee Chair
- **Southern California Association of Governments**  
Jonathan Hughes, Regional Affairs Officer, SCAG
- **South Coast Air Quality Management District**  
Debra Ashby, Senior Public Information Specialist, SCAQMD
- **Executive Director Report**  
Marnie O'Brien Primmer, Executive Director
- **Board Member Reports**
- **Member Agency Reports**
- **Staff Member Reports**

### Future Agenda Items

### Adjournment

The next meeting of the OCCOG Board of Directors will take place at 10:30 a.m. on **November 21, 2019**, at the City of Irvine Civic Center, Conference Training Center (CTC), 1 Civic Center Plaza, Irvine, CA, 92606.



### Call to Order

Chair Berry called the Regular Meeting of the Orange County Council of Governments to order at 10:38 a.m. on Thursday, August 22, 2019, at Irvine City Hall, CTC Room, 1 Civic Center Plaza, Irvine, CA.

### Board Members Present

Stacy Berry, District 18 (Chairman)  
Art Brown, District 21  
Wendy Bucknum, District 13 (11:25 arrival)  
Michael Carroll, District 14  
Jim Ferryman, Orange County Sanitary District (OCSD)  
Amanda Hughes, University Community (Ex-Officio)  
Cecilia Iglesias, District 16 (11:20 arrival)  
Debra Kurita, LAFCO (Ex-Officio) (10:43 arrival)  
Steven LaMotte, Private Sector (Ex-Officio)  
Fred Minagar, District 12  
Steve Nagel, District 15 (10:49 arrival)  
Trevor O'Neil, District 19  
Charles E. Puckett, District 17 (Vice-Chairman)  
Ryan Chamberlain, Caltrans District 12 (Ex-Officio)  
Lyn Semeta, District 64  
Marty Simonoff, District 22  
Scott Voigts, (TCA) (10:43 arrival)

### Board Members Absent

Alicia Berhow, Business Community (Ex-Officio)  
Tony Cardenas, Orange County Division, League of Cities (Ex-Officio)  
Bruce Channing, (ACC-OC)  
Rose Espinoza, Cities-at-Large  
Mike Hennessey (OCTA)  
Diana Kotler, Anaheim Resort Transportation (ART) (Ex-Officio)  
Mike Scheafer, Independent Special Districts of Orange County (ISDOC)  
Helen O'Sullivan, Non-Profit Housing Community (Ex-Officio)  
Dwight Robinson, SCAQMD  
Tri Ta, District 20

### Board Vacancies

Health Care/Hospital Industry (Ex-Officio)



## MINUTES

Thursday, August 22, 2019 | 10:30 a.m.

### Staff Present

Marnie O'Brien Primmer, Executive Director  
Fred Galante, General Counsel  
Marika Poynter, TAC Chair  
Eileen White, Clerk of the Board  
Kathryn Morrison, Administrative Assistant

### Others Present

Deborah Diep, Center for Demographic Research Director  
Jonathan Hughes, SCAG Public Affairs Officer

**Pledge of Allegiance** led by Chair Berry

### Public Comments

None

### Consent Calendar (Item Nos. 1 & 2)

**1. Approval of Meeting Minutes for July 23, 2019**

Eileen White, OCCOG Clerk of the Board

It was moved by Director Puckett and seconded by Director Ferryman to receive and file the minutes as presented. Said motion was carried by the following vote:

AYES: (11) BERRY, BROWN, CARROLL, FERRYMAN, MINAGAR, NAGEL, O'NEIL, PUCKETT, SEMETA, SIMONOFF, VOIGTS

NOES: (0)

ABSENT: (7), BUCKNUM, ESPINOZA, HENNESSEY, IGLESIAS, ROBINSON, SCHEAFER, TA

**2. OCCOG Financial Reports for July 2019**

John Hanson, OCCOG Treasurer

It was moved by Director Puckett and seconded by Director Ferryman to receive and file the Financial Reports for July 2019. Said motion was carried by the following vote:

AYES: (11) BERRY, BROWN, CARROLL, FERRYMAN, MINAGAR, NAGEL, O'NEIL, PUCKETT, SEMETA, SIMONOFF, VOIGTS

NOES: (0)

ABSENT: (7), BUCKNUM, ESPINOZA, HENNESSEY, IGLESIAS, ROBINSON, SCHEAFER, TA



**Action Items**

**3. Approval of OCCOG Letter Regarding RHNA Methodologies**

Marnie O'Brien Primmer, OCCOG Executive Director, summarized the staff report and reviewed the proposed letter. She thanked the TAC and SCAG Representatives for the tireless work and effort they've put into this to date.

It was moved by Director O'Neil and seconded by Director Minagar to approve proposed comment letter on the RHNA methodologies being considered by SCAG as presented. Said motion was carried by the following vote:

AYES: (11) BERRY, BROWN, CARROLL, FERRYMAN, MINAGAR, NAGEL, O'NEIL, PUCKETT, SEMETA, SIMONOFF, VOIGTS

NOES: (0)

ABSENT: (7), BUCKNUM, ESPINOZA, HENNESSEY, IGLESIAS, ROBINSON, SCHEAFER, TA

**4. Approval to Enter into Contract with The Walt Disney Company and Provide Deposit for March 20, 2020, General Assembly**

Marnie O'Brien Primmer, OCCOG Executive Director, summarized the staff report.

It was moved by Director Voigts and seconded by Director O'Neil to direct staff to sign contract and provide \$2500 deposit for securing the date and location for the 2020 General Assembly of the Disney Grand Californian Hotel March 20, 2020. Said motion was carried by the following vote:

AYES: (11) BERRY, BROWN, CARROLL, FERRYMAN, MINAGAR, NAGEL, O'NEIL, PUCKETT, SEMETA, SIMONOFF, VOIGTS

NOES: (0)

ABSENT: (7), BUCKNUM, ESPINOZA, HENNESSEY, IGLESIAS, ROBINSON, SCHEAFER, TA

**5. Select New OCCOG Logo as part of Brand Refresh**

Marnie O'Brien Primmer, OCCOG Executive Director, reviewed the options for the new OCCOG Logo.

It was moved by Director Simonoff and seconded by Director Nagel to select option D for the new updated OCCOG Logo. Said motion was carried by the following vote:

AYES: (9) BERRY, CARROLL, FERRYMAN, MINAGAR, NAGEL, O'NEIL, PUCKETT, SEMETA, VOIGTS

NOES: (2) BROWN, SIMONOFF

ABSENT: (7), BUCKNUM, ESPINOZA, HENNESSEY, IGLESIAS, ROBINSON, SCHEAFER, TA

**Discussion Items**

**6. Legislative Update and Bill Tracking**

Wendy Strack, Wendy J Strack Consulting LLC, reviewed the 2019-2020 Legislative Update. In response to a request, she agreed to bring back information on AB 1482 or send the information to Executive Director Primmer for forwarding to the Board.

It was moved by Director Semeta and seconded by Director Nagel to receive and file the report. Said motion was carried by the following vote:





AYES: (11) BERRY, BROWN, CARROLL, FERRYMAN, MINAGAR, NAGEL, O'NEIL, PUCKETT, SEMETA, SIMONOFF, VOIGTS

NOES: (0)

ABSENT: (7), BUCKNUM, ESPINOZA, HENNESSEY, IGLESIAS, ROBINSON, SCHEAFER, TA

**7. SCAG RHNA and RTP/SCS Timeline**

Sarah Jepson, SCAG Acting Director of Planning, and Ping Chang, Planning and Programs, narrated a PowerPoint Presentation entitled, "Connect SoCal Schedule and Status," dated August 22, 2019. A copy of the Presentation is on file with OCCOG. Handouts entitled, "Connect SoCal Major Milestones" and "Revised RHNA Timeline, dated August 20, 2019," were also distributed.

Presentation received and filed.

**Presentations**

**8. Southern California Edison Wildfire Resilience**

Karalee Darnell, Local Public Affairs, Southern California Edison, narrated a PowerPoint Presentation entitled, "Wildfire Mitigation Plan," dated August 22, 2019. A copy of the Presentation is on file with OCCOG. She distributed handouts entitled "SCE Tree Removal," "Wildfire Prevention Technologies," "Wildfire Mitigation and Grid Resiliency," and "Public Safety Power Shutoff." She reviewed updated California wildfire risk numbers, objectives of the Wildfire Mitigation Plan, and mitigation strategies. She also discussed enhanced monitoring proposed, including camera placements, vegetation management, and increased overhead inspections.

Presentation received and filed.

**9. Point in Time Count**

Zulimia Lundy, County of Orange, narrated a PowerPoint Presentation entitled, "Everyone Counts, 2019 Point in Time Count." A copy of the Presentation is on file with OCCOG. She reviewed the 2019 Point in Time Count methodology, subpopulations and demographics used to further define the individuals counted, and Count results.

Presentation received and filed.

**Reports**

• **Technical Advisory Committee**

Marika Poynter, TAC Chair, reported continued monitoring of SCAG and RHNA Subcommittee discussion and activity.

• **Southern California Association of Governments (SCAG)**

Jonathan Hughes, SCAG Public Affairs Officer, thanked OCCOG staff for their assistance with scheduling the SCAG meeting immediately after the Regular OCCOG Meeting; announced additional meetings on October 7 and 21, 2019; announced New Member Orientation on





## MINUTES

Thursday, August 22, 2019 | 10:30 a.m.

September 25, 2019; encouraged all to contact him for additional information.

- **South Coast Air Quality Management District**  
No report
- **Executive Director's Report**  
Executive Director Primmer reported she is working on the official OCCOG financial reserve guidelines, attendance policies, and interim appointment bylaws. She will continue to keep the Board updated regarding SCAG and RHNA regulations and issues.
- **Board Member Reports**  
No reports
- **Member Agency Reports**  
No reports
- **Staff Member Reports**  
No reports

### Future Agenda Items

None

### Adjournment

There being no further business before the Board, Chair Berry adjourned the meeting at 12:04 p.m.

The next meeting of the OCCOG Board of Directors will take place at 10:30 a.m. on September 26, 2019, at the City of Irvine Civic Center CTC Room, 1 Civic Center Plaza, Irvine, CA.

### Call to Order

Chair Berry called the Regular Meeting of the Orange County Council of Governments to order at 10:36 a.m. on Thursday, September 26, 2019, at Irvine City Hall, CTC Room, 1 Civic Center Plaza, Irvine, CA.

*Chair Berry stated for the record that because the number of Board members present did not satisfy the quorum requirement, agenda items heard today would be limited to reports/non-action items.*

### Board Members Present

Stacy Berry, District 18 (Chairman)  
Art Brown, District 21  
Wendy Bucknum, District 13 (10:40 arrival)  
Bruce Channing, ACC-OC (Ex-Officio)  
Cecilia Iglesias, District 16 (11:04 arrival)  
Anthony Kuo, District 14  
Steven LaMotte, Private Sector (Ex-Officio)  
Fred Minagar, District 12  
Trevor O'Neil, District 19  
Helen O'Sullivan, Non-Profit Housing Community (Ex-Officio)  
Charles E. Puckett, District 17 (Vice-Chairman)  
Lan Zhou, Caltrans District 12 (Ex-Officio)  
Marty Simonoff, District 22

### Board Members Absent

Alicia Berhow, Business Community (Ex-Officio)  
Tony Cardenas, Orange County Division, League of Cities (Ex-Officio)  
Rose Espinoza, Cities-at-Large  
Carolyn Emery, LAFCO (Ex-Officio)  
Jim Ferryman, Orange County Sanitary District (OCSD)  
Mike Hennessey (OCTA)  
Amanda Hughes, University Community (Ex-Officio)  
Diana Kotler, Anaheim Resort Transportation (ART) (Ex-Officio)  
Steve Nagel, District 15  
Mike Scheafer, Independent Special Districts of Orange County (ISDOC)  
Lyn Semeta, District 64  
Dwight Robinson, SCAQMD  
Tri Ta, District 20  
Scott Voigts, (TCA)

## Board Vacancies

Health Care/Hospital Industry (Ex-Officio)

## Staff Present

Marnie O'Brien Primmer, Executive Director

Fred Galante, General Counsel

John Hanson, Treasurer

Marika Poynter, TAC Chair

Eileen White, Clerk of the Board

Kathryn Morrison, Administrative Assistant

## Others Present

Debra Ashby, Sr. Public Information Specialist, SCAQMD

Deborah Diep, Center for Demographic Research Director

Jonathan Hughes, SCAG Public Affairs Officer

**Pledge of Allegiance** led by Vice Chair Puckett

## Public Comments

None

## Consent Calendar (Item Nos. 1 & 2)

### 1. **Approval of Meeting Minutes for August 22, 2019, Regular Meeting**

Eileen White, OCCOG Clerk of the Board

Minutes of the August 22, 2019, Regular Meeting continued to the October 24, 2019, Regular Meeting.

### 2. **OCCOG Financial Reports for August 2019**

John Hanson, OCCOG Treasurer

OCCOG Financial Reports for August 2019 continued to the October 24, 2019, Regular Meeting.

## Action Items

### 3. **RHNA Status Update**

Marika Poynter, TAC Chair, displayed a SCAG-generated PowerPoint Presentation entitled, "Framework of Staff Recommended RHNA Allocation Methodology," that was presented at the SCAG September 23, 2019, Workshop. She reported on the ongoing discussions at SCAG regarding the draft methodologies being considered for RHNA Cycle 6. Much concern has been expressed regarding the proposed methodologies due to potential non-verified projected population numbers, incomplete analysis/verification of components of the methodologies under consideration, varying social equity calculations, etc. She noted meetings will be held on dates in October, with a decision expected in November.

Comments/suggestions:

- Coastal cities in both Los Angeles and Orange County will be penalized due to their high residential and commuting populations, lack of job centers, and little to non-existent high-quality public transportation options.
- City staff and elected officials need to be fully informed and aware of the methodology impacts in order to provide comments and be involved in the process. Short turnaround times for information to be published as well as limited time to provide comments have hampered this process.
- Commended and thanked the building industry for providing thoughtful comments and specific solutions in an effort to provide clarity regarding potential to meet density and pricing expectations and still make a profit.
- Cities should ensure their legal representatives are made aware and involved in the process.

Executive Director Primmer commended and thanked members of the OCCOG team that have been involved in the decision-making process and ensuring that crucial information has been distributed including Marika Poynter, Susan Kim, Gail Shiimoto-Lohr, Nate Farnsworth, and Deborah Diep. She discussed the approval timeline, reviewed potential appeal process, and encouraged all to ensure their City Managers, Planners, and staff are kept up to date.

Update received and filed. No action taken.

**Discussion Items**

**4. 2019-2020 Legislative Update**

Wendy J. Strack, Wendy J. Strack Consulting LLC, reviewed the 2019-2020 Legislative Update; distributed a flyer entitled, "Accessory Dwelling Unit/Housing Supply Bills of Interest."

Report received and filed

**Presentations**

**5. Jamboree Housing Update**

Laura Archuleta, President/CEO, Jamboree Housing, provided a history of the organization; described roadblocks to construction of affordable housing including lack of land, unbuildable spaces, high costs, etc. She distributed a flyer entitled, "Orange County, Impact of Affordable Housing."

Presentation received and filed.

**6. Floodrise – Beach Erosion Trends in the OC**

Professor Brett F. Sanders, Department of Civil and Environmental Engineering, University of California, Irvine, narrated a PowerPoint Presentation entitled, "Beach Erosion Trends in the OC," dated September 19, 2019.

Presentation received and filed.

## Reports

- **Technical Advisory Committee**  
Marika Poynter, TAC Chair, reported continued monitoring of SCAG and RHNA Subcommittee discussion and activity.
- **Southern California Association of Governments (SCAG)**  
Jonathan Hughes, SCAG Public Affairs Officer, announced the SCAG Draft Plan is scheduled to be announced on November 7, 2019.
- **South Coast Air Quality Management District**  
Debra Ashby, Sr. Public Information Specialist, SCAQMD, distributed copies of the SCAQMD Advisor, Volume 26, Number 4, dated September/October 2019; noted the Clean Air Awards were coming up and SCAQMD was currently compiling a Clean Car Buying Guide for public release.
- **Executive Director's Report**  
No report.
- **Board Member Reports**  
Helen O'Sullivan, Non-profit Housing Community Representative, distributed a flyer entitled, "NeighborWorks Orange County, Understanding Credit" promoting an informative class taught by Experian regarding credit history understanding and management.  
  
Director Brown requested research into reports regarding the future of Edison's all electric housing.
- **Member Agency Reports**  
No reports
- **Staff Member Reports**  
No reports

## Future Agenda Items

None

## Adjournment

There being no further business before the Board, Chair Berry adjourned the meeting at 12:08 p.m.

The next meeting of the OCCOG Board of Directors will take place at 10:30 a.m. on October 24, 2019, at the City of Irvine Civic Center CTC Room, 1 Civic Center Plaza, Irvine, CA.



**ORANGE COUNTY  
COUNCIL OF GOVERNMENTS**

**September 26, 2019**

**Subject:** OCCOG Financial Report

**Summary:** OCCOG financial information is provided for Board review.

As of August 31, 2019, OCCOG had combined cash and investments of \$350,995.49 consisting of the following: a bank balance of \$68,180.10 at Bank of the West, outstanding checks in the amount of \$2,500.00 and an investment balance at the State Local Agency Investment Fund of \$285,315.39.

**Recommendation:** Approve financial report.

**Attachments:**

- A. OCCOG Fiscal Year 2018-19 Cash and Investments
- B. Bank of the West Statement as of August 31, 2019
- C. State Local Agency Investment Fund (LAIF) Monthly Statement for August 31, 2019
- D. LAIF Performance Report - Quarter Ending June 30, 2019, Pooled Money Investment Account (PMIA) Average Monthly Effective Yields – June 2019 – July 2019 – August 2019 and PMIA Portfolio Composition at 8/31/19.
- E. OCCOG Fiscal Year 2018-19 Cash Receipts/Disbursements Report

**Staff Contact:** John Hanson, CPA  
OCCOG Treasurer  
949-929-0073  
jhoccog@gmail.com

**Orange County Council of Governments  
Cash and Investments  
Fiscal Year 2019-20**

Date	Check #	Description	Amount	General Ledger Balance	Bank Balances and Reconciliation
<b>July</b>					
		Balance Forward		357,656.39	
7/15/2019		Local Agency Investment Fund	1,811.61	359,468.00	
7/23/2019	1501	Aleshire & Wynder, LLP	(1,296.00)	358,172.00	Bank of the West 68,691.81
7/23/2019	1502	Eileen White	(6,291.41)	351,880.59	O/S Checks (42,375.24)
7/23/2019	1503	John Hanson	(600.11)	351,280.48	State LAIF 285,315.39
7/23/2019	1504	CSUFAS	(25,077.90)	326,202.58	<u>311,631.96</u>
7/23/2019	1505	CALCOG	(2,300.00)	323,902.58	
7/23/2019	1506	Communications Lab	(1,250.00)	322,652.58	
7/23/2019	1507	Connected Consulting	(10,880.13)	311,772.45	
7/31/2019		Bank of the West	(140.49)	311,631.96	
<b>August</b>					
8/21/2019		City of Fountain Valley	6,886.66	318,518.62	Bank of the West 68,180.10
8/21/2019		CJPIA	126.68	318,645.30	O/S Checks (2,500.00)
8/23/2019		City of Rancho Santa Margarita	6,368.05	325,013.35	State LAIF 285,315.39
8/23/2019	1508	John Hanson	(963.79)	324,049.56	<u>350,995.49</u>
8/23/2019	1509	Aleshire & Wynder, LLP	(486.00)	323,563.56	
8/23/2019	1510	Wendy J Strack Consulting	(2,500.00)	321,063.56	
8/23/2019	1511	VOID	-	321,063.56	
8/23/2019	1512	Communications Lab	(1,250.00)	319,813.56	
8/23/2019	1513	Disney Resorts	(2,500.00)	317,313.56	
8/28/2019		City of Placentia	6,595.46	323,909.02	
8/28/2019		City of Buena Park	8,688.98	332,598.00	
8/28/2019		City of Seal Beach	4,757.54	337,355.54	
8/28/2019		City of Fullerton	4,071.11	341,426.65	
8/28/2019		City of Mission Viejo	9,568.84	350,995.49	





**BANK OF THE WEST**  
**BNP PARIBAS**

P.O. Box 2830, Omaha, NE 68103-2830

# Account Statement

August 1, 2019 - August 31, 2019

Page 1 of 4



>004044 3325018 0001 008230 10Z  
 ORANGE COUNTY COUNCIL OF GOVERNMENTS  
 ATTN JOHN HANSON  
 3972 BARRANCA PKWY STE J127  
 IRVINE CA 92606-1204



## At your service



bankofthewest.com



1-800-488-2265



1-800-659-5495 TTY/TDD

## New online and mobile services!

Enjoy these new online card services: Online statements - Online and recurring payments - Dispute transactions - Travel notices - PIN change - Account alerts - Replacement cards - Card activation - Lock/unlock your card.

Simply log into your account at [www.bankofthewest.com](http://www.bankofthewest.com) and go to the Services and Support page or on your mobile device on the More screen.

Remember to confirm your email during your next branch visit or call our Contact Center at 800-488-2265. Our emails keep you educated about our services, products and more.

## REGULAR BUSINESS CHECKING 011-244681

ORANGE COUNTY COUNCIL OF GOVERNMENTS  
 ATTN JOHN HANSON

### ACCOUNT SUMMARY

<b>Beginning Balance</b>	<b>\$68,691.81</b>
0 Credits	0.00
3 Deposits	47,063.32
0 Withdrawals	0.00
11 Checks	-47,575.03
<b>Ending Balance</b>	<b>\$68,180.10</b>

### EARNINGS SUMMARY

Interest this statement period	\$0.00
Interest credited year-to-date	\$0.00
Annual percentage yield earned	0.00%
Average monthly balance	\$41,194.07



### For your protection:

Examine this statement promptly. Any discrepancy must be reported within 30 days. Consumer customers: A discrepancy regarding an electronic payment or line of credit must be reported within 60 days.

In South Dakota, Bank of the West operates under the name of Bank of the West California.





## REGULAR BUSINESS CHECKING xxx-xx4681 (continued)

### ACCOUNT DETAIL

#### Deposits

<u>Date</u>	<u>Amount</u>
08/19	\$7,013.34
<b>3 deposits for a total of \$47,063.32</b>	

<u>Date</u>	<u>Amount</u>
08/23	\$6,368.05

<u>Date</u>	<u>Amount</u>
08/28	\$33,681.93

#### Checks Paid

<u>Number</u>	<u>Date paid</u>	<u>Amount</u>
1486	08/07	5,559.82
1501*	08/06	1,296.00
1502	08/07	6,291.41
1503	08/02	600.11
<b>11 checks paid for a total of \$47,575.03</b>		

<u>Number</u>	<u>Date paid</u>	<u>Amount</u>
1504	08/05	25,077.90
1505	08/13	2,300.00
1506	08/05	1,250.00
1508*	08/22	963.79

<u>Number</u>	<u>Date paid</u>	<u>Amount</u>
1509	08/30	486.00
1510	08/26	2,500.00
1512*	08/26	1,250.00

\* Break in check number sequence.





## IMPORTANT INFORMATION

### IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

(For accounts that are maintained primarily for personal, family or household purposes.)



Telephone us at (800) 488-2265, or write us at Bank of the West\*, Branch Service Center, P.O. Box 2573, Omaha, NE 68103-2573 as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. We will need to know the following:

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (20 business days for transactions involving new accounts) to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.



\*In South Dakota, Bank of the West operates under the name of Bank of the West California.





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# California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

September 06, 2019

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

## ORANGE COUNTY COUNCIL OF GOVERNMENTS

TREASURER  
3972 BARRANCA PKWY  
SUITE J127  
IRVINE , CA 92606

[Tran Type Definitions](#)

**Account Number:** 40-30-020

August 2019 Statement

### Account Summary

Total Deposit:	0.00	Beginning Balance:	285,315.39
Total Withdrawal:	0.00	Ending Balance:	285,315.39





**CALIFORNIA STATE TREASURER  
FIONA MA, CPA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
08/06/19	2.36	2.38	183
08/07/19	2.36	2.38	182
08/08/19	2.35	2.37	183
08/09/19	2.35	2.37	183
08/10/19	2.35	2.37	183
08/11/19	2.35	2.37	183
08/12/19	2.35	2.37	180
08/13/19	2.35	2.37	180
08/14/19	2.35	2.37	179
08/15/19	2.35	2.37	183
08/16/19	2.35	2.37	183
08/17/19	2.35	2.37	183
08/18/19	2.35	2.37	183
08/19/19	2.35	2.37	181
08/20/19	2.34	2.37	179
08/21/19	2.34	2.37	179
08/22/19	2.33	2.37	179
08/23/19	2.33	2.37	178
08/24/19	2.33	2.37	178
08/25/19	2.33	2.36	178
08/26/19	2.33	2.36	175
08/27/19	2.33	2.36	176
08/28/19	2.33	2.36	175
08/29/19	2.32	2.36	175
08/30/19	2.32	2.36	180
08/31/19	2.32	2.36	180
09/01/19	2.32	2.36	180
09/02/19	2.32	2.36	180
09/03/19	2.31	2.36	179
09/04/19	2.31	2.36	178
09/05/19	2.31	2.36	178

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

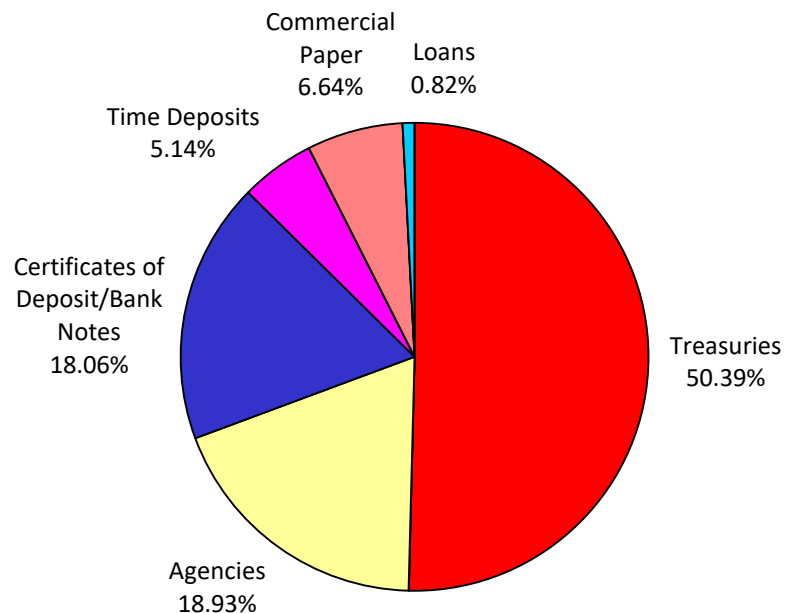
**Quarter Ending 06/30/19**

Apportionment Rate: 2.57  
 Earnings Ratio: .00007028813234525  
 Fair Value Factor: 1.001711790  
     Daily: 2.39%  
 Quarter to Date: 2.44%  
 Average Life: 173

**PMIA Average Monthly Effective Yields**

**Aug 2019 2.341**  
 July 2019 2.379  
 June 2019 2.428

**Pooled Money Investment Account  
Portfolio Composition  
08/31/19  
\$94.8 billion**



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 09/06/2019

**Orange County Council of Governments  
Cash Receipts/Disbursements Report  
For the Quarter ending September 30, 2019**

**Cash Receipts**

<b>Date</b>	<b>Payer</b>	<b>Description</b>	<b>Amount</b>
7/15/2019	Local Agency Investment Fund	Quarterly Interest	1,811.61
8/21/2019	City of Fountain Valley	CDR Fees and Dues 2019/20	6,886.66
8/21/2019	CJPIA	Travel Refund	126.68
8/23/2019	City of Rancho Santa Margarita	CDR Fees and Dues 2019/20	6,368.05
8/28/2019	City of Placentia	CDR Fees and Dues 2019/20	6,595.46
8/28/2019	City of Buena Park	CDR Fees and Dues 2019/20	8,688.98
8/28/2019	City of Seal Beach	CDR Fees and Dues 2019/20	4,757.54
8/28/2019	City of Fullerton	CDR Fees 2019/20	4,071.11
8/28/2019	City of Mission Viejo	CDR Fees and Dues 2019/20	9,568.84
			<b>48,874.93</b>

**Cash Disbursements**

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Description</b>	<b>Amount</b>
7/23/2019	1501	Aleshire & Wynder, LLP	June Legal	(1,296.00)
7/23/2019	1502	Eileen White	April, May June Clerk of the Board	(6,291.41)
7/23/2019	1503	John Hanson	June/July Accounting Services	(600.11)
7/23/2019	1504	CSUFAS	1st Quarter CDR Fees	(25,077.90)
7/23/2019	1505	CALCOG	Fiscal Year 19/20 Dues	(2,300.00)
7/23/2019	1506	Communications Lab	Social Media/Web Site June 2019	(1,250.00)
7/23/2019	1507	Connected Consulting	July 2019 Executive Director, Mileage, Meals	(10,880.13)
7/31/2019		Bank of the West	Quarterly Service Charge	(140.49)
8/23/2019	1508	John Hanson	July /August 2019 Treasurer Services	(963.79)
8/23/2019	1509	Aleshire & Wynder, LLP	July Legal	(486.00)
8/23/2019	1510	Wendy J Strack Consulting	Strategy and Advocacy Services	(2,500.00)
8/23/2019	1511	VOID		-
8/23/2019	1512	Communications Lab	Social Media/Web Site July 2019	(1,250.00)
8/23/2019	1513	Disney Resorts	General Assembly Deposit	(2,500.00)
			<b>(55,535.83)</b>	





## STAFF REPORT

October 24, 2019

### AGENDA ITEM 2

### OCCOG Financial Statements September 2019

#### SUMMARY

OCCOG financial information is provided for Board review.

As of September 30, 2019, OCCOG had combined cash and investments of \$540,378.92 consisting of the following: a bank balance of \$256,313.53 at Bank of the West, outstanding checks in the amount of \$1,250.00 and an investment balance at the State Local Agency Investment Fund (LAIF) of \$285,315.39.

#### ATTACHMENTS

- A. OCCOG Fiscal Year 2018-19 Cash and Investments
- B. Bank of the West Statement as of September 30, 2019
- C. State Local Agency Investment Fund (LAIF) Monthly Statement September 30, 2019
- D. LAIF Performance Report - Quarter Ending June 30, 2019, Pooled Money Investment Account (PMIA) Average Monthly Effective Yields – July 2019 – August 2019 – September 2019 and PMIA Portfolio Composition at 8/31/19.
- E. OCCOG Fiscal Year 2018-19 Cash Receipts/Disbursements Report

#### RECOMMENDED ACTION

Approve financial report.

#### STAFF CONTACT

**John Hanson**

OCCOG Treasurer

[john@occog.com](mailto:john@occog.com)

949.929.0073

**Orange County Council of Governments  
Cash and Investments  
Fiscal Year 2019-20**

Date	Check #	Description	Amount	General Ledger Balance	Bank Balances and Reconciliation	
<b>July</b>						
		Balance Forward		357,656.39		
7/15/2019		Local Agency Investment Fund	1,811.61	359,468.00		
7/23/2019	1501	Aleshire & Wynder, LLP	(1,296.00)	358,172.00	Bank of the West	68,691.81
7/23/2019	1502	Eileen White	(6,291.41)	351,880.59	O/S Checks	(42,375.24)
7/23/2019	1503	John Hanson	(600.11)	351,280.48	State LAIF	285,315.39
7/23/2019	1504	CSUFAS	(25,077.90)	326,202.58		<u>\$311,631.96</u>
7/23/2019	1505	CALCOG	(2,300.00)	323,902.58		
7/23/2019	1506	Communications Lab	(1,250.00)	322,652.58		
7/23/2019	1507	Connected Consulting	(10,880.13)	311,772.45		
7/31/2019		Bank of the West	(140.49)	311,631.96		
<b>August</b>						
					Bank of the West	68,180.10
8/21/2019		City of Fountain Valley	6,886.66	318,518.62	O/S Checks	(2,500.00)
8/21/2019		CJPIA	126.68	318,645.30	State LAIF	285,315.39
8/23/2019		City of Rancho Santa Margarita	6,368.05	325,013.35		<u>\$350,995.49</u>
8/23/2019	1508	John Hanson	(963.79)	324,049.56		
8/23/2019	1509	Aleshire & Wynder, LLP	(486.00)	323,563.56		
8/23/2019	1510	Wendy J Strack Consulting	(2,500.00)	321,063.56		
8/23/2019	1511	VOID	-	321,063.56		
8/23/2019	1512	Communications Lab	(1,250.00)	319,813.56		
8/23/2019	1513	Disney Resorts	(2,500.00)	317,313.56		
8/28/2019		City of Placentia	6,595.46	323,909.02		
8/28/2019		City of Buena Park	8,688.98	332,598.00		
8/28/2019		City of Seal Beach	4,757.54	337,355.54		
8/28/2019		City of Fullerton	4,071.11	341,426.65		
8/28/2019		City of Mission Viejo	9,568.84	350,995.49		
<b>September</b>						
					Bank of the West	256,313.53
9/1/2019	1514	Kathryn Morrison	(1,158.64)	349,836.85	O/S Checks	(1,250.00)
9/1/2019	1515	Connected Consulting	(11,569.87)	338,266.98	State LAIF	285,315.39
9/1/2019	1516	Wendy J Strack Consulting	(2,500.00)	335,766.98		<u>\$540,378.92</u>
9/3/2019		City of Laguna Hills	5,195.72	340,962.70		
9/3/2019		City of Dana Point	5,376.20	346,338.90		
9/3/2019		City of Garden Grove	14,876.36	361,215.26		
9/3/2019		City of Villa Park	3,467.09	364,682.35		
9/3/2019		City of Santa Ana	25,836.53	390,518.88		
9/5/2019		City of San Juan Capistrano	5,549.62	396,068.50		
9/5/2019		City of Huntington Beach	8,553.12	404,621.62		
9/5/2019		City of Tustin	16,805.03	421,426.65		

**Orange County Council of Governments  
Cash and Investments  
Fiscal Year 2019-20**

<b>Date</b>	<b>Check #</b>	<b>Description</b>	<b>Amount</b>	<b>General Ledger Balance</b>	<b>Bank Balances and Reconciliation</b>
9/9/2019		City of La Palma	4,133.68	425,560.33	
9/9/2019		City of Lake Forest	8,888.69	434,449.02	
9/9/2019		City of Laguna Woods	4,180.74	438,629.76	
9/9/2019		City of Laguna Niguel	7,567.35	446,197.11	
9/23/2019		City of Anaheim	27,294.40	473,491.51	
9/23/2019		City Stanton	5,717.23	479,208.74	
9/23/2019		City Newport Beach	8,944.92	488,153.66	
9/23/2019		City of Costa Mesa	10,876.55	499,030.21	
9/23/2019		City of Laguna Beach	4,641.91	503,672.12	
9/23/2019		City of Westminster	9,311.02	512,983.14	
9/23/2019		City of La Habra	7,351.20	520,334.34	
9/23/2019		City of Aliso Viejo	6,530.67	526,865.01	
9/23/2019		Orange County Sanitation District	7,500.00	534,365.01	
9/23/2019		City of Cypress	6,426.91	540,791.92	
9/23/2019		City of Los Alamitos	3,857.33	544,649.25	
9/26/2019	1517	Communications Lab	(1,250.00)	543,399.25	
9/26/2019	1518	Aleshire & Wynder, LLP	(756.00)	542,643.25	
9/26/2019	1519	Aleshire & Wynder, LLP	(1,152.00)	541,491.25	
9/26/2019	1520	VOID	-	541,491.25	
9/26/2019	1521	John Hanson	(1,112.33)	540,378.92	



**BANK OF THE WEST**  
BNP PARIBAS

P.O. Box 2830, Omaha, NE 68103-2830

# Account Statement

September 1, 2019 - September 30, 2019

Page 1 of 4



>007245 3423904 0001 008230 20Z  
ORANGE COUNTY COUNCIL OF GOVERNMENTS  
ATTN JOHN HANSON  
3972 BARRANCA PKWY STE J127  
IRVINE CA 92606-1204



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Remember to confirm your email during your next branch visit or call our Contact Center at 800-488-2265. Our emails keep you educated about our services, products and more.

## REGULAR BUSINESS CHECKING 011-244681

ORANGE COUNTY COUNCIL OF GOVERNMENTS  
ATTN JOHN HANSON

### ACCOUNT SUMMARY

<b>Beginning Balance</b>	<b>\$68,180.10</b>
0 Credits	0.00
4 Deposits	208,882.27
0 Withdrawals	0.00
7 Checks	-20,748.84
<b>Ending Balance</b>	<b>\$256,313.53</b>

### EARNINGS SUMMARY

Interest this statement period	\$0.00
Interest credited year-to-date	\$0.00
Annual percentage yield earned	0.00%
Average monthly balance	\$175,714.76



### For your protection:

Examine this statement promptly. Any discrepancy must be reported within 30 days. Consumer customers: A discrepancy regarding an electronic payment or line of credit must be reported within 60 days.



## REGULAR BUSINESS CHECKING xxx-xx4681 (continued)

### ACCOUNT DETAIL

#### Deposits

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
09/03	\$54,751.90	09/09	\$24,770.46
09/05	30,907.77	09/23	98,452.14

**4 deposits for a total of \$208,882.27**

#### Checks Paid

<u>Number</u>	<u>Date paid</u>	<u>Amount</u>	<u>Number</u>	<u>Date paid</u>	<u>Amount</u>	<u>Number</u>	<u>Date paid</u>	<u>Amount</u>
1513	09/03	2,500.00	1516	09/12	2,500.00	1521*	09/26	1,112.33
1514	09/06	1,158.64	1518*	09/30	756.00			
1515	09/06	11,569.87	1519	09/30	1,152.00			

**7 checks paid for a total of \$20,748.84**

\* Break in check number sequence.







## IMPORTANT INFORMATION

### IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

(For accounts that are maintained primarily for personal, family or household purposes.)

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1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (20 business days for transactions involving new accounts) to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.



\*In South Dakota, Bank of the West operates under the name of Bank of the West California.





**BANK OF THE WEST**  
**BNP PARIBAS**

## Account Statement

September 1, 2019 - September 30, 2019

Page 4 of 4

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Packet Page 29

033328 1189182 0000000 063664 127328 02/02



# California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

October 01, 2019

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

## ORANGE COUNTY COUNCIL OF GOVERNMENTS

TREASURER  
3972 BARRANCA PKWY  
SUITE J127  
IRVINE , CA 92606

[Tran Type Definitions](#)

**Account Number:** 40-30-020

September 2019 Statement

### Account Summary

Total Deposit:	0.00	Beginning Balance:	285,315.39
Total Withdrawal:	0.00	Ending Balance:	285,315.39



# CALIFORNIA STATE TREASURER FIONA MA, CPA



## PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/09/19	2.31	2.35	177
09/10/19	2.30	2.35	176
09/11/19	2.30	2.35	176
09/12/19	2.29	2.35	179
09/13/19	2.29	2.35	179
09/14/19	2.29	2.35	179
09/15/19	2.29	2.35	179
09/16/19	2.28	2.35	182
09/17/19	2.27	2.35	188
09/18/19	2.27	2.35	187
09/19/19	2.27	2.35	186
09/20/19	2.26	2.35	185
09/21/19	2.26	2.34	185
09/22/19	2.26	2.34	185
09/23/19	2.26	2.34	186
09/24/19	2.26	2.34	185
09/25/19	2.25	2.34	184
09/26/19	2.25	2.34	186
09/27/19	2.25	2.34	187
09/28/19	2.25	2.34	187
09/29/19	2.25	2.34	187
09/30/19	2.25	2.34	185
10/01/19	2.22	2.22	200
10/02/19	2.22	2.22	200
10/03/19	2.21	2.22	198
10/04/19	2.21	2.22	198
10/05/19	2.21	2.21	198
10/06/19	2.21	2.21	198
10/07/19	2.21	2.21	197
10/08/19	2.21	2.21	197
10/09/19	2.21	2.21	196

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

## LAIF Performance Report

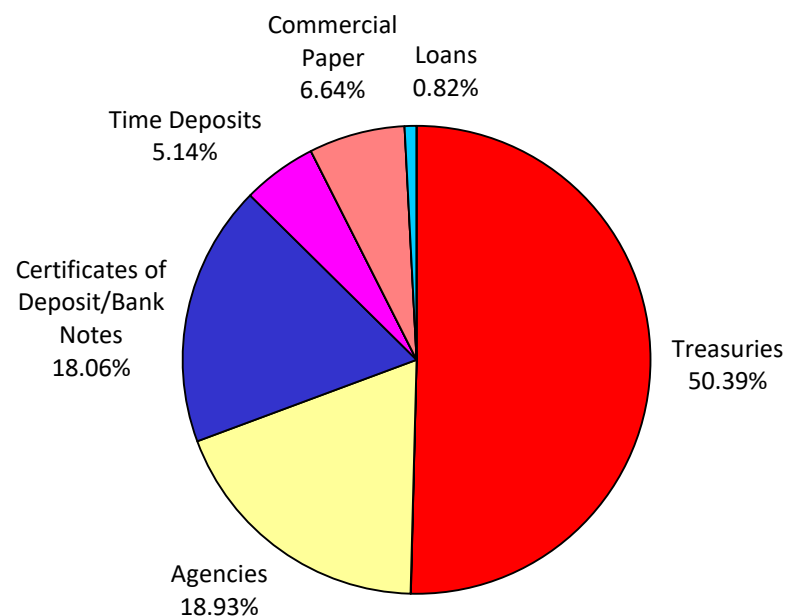
Quarter Ending 06/30/19

Apportionment Rate: 2.57  
 Earnings Ratio: .00007028813234525  
 Fair Value Factor: 1.001711790  
     Daily: 2.39%  
 Quarter to Date: 2.44%  
 Average Life: 173

### PMIA Average Monthly Effective Yields

**Sep 2019 2.280**  
 Aug 2019 2.341  
 July 2019 2.379

## Pooled Money Investment Account Portfolio Composition 08/31/19 \$94.8 billion



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 10/09/2019

**Orange County Council of Governments  
Cash Receipts/Disbursements Report  
For the Quarter ending September 30, 2019**

**Cash Receipts**

<b>Date</b>	<b>Payer</b>	<b>Description</b>	<b>Amount</b>
7/15/2019	Local Agency Investment Fund	Quarterly Interest	1,811.61
8/21/2019	City of Fountain Valley	CDR Fees and Dues 2019/20	6,886.66
8/21/2019	CJPIA	Travel Refund	126.68
8/23/2019	City of Rancho Santa Margarita	CDR Fees and Dues 2019/20	6,368.05
8/28/2019	City of Placentia	CDR Fees and Dues 2019/20	6,595.46
8/28/2019	City of Buena Park	CDR Fees and Dues 2019/20	8,688.98
8/28/2019	City of Seal Beach	CDR Fees and Dues 2019/20	4,757.54
8/28/2019	City of Fullerton	CDR Fees 2019/20	4,071.11
8/28/2019	City of Mission Viejo	CDR Fees and Dues 2019/20	9,568.84
9/3/2019	City of Laguna Hills	CDR Fees and Dues 2019/20	5,195.72
9/3/2019	City of Dana Point	CDR Fees and Dues 2019/20	5,376.20
9/3/2019	City of Garden Grove	CDR Fees and Dues 2019/20	14,876.36
9/3/2019	City of Villa Park	CDR Fees and Dues 2019/20	3,467.09
9/3/2019	City of Santa Ana	CDR Fees and Dues 2019/20	25,836.53
9/5/2019	City of San Juan Capistrano	CDR Fees and Dues 2019/20	5,549.62
9/5/2019	City of Huntington Beach	CDR Fees and Dues 2019/20	8,553.12
9/5/2019	City of Tustin	CDR Fees and Dues 2019/20	16,805.03
9/9/2019	City of La Palma	CDR Fees and Dues 2019/20	4,133.68
9/9/2019	City of Lake Forest	CDR Fees and Dues 2019/20	8,888.69
9/9/2019	City of Laguna Woods	CDR Fees and Dues 2019/20	4,180.74
9/9/2019	City of Laguna Niguel	CDR Fees and Dues 2019/20	7,567.35
9/23/2019	City of Anaheim	CDR Fees and Dues 2019/21	27,294.40
9/23/2019	City Stanton	CDR Fees and Dues 2019/22	5,717.23
9/23/2019	City Newport Beach	CDR Fees and Dues 2019/23	8,944.92
9/23/2019	City of Costa Mesa	CDR Fees and Dues 2019/24	10,876.55
9/23/2019	City of Laguna Beach	CDR Fees and Dues 2019/25	4,641.91
9/23/2019	City of Westminster	CDR Fees and Dues 2019/26	9,311.02
9/23/2019	City of La Habra	CDR Fees and Dues 2019/27	7,351.20
9/23/2019	City of Aliso Viejo	CDR Fees and Dues 2019/28	6,530.67
9/23/2019	Orange County Sanitation District	CDR Fees and Dues 2019/29	7,500.00
9/23/2019	City of Cypress	CDR Fees and Dues 2019/30	6,426.91
9/23/2019	City of Los Alamitos	CDR Fees and Dues 2019/31	3,857.33
			257,757.20

**Cash Disbursements**

Date	Check #	Payee	Description	Amount
7/23/2019	1501	Aleshire & Wynder, LLP	June Legal	(1,296.00)
7/23/2019	1502	Eileen White	April, May June Clerk of the Board	(6,291.41)
7/23/2019	1503	John Hanson	June/July Accounting Services	(600.11)
7/23/2019	1504	CSUFAS	1st Quarter CDR Fees	(25,077.90)
7/23/2019	1505	CALCOG	Fiscal Year 19/20 Dues	(2,300.00)
7/23/2019	1506	Communications Lab	Social Media/Web Site June 2019	(1,250.00)
7/23/2019	1507	Connected Consulting	July 2019 Executive Director, Mileage, Meals	(10,880.13)
7/31/2019		Bank of the West	Quarterly Service Charge	(140.49)
8/23/2019	1508	John Hanson	July /August 2019 Treasurer Services	(963.79)
8/23/2019	1509	Aleshire & Wynder, LLP	July Legal	(486.00)
8/23/2019	1510	Wendy J Strack Consulting	Strategy and Advocacy Services	(2,500.00)
8/23/2019	1511	VOID		-
8/23/2019	1512	Communications Lab	Social Media/Web Site July 2019	(1,250.00)
8/23/2019	1513	Disney Resorts	General Assembly Deposit	(2,500.00)
9/1/2019	1514	Kathryn Morrison	Administrative Assistant	(1,158.64)
9/1/2019	1515	Connected Consulting	Social Media/Web Site August 2019	(11,569.87)
9/1/2019	1516	Wendy J Strack Consulting	Strategy and Advocacy Services	(2,500.00)
9/26/2019	1517	Communications Lab	Social Media/Web Site August 2019	(1,250.00)
9/26/2019	1518	Aleshire & Wynder, LLP	May 2019 Legal	(756.00)
9/26/2019	1519	Aleshire & Wynder, LLP	August 2019 Legal	(1,152.00)
9/26/2019	1520	VOID	VOID	-
9/26/2019	1521	John Hanson	August /September Treasurer Services/Mileage	(1,112.33)
				<u>(75,034.67)</u>



## STAFF REPORT

October 24, 2019

### AGENDA ITEM 3

## DRAFT RHNA METHODOLOGY AND HCD DETERMINATION

### SUMMARY

The Regional Housing Needs Assessment (RHNA) 6<sup>th</sup> Cycle is underway. Southern California Association of Governments (SCAG) has undergone an extensive public outreach period to gather input on proposed methodologies of apportioning the region's housing units that will be determined by the California Department of Housing and Community Development (HCD). OCCOG submitted a letter of comment and provided public testimony during this period, as did many of our member jurisdictions.

There are two components of the RHNA: the number of units our region is tasked to zone for in the 8-year cycle, and how that number of units will be allocated to each jurisdiction within the region. We have now received our final determination from HCD, 1,341,827 units. SCAG is completing the process of submitting the draft RHNA allocation methodology (aka the methodology) to HCD for their consideration.

OCCOG staff is recommending submitting a letter to SCAG supporting the staff-recommended methodology for allocating units throughout the region and to encourage SCAG to take action to reject HCD's regional determination of 1,341,827, units which was derived through a misapplication of the RHNA statute.

### BACKGROUND

Every 8 years the State of California requires metropolitan planning organizations, acting as councils of governments, to produce a regional housing needs assessment, in consultation with the HCD. The SCAG region is currently in process of preparing our 6<sup>th</sup> Cycle RHNA. SCAG submitted a recommended regional housing need to HCD, as allowed by state law, to inform their regional determination, the number of housing units HCD will assign to our region to zone for and identify sites to accommodate within the 8-year cycle. HCD rejected the number and supporting data proposed by SCAG initially and instead provided a significantly higher RHNA number to the SCAG



region (1,344,790). Under the RHNA statute, SCAG was able to file an objection based on several areas where HCD did not follow statute in making its determination. HCD then had 45 days in which to consider SCAG's objection and provide a revised regional determination. HCD chose to ignore most of SCAG's objection and adjusted the regional determination by a small number (2,963), resulting in a regional determination of 1,341,827. Concurrently, SCAG has been working on developing a methodology that will distribute these units to the 197 jurisdictions throughout the SCAG region.

### Selected RHNA Methodology

Since the close of the public comment period on September 13, 2019, SCAG staff has incorporated the input received from OCCOG and other stakeholders into a staff-recommended methodology. SCAG staff has provided a recommended methodology that includes jobs accessibility, transit accessibility and local input as factors in a methodology that achieves all 5 objectives of the RHNA statute, including affirmatively furthering fair housing. The SCAG staff recommended methodology includes local input as one of several factors in the RHNA, which aligns the 2020 RTP/SCS (Connect SoCal) with the 6<sup>th</sup> cycle RHNA as prescribed by SB 375. It is important to note that the SCAG RHNA staff report identifies that the three prior methodology options that were reviewed during the public comment period, failed to meet one or more of the five objectives of housing law, thus resulting in the development of the new, recommended methodology.

On October 7, 2019, the RHNA subcommittee voted 4-3 in favor of sending the staff recommended RHNA methodology to the Community Economic and Human Development (CEHD) committee for consideration. The methodology being proposed by staff was supported at the RHNA subcommittee by Orange County's representative, Councilmember Wendy Bucknum of Mission Viejo, and also by CEHD and RHNA subcommittee chair Peggy Huang of Yorba Linda. A substitute motion was narrowly defeated that would have reduced the reliance on local input significantly, by removing local input from the existing need calculations, resulting in an additional 105,000 units being added to Los Angeles and Orange Counties from the other 4 counties. An even more extreme option is being championed by advocates that would eliminate all local input in the selected methodology.

At the October 21, 2019 CEHD meeting, committee members voted unanimously to support the staff recommended methodology for distributing the regional need to jurisdictions as part of the RHNA. The staff-recommended methodology will now be submitted to the Regional Council on November 7, 2019 for approval to send to HCD for review.



Regarding the proposed methodology, OCCOG has expressed concerns in the past about the definition of a High Quality Transit Area (HQTA) and High Quality Transit Corridor (HQTC) SCAG has used in producing the RHNA methodology. At the Technical Working Group (TWG) meeting on October 17, 2019, SCAG further committed to refining the HQTC and HQTA definitions used in the RHNA to address issues OCCOG and several of our jurisdictions have raised with regards to future potential Bus Rapid Transit (BRT) within freeways.

While the SCAG staff recommended methodology is not perfect, it is a very good effort to respond to the pressure of meeting our regional housing need while incorporating feedback from all stakeholders. Importantly, it retains local input in the form of the Orange County Projections (OCP) prepared by Center for Demographic Research (CDR) at the jurisdictional level. OCCOG does not support any methodology that completely eliminates local input. SB 375 requires SCAG to align the RHNA and the RTP/SCS. Additionally, removing local input sets a precedent for ignoring local planning efforts.

#### HCD final determination

Separate and apart from the selection of an appropriate methodology for allocating housing units pursuant to HCD's regional determination of 1,341,827 units is the fact that, by OCCOG's understanding of the statute, HCD did not follow statute in so doing. The HCD letter is attached below for your reference. While there is no appeals process for the regional determination, SCAG may have other recourse up to and including litigation to compel HCD to revisit this aspect of the regional determination. OCCOG will be requesting a discussion of options available to SCAG for the next Regional Council meeting with regards to the regional determination, which, by our calculations, is up to 146,444 units more than the SCAG region should have been allocated had HCD followed the statute correctly. This is a significant enough discrepancy that we believe it is important that SCAG should be using every avenue available to protect its member jurisdictions and avoid setting precedents that could have far-reaching consequences.

#### OCCOG Letter to SCAG

OCCOG's Counsel has prepared a letter to SCAG in response to a letter submitted by Abundant Housing Los Angeles (AHLA). The AHLA letter misinterprets RHNA statute in an attempt to remove local input from the RHNA methodology altogether. Staff recommends sending the letter which expresses support for the staff-recommended methodology, addresses the points brought forward





by AHLA, as well as the HCD determination and failure of HCD to follow the RHNA statute in making the determination.

### **ATTACHMENTS**

- A. DRAFT letter for Board Approval
- B. HCD Letter to SCAG dated October 15, 2019
- C. AHLA letter to SCAG dated October 11, 2019
- D. SAMPLE RHNA allocations by jurisdiction prepared by CDR

### **RECOMMENDED ACTION**

Approve draft letter to SCAG, and direct Executive Director Primmer to send it to Kome Ajise on behalf of OCCOG.

### **STAFF CONTACT**

**Marnie O'Brien Primmer**  
OCCOG Executive Director  
[marnie@occog.com](mailto:marnie@occog.com)  
949.216.5288



Xx, xx 2019

Mr. Kome Ajise  
Executive Director  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

**Subject: Regional Housing Needs Assessment (RHNA) Methodology and Regional Determination**

*Sent Via Email*

Dear Mr. Ajise,

The Southern California Association of Governments (“SCAG”) is responsible for developing the Regional Housing Needs Assessment (“RHNA”) Allocation Methodology for its region. The purpose of the RHNA is to allocate the region’s existing and projected housing demands among the jurisdictions within the region, based on a formula established by the local council of governments, in this case SCAG. SCAG’s staff-recommended RHNA methodology includes “local factors” as part of its larger methodology. ***OCCOG strongly supports the inclusion of local factors as part of any ultimately selected methodology.***

In a letter to SCAG dated October 11, 2019, from David Bonaccorsi of Bernard, Balgley & Bonaccorsi, LLP on behalf of the Abundant Housing LA organization (“AHLA”), objected to the use of this local factor. As an interested party in the SCAG region, OCCOG would like to offer the following rebuttal to this letter.

The AHLA letter asserts, as best we can tell, two distinct grounds for invalidating the local factor in the RHNA:

1. SCAG does not have the appropriate data set to establish the local factor, as required by Gov. Code § 65584.04.
2. The local input factor does not further the objectives of Gov. Code § 65584(d).



We disagree with both of these grounds for invalidating the local factor, as follows.

### ***Appropriate Data***

Gov. Code § 65584.04 requires the local council of governments to conduct a survey of the jurisdictions within its region, to gather information which will allow the council of governments to establish the relevant factors within its methodology. (Gov. Code § 65584.04(b).) The council of governments is given discretion to establish the relevant factors, and may even include other factors based on their data. (Gov. Code § 65584.04(e).) Further, if the council of governments fails to conduct this survey, a jurisdiction may submit relevant information to the council of governments. (Gov. Code § 65584.04 (b)(5).)

The AHLA letter objects to the local factor on the basis that SCAG only received a 55% response rate from the jurisdictions within its region. However, this attack has no basis in the statute. Nowhere in Gov. Code 65584.04 is there a requirement that the council of governments reach a threshold prior to utilizing the data from the survey. SCAG has no control over the jurisdiction's response rate, and can only accept the results as given. SCAG conducted a lengthy survey process, held public hearings, and allowed public input on its website. There is no basis to object to the local factor based on a lack of public input, especially as that is not statutorily required nor under SCAG's control.

### ***Objectives of Gov. Code § 65584(d).***

As noted in the AHLA letter, the factors chosen by the council of governments as the basis of its methodology must be accompanied by an explanation of how the factor furthers the objectives listed in Gov. Code § 65584(d). (Gov. Code § 65584.04(f).)

SCAG, as part of the process for the release of the RHNA methodology, released a 42-page explanation of the methodology. On page 24 of this document, SCAG begins a section titled "Meeting the Objectives of RHNA," in which it explicitly states that the following section "provides an analysis of how the proposed methodology furthers these objectives." Nine pages of this explanation, pages 28-36, are dedicated to explaining the connection between the local planning factors and the five requirements laid out in Gov. Code § 65584(d). The letter correctly notes that this section does not directly quote each of the five factors found in Gov. Code § 65584(d). However, it is disingenuous to suggest that SCAG has not attempted to explain, in great detail, the



connection between the objectives of Gov. Code § 65584(d) and the local factor.

The development of RHNA methodologies is a complex affair, and it will always produce a certain amount of disagreement. However, to suggest that the lengthy process undertaken by SCAG is invalid due to mere technicalities or demands for strict reliance to the statute is incorrect. SCAG included the local factor in an attempt to accurately distribute the housing demands of the region amongst its local jurisdictions, and it satisfies the requirements of Gov. Code § 65584 and § 65584.04.

### ***OCCOG Supports Staff Recommended Methodology***

We therefore strongly encourage SCAG to reject the assertions made in the AHLA letter and retain local factors as part of the ultimately selected RHNA methodology for the SCAG region. OCCOG expresses support for the staff recommended option, not because it delivers the lowest overall RHNA allocation for our member jurisdictions, but because it supports all five objectives of the RHNA statute, affirmatively furthers fair housing, incorporates the feedback provided by local jurisdictions, as well as the advocate community during the comment period, and equitably allocates the final regional housing determination of 1,341,827 units provided by the California Department of Housing and Community Development (HCD) on October 16, 2019, all while including local factors.

### ***HCD Regional Determination Does Not Follow Statute***

With regard to the final determination by HCD, OCCOG notes that HCD ignored the language in the Gov. Code § 65584.01(a) that specifies if the total regional population forecast is within the 1.5% range, the COG's forecast should be used. The law does not specify that the threshold applies to the different age cohorts, thus HCD's reasoning does not follow the law:

“If the ***total regional population forecast*** for the projection year, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 1.5 percent of the ***total regional population forecast*** for the projection year by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region...” [Gov. Code § 65584.01(a), *emphasis added*]



Orange County Council of Governments

Orange County Council of Governments (OCCOG)  
3972 Barranca Parkway, Ste. J127  
Irvine, CA 92606

[www.occog.com](http://www.occog.com)

Standing by and allowing HCD to ignore or misinterpret the statute when making a regional determination sets a dangerous precedent, not only for SCAG, but for other COG's as well, that OCCOG cannot abide. We encourage SCAG to take whatever legal means necessary to address this misapplied aspect of the regional determination, and will support SCAG in taking such actions up to and including litigation, to protect your member jurisdictions from overreach by HCD in its application of the RHNA.

Sincerely,

**Marnie O'Brien Primmer**  
Executive Director  
Orange County Council of Governments

CONFIDENTIAL DRAFT

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



October 15, 2019

Kome Ajise  
Executive Director  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

Dear Executive Director Ajise,

**RE: Final Regional Housing Need Assessment**

The California Department of Housing and Community Development (HCD) has received and reviewed your objection to the Southern California Association of Governments (SCAG)'s Regional Housing Needs Assessment (RHNA) provided on August 22, 2019. Pursuant to Government Code (Gov. Code) section 65584.01(c)(3), HCD is reporting the results of its review and consideration, along with a final written determination of SCAG's RHNA and explanation of methodology and inputs.

As a reminder, there are several reasons for the increase in SCAG's 6<sup>th</sup> cycle Regional Housing Needs Assessment (RHNA) as compared to the 5<sup>th</sup> cycle. First, as allowed under Gov. Code 65584.01(b)(2), the 6<sup>th</sup> cycle RHNA applied housing need adjustment factors to the region's total projected households, thus capturing existing and projected need. Second, overcrowding and cost burden adjustments were added by statute between 5<sup>th</sup> and 6<sup>th</sup> cycle; increasing RHNA in regions where incidents of these housing need indicators were especially high. SCAG's overcrowding rate is 10.11%, 6.76% higher than the national average. SCAG's cost burden rate is 69.88% for lower income households, and 18.65% for higher income households, 10.88% and 8.70% higher than the national average respectively. Third, the 5<sup>th</sup> cycle RHNA for the SCAG region was impacted by the recession and was significantly lower than SCAG's 4<sup>th</sup> cycle RHNA.

This RHNA methodology establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have the potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.

For these reasons HCD has not altered its RHNA approach based on SCAG's objection. However, the cost burden data input has been updated following SCAG's objection due to the availability of more recent data. Attachment 1 displays the minimum RHNA of **1,341,827** total homes among four income categories for SCAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01.

The following briefly responds to each of the points raised in SCAG's objection:

Use of SCAG's Population Forecast

SCAG's overall population estimates for the end of the projection period exceed Department of Finance's (DOF) population projections by 1.32%, however the SCAG household projection derived from this population forecast is 1.96% lower than DOF's household projection. This is a result of SCAG's population forecast containing 3,812,391 under 15-year old persons, compared to DOF's population projection containing 3,292,955 under 15-year old persons; 519,436 more persons within the SCAG forecast that are anticipated to form no households. In this one age category, DOF's projections differ from SCAG's forecast by 15.8%.

Due to a greater than 1.5% difference in the population forecast assessment of under 15-year olds (15.8%), and the resulting difference in projected households (1.96%), HCD maintains the use of the DOF projection in the final RHNA.

Use of Comparable Regions

While the statute allows for the council of government to determine and provide the comparable regions to be used for benchmarking against overcrowding and cost burden, Gov. Code 65584.01(b)(2) also allows HCD to "accept or reject information provided by the council of governments or modify its own assumptions or methodology based on this information." Ultimately, HCD did not find the proposed comparable regions an effective benchmark to compare SCAG's overcrowding and cost burden metrics to. HCD used the national average as the comparison benchmark, which had been used previously throughout 6<sup>th</sup> cycle prior to the addition of comparable region language into the statute starting in January 2019. As the housing crisis is experienced nationally, even the national average does not express an ideal overcrowding or cost burden rate; we can do more to reduce and eliminate these worst-case housing needs.

Vacancy Rate

No changes have been made to the vacancy rate standard used by HCD for the 6<sup>th</sup> cycle RHNA methodology.

Replacement Need

No changes have been made to the replacement need minimum of adjustment .5%. This accounts for replacement homes needed to account for homes potentially lost during the projection period.

Household Growth Anticipated on Tribal Lands

No changes have been made to reduce the number of households planned in the SCAG region by the amount of household growth expected on tribal lands. The region should plan for these homes outside of tribal lands.

Overlap between Overcrowding and Cost Burden

No changes have been made to overcrowding and cost burden methodology. Both factors are allowed statutorily, and both are applied conservatively in the current methodology.



### Data Sources

No changes have been made to the data sources used in the methodology. 5-year American Community Survey data allows for lower margin of error rates and is the preferred data source used throughout this cycle. With regard to cost burden rates, HCD continues to use the Comprehensive Housing Affordability Strategy, known as CHAS data. These are custom tabulations of American Community Survey requested by the U.S. Department of Housing and Urban Development. These custom tabulations display cost burden by income categories, such as lower income, households at or below 80% area median income; rather than a specific income, such as \$50,000. The definition of lower income shifts by region and CHAS data accommodates for that shift. The 2013-2016 CHAS data became available August 9, 2019, shortly prior to the issuance of SCAG's RHNA determination so that data is now used in this RHNA.

### Next Steps

As you know, SCAG is responsible for adopting a RHNA allocation methodology for the *projection* period beginning June 30, 2021 and ending October 15, 2029. Pursuant to Gov. Code section 65584(d), SCAG's RHNA allocation methodology must further the following objectives:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very-low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
- (5) Affirmatively furthering fair housing.

Pursuant to Gov. Code section 65584.04(e), to the extent data is available, SCAG shall include the factors listed in Gov. Code section 65584.04(e)(1-12) to develop its RHNA allocation methodology. Pursuant to Gov. Code section 65584.04(f), SCAG must explain in writing how each of these factors was incorporated into the RHNA allocation methodology and how the methodology furthers the statutory objectives described above. Pursuant to Gov. Code section 65584.04(h), SCAG must consult with HCD and submit its draft allocation methodology to HCD for review.



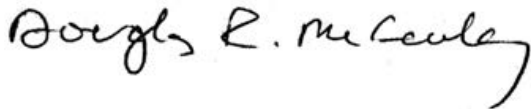
HCD appreciates the active role of SCAG staff in providing data and input throughout the consultation period. HCD especially thanks Ping Chang, Ma'Ayn Johnson, Kevin Kane, and Sarah Jepson.

HCD looks forward to its continued partnership with SCAG to assist SCAG's member jurisdictions meet and exceed the planning and production of the region's housing need. Just a few of the support opportunities available for the SCAG region this cycle include:

- SB 2 Planning Grants and Technical Assistance (application deadline November 30, 2019)
- Regional and Local Early Action Planning Grants
- Permanent Local Housing Allocation

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, at [megan.kirkeby@hcd.ca.gov](mailto:megan.kirkeby@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink that reads "Douglas R. McCauley". The signature is written in a cursive, slightly slanted style.

Douglas R. McCauley  
Acting Director

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	26.2%	351,796
Low	15.4%	206,807
Moderate	16.7%	223,957
Above-Moderate	41.7%	559,267
<b>Total</b>	<b>100.0%</b>	<b>1,341,827</b>
* Extremely-Low	14.5%	Included in Very-Low Category

Notes:

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et.seq.). Percents are derived based on ACS reported household income brackets and regional median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.

## ATTACHMENT 2

**HCD REGIONAL HOUSING NEED DETERMINATION  
SCAG: June 30, 2021 – October 15, 2029 (8.3 years)**

**Methodology**

SCAG: June 30, 2021-October 15, 2029 (8.3 Years) HCD Determined Population, Households, & Housing Need					
1.	<b>Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029</b>				20,455,355
2.	<i>- Group Quarters Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029</i>				-363,635
3.	<b>Household (HH) Population: October 15, 2029</b>				20,079,930
	<b>Household Formation Groups</b>	<b>HCD Adjusted DOF Projected HH Population</b>	<b>DOF HH Formation Rates</b>	<b>HCD Adjusted DOF Projected Households</b>	
		20,079,930		6,801,760	
	under 15 years	3,292,955	n/a	n/a	
	15 – 24 years	2,735,490	6.45%	176,500	
	25 – 34 years	2,526,620	32.54%	822,045	
	35 – 44 years	2,460,805	44.23%	1,088,305	
	45 – 54 years	2,502,190	47.16%	1,180,075	
	55 – 64 years	2,399,180	50.82%	1,219,180	
	65 – 74 years	2,238,605	52.54%	1,176,130	
	75 – 84 years	1,379,335	57.96%	799,455	
	85+	544,750	62.43%	340,070	
4.	<b>Projected Households (Occupied Unit Stock)</b>				6,801,760
5.	+ Vacancy Adjustment (2.63%)				178,896
6.	+ Overcrowding Adjustment (6.76%)				459,917
7.	+ Replacement Adjustment (.50%)				34,010
8.	<i>- Occupied Units (HHs) estimated (June 30, 2021)</i>				-6,250,261
9.	+ Cost Burden Adjustment (Lower Income: 10.63%, Moderate and Above Moderate Income: 9.28%)				117,505
<b>6<sup>th</sup> Cycle Regional Housing Need Assessment (RHNA)</b>					<b>1,341,827</b>

**Explanation and Data Sources**

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% and region's current vacancy rate (2.37%) based on the 2013-2017 5-year American Community Survey (ACS) data. For SCAG that difference is 2.63%.
6. Overcrowding Adjustment: In region's where overcrowding is greater than the U.S overcrowding rate of 3.35%, HCD applies an adjustment based on the amount the region's overcrowding rate (10.11%) exceeds the U.S. overcrowding rate (3.35%) based on the 2013-2017 5-year ACS data. For SCAG that difference is 6.76%.

*Continued on next page*

7. Replacement Adjustment: HCD applies a replacement adjustment between .5% & 5% to total housing stock based on the current 10-year average of demolitions in the region's local

government annual reports to Department of Finance (DOF). For SCAG, the 10-year average is .14%, and SCAG's consultation package provided additional data on this input indicating it may be closer to .41%; in either data source the estimate is below the minimum replacement adjustment so the minimum adjustment factor of .5% is applied.

8. Occupied Units: Reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2021).
9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the nation. The very-low and low income RHNA is increased by the percent difference ( $69.88\% - 59.01\% = 10.88\%$ ) between the region and the national average cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate and above-moderate income RHNA is increased by the percent difference ( $18.65\% - 9.94\% = 8.70\%$ ) between the region and the national average cost burden rate for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent. Data is from 2013-2016 Comprehensive Housing Affordability Strategy (CHAS).

LAW OFFICES

**BERNARD, BALGLEY & BONACCORSI, LLP**

3900 NewPark Mall Road, Third Floor  
Newark, California 94560-5242  
Telephone (510) 791-1888  
Facsimile (510) 791-8008

David P. Bonaccorsi

October 11, 2019

Kome Ajise, Executive Director  
Southern California Association of Governments  
900 Wilshire Blvd., Ste 1700  
Los Angeles, CA 90017

Re: Draft Regional Housing Needs Assessment (RHNA) Allocation Methodology by the  
Southern California Association of Governments (SCAG)

Dear Executive Director Ajise:

I am addressing this letter to SCAG concerning its Draft RHNA Allocation Methodology (the "SCAG draft methodology") on behalf of Abundant Housing LA ("AHLA"), a grassroots organization "committed to education and advocacy on the affordability, livability and sustainability benefits of more housing." [www.abundanthousingla.org/about-ahla/](http://www.abundanthousingla.org/about-ahla/)

State Senate Bill ("SB") 828 by and State Assembly Bill ("AB") 1771, operative January 1, 2019, amended Government Code sections 65584, 65584.01 and 65584.04. AB 1771 further amended Government Code sections 65584.05 and 65584.06 establishing new requirements for preparation, participation, consultation and ultimately adoption by a council of government (COG) such as SCAG of a RHNA allocation methodology for its 6<sup>th</sup> cycle RHNA.<sup>1</sup>

AB 1771 created new requirements "to increase access to areas of high opportunity for lower-income residents, while avoiding displacement and affirmatively furthering fair housing." (Chapter 989, Statutes of 2018, §1.)

On October 7, 2019, the SCAG RHNA Subcommittee recommended to the Regional Council a SCAG draft methodology with a "local input" component.

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<sup>1</sup>The foregoing statutory references to the Government Code shall sometimes be referred to as "Sections."

AHLA respectfully contends the SCAG draft methodology in its 6<sup>th</sup> cycle RHNA process improperly relies upon “local input” and violates SB 828 and AB 1771. AHLA urges SCAG to adopt a new methodology without “local inputs” that is compliant and achieves the stated goal of achieving socioeconomic equity with special attention to the needs of lower-income residents.

In relevant part, SB 828 and AB 1771 mandate certain objectives a RHNA allocation methodology adopted by a COG must achieve. The RHNA allocation methodology - in this case the SCAG draft methodology - “shall further all the following” five statutory objectives, by:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
- (5) Affirmatively furthering fair housing.
- (e) For purposes of this section, “affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

[Gov. Code, §65584, subdivisions (d)(1)-(4), (e).]

Each of the foregoing five statutory objectives for RHNA allocation under Section 65884, subdivision (d) are objective, with measurable outcomes.

Section 65584.04, subdivision (e) enables a COG additionally to include in its methodology



various “factors” obtained by the COG from “local governments” including “existing and projected jobs and housing relationship”: and “constraints and opportunities” to new housing development. [See, generally, Gov. Code, §65584.04, subds. (e)(1)-(11).]

While SCAG contends that “Local Planning Factors” or “local factors” must be considered in SCAG’s Draft Methodology, that misstates Section 65584.04. (SCAG Staff Report, p. 28.)

The term “Local Planning Factors” or “local factors” appears nowhere in Section 65584.04. Section 65584.04 subdivision (e) does authorize including in a COG’s methodology “factors” solicited from “local governments,” but only if “*sufficient data* is available from local governments pursuant to (Section 65584.04 (b)) or other sources....” (bold italics added.)

Under Section 65584.04, subdivision (b)(1), a COG “shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors established in” Section 65584.04, subdivision (e). The survey shall also include “information that will allow development of a methodology based upon the issues” involving fair housing under Section 65584.04, subdivision (d)(5).

SCAG acknowledges that only 55% of the local governments within its COG responded to the survey. (SCAG Staff Report, p. 28.) While there is a hyperlink reference, there is no indication whether or how the surveys that were submitted meet the requisite survey information under Section 65584.04, subdivision (b). *Id.* There is no transparent way to determine whether the surveys collected were representative of all local governments. SCAG does not indicate that it relied upon unspecified “other sources” under Section 65884.04(b)(1) apart from its local government survey. SCAG does not explain what efforts it made to collect surveys from local governments that did not respond, nor determine why no response was received.

In short, SCAG fails to explain how information obtained from local governments could be transformed into its self-described “Local Planning Factors” nor whether SCAG obtained *sufficient data* to warrant considering any of these factors at all in the SCAG draft methodology.

SCAG’s draft methodology, nevertheless, addresses and incorporates 11 enumerated statutory factors under 65584.04 though subdivision (e) (SCAG Staff Report, pp. 28-36).

For example, the last enumerated factor, under Section 65584.04, subdivision (e)(11), describes “(t)he region’s greenhouse gas emissions targeted by the State Air Resources Board pursuant to Government Code section 65080.” (Staff Report, pp. 35-36.)

Under the rubric of this local factor, the SCAG draft methodology “includes local input as a distribution component. Local input is a basis for SCAG’s Connect SoCal Plan, which addressees greenhouse gas emission at the regional level since it is used to reach the State Air Resources Board regional targets.” *Id.*, at 35.

Section 65584.04, subdivision (e)(12) adds a catch-all provision where SCAG may consider “other factors” SCAG has adopted “that further the objectives listed in subdivision (d) of Section



65584.04...” SCAG though must specify “which of the (five Section 65584(d)) objectives each additional factor is necessary to further.”

SCAG’s draft methodology though does not consider any other unenumerated factors under Section 65584.04 subdivision (e)(12) (SCAG Staff Report, p. 36.).

Conversely, a COG’s allocation methodology must not consider “stable population numbers and prior underproduction of housing.” (Gov. Code, §65594.04, subd. (g).)

And while SCAG’s Staff Report does set forth how each of what it describes are “local factors” follow the enumerated factors under Section 65584.04, subdivision (e), there is no indication in what specific manner SCAG’s draft methodology, as required under Section 65584.04, subdivision (f), “furthers the objectives listed in (Section 65584(d)).” Section 65584.04, subdivision (f) further mandates that the COG post this “information and any other supporting materials used in determining the methodology” on its website.

Section 65584.04, subdivision (m) in part does require that the “housing planning be coordinated and integrated with the regional transportation plan (RTP),” including being “consistent with the sustainable communities strategy (SCS) in the regional transportation plan...” (Gov. Code, §65584.04, subds. (1), (3).)

Significantly, however, the RHNA plan’s coordination and integration with the RTP, including its SCS element of the RTP, is qualified, circumscribed and delimited by subdivision (m) of Section 65584.04 itself. A COG’s reliance on its RTP in order for its RHNA allocation to be compliant must advance the five statutory objectives of Section 65584, subdivision (d):

The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan and ***furthers the objectives listed in subdivision (d) of Section 65584.***

[Gov. Code, § 65584.04, subdivisions (m)(3)(bold italics added.)]

As previously noted, SCAG’s draft methodology explicitly relies on “local input” as a factor under 65584.04, subdivision (e)(11). (Staff Report, pp. 35-36.) SCAG acknowledges the diminishing role local input should play in SCAG’s draft methodology given “there has been an increased statutory emphasis on other factors such as aligning transit accessibility and increasing housing supply near employment with RHNA distribution.” (SCAG Staff Report, p. 23.) And staff further acknowledges the “limitations of using local input to the Growth Forecast as the only factor in the RHNA methodology.” *Id.* SCAG does not explain what those limitations are in the SCAG Staff Report.

“Despite this limitation of using local input....,” SCAG plows ahead and asserts as self-evident the following:

The use of the Growth Forecast at the jurisdictional level in determining projected need

also ensures the RHNA allocation is aligned and consistent with Connect SoCal, a requirement of SB 375. Input from local jurisdictions is an important step in strengthening the Growth Forecast *to ensure that relevant local concerns and conditions are reflected at the jurisdictional level.*"

(SCAG Staff Report, p. 23, emphasis added.)

Based on the foregoing analysis, SCAG's draft methodology violates SB 828 and AB 1771 by including "local input" under 65584.04, subdivision (e)(11) under the term "Local Planning Factors," a term that appears nowhere in SB 828 or AB 1771, for the following reasons:

First, as a threshold matter, as previously noted, SCAG has failed to demonstrate that it obtained "sufficient data" in its survey of barely more than half of its local jurisdictions to warrant incorporating any of the enumerated factors of any kind in the SCAG draft methodology under Sections 65584.04, subdivisions (b) and (e).

Second, the use of "local input" as a local factor under 65584.04, subdivision (e)(11), particularly as it relates to SCS under SB 375, is arbitrary and without any foundation in law or as good public policy in achieving the required RHNA objectives.

When interpreting a statute, "where there are several provisions or particulars, such a construction is, if possible, to be adopted as will give effect to all." (Civ. Code, §1858.) Statutes, in turn, must be construed "with reference to the entire scheme of law which it is part so that the whole may be harmonized and retain effectiveness." *Krumme v. Mercury Ins. Co.* (2004) 123 Cal.App.4th 924, 941 (internal citation omitted).

Here, the use of "local input" under Section 65584.04, subdivision (e)(11) is not a factor that is either required or explicitly can be used by SCAG. SCAG has cited to "local input" as past practice as a factor used for many years in its RTP, a consideration SCAG recognizes has its own "limitations."

Looking to the statute and the statutory scheme as a whole, a COG must specify in writing how "local input" as a factor in a Growth Forecast "furthers the objectives listed in (Section 65584(d)) as required by Section 65584.04, subdivision (f).

In order for "local input" to be relevant and valid, it must be consistent - not with SB 375 generally as suggested by SCAG (SCAG Staff Report, p. 23.) - but with the SCS element under Connect SoCal, its RTP. [Gov. Code, § 65584.04, subdivision (m)(3)]. SCAG's "housing planning" must merely be "coordinated" and "integrated" with its RTP under Section 65584.04, subdivision (m)(1).) But SCS "consistency," to the extent it is relevant, must also further one or more of the five statutory objectives under Section 65584, subdivision (d). [Gov. Code, § 65584.04, subdivision (m)(3).]

SB 375 is cross-referenced by implication in Section 65584.04, subdivision (m)(3) and expressly in Section 65584.04, subdivision (e)(11), but is in fact of the statutory objectives under Section

65584, subdivision (d)(2) in “(p)romoting infill development and socioeconomic equity...and the achievement of the region’s greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.”

SB 375 was enacted in 2008 to address the disproportionate impact to GHG emission caused by the transportation sector, with light trucks and automobiles responsible for 30% GHG emissions. *Cleveland National Forest Foundation v. San Diego Assn. of Governments* (2017) 3 Cal.5th 497, 505-506. SB 375 required metropolitan planning organizations (MOPs) to develop an SCS which “must address, among other things, regional distribution of land uses and population, housing needs, and protection of resource areas.” (*Id. at 506, Gov. Code, §65080, subd. (b)(2)(B).*)

In addition, the “reductions mandated by (SB 375) may be achieved through a variety of means, including ‘smart growth’ planning to maximize building densities served by public transit and to locate residences near needed services and shopping to reduce automobile dependency.” *Cleveland National Forest Foundation v. San Diego Assn. of Governments* (2017) 3 Cal.5th 497, 506.

SCAG’s stated rationale for reliance on “local input” is unsupported by the purpose of SB 375 in reducing GHG emissions regionally and Statewide. SCAG reveals its intent for “local input” as a conduit or means *to ensure that relevant local concerns and conditions are reflected at the jurisdictional level.*” (SCAG Staff Report, p. 23, emphasis added.)

Rather than further the five statutory objectives of SB 828 and AB 1771, SCAG’s draft methodology undermines these objectives.

By letter dated August 31, 2019 to the Honorable Bill Jahn, President of the Regional Council, a number of esteemed “undersigned professors in the fields of planning and public policy” including its lead signatory Paavo Monkkonen, Associate Professor of Urban Planning and Public Policy, UCLA Luskin School of Public Affairs, an ex-officio member of SCAG representing Academia, criticized SCAG for its use of “local input” in SCAG’s draft methodology. AHLA while not embracing every conclusion reached, cites this letter and agrees that the local input does not “align with the State’s goals of social equity and environmental sustainability.”

By comparing SCAG’s proposed methodology to a methodology without “local input,” such as AHLA’s proposed methodology (“Option H”), the outputs demonstrate that “local input” undermines the five statutory objectives of SB 828 and AB 1771. For example, the current proposed methodology assigns Beverly Hills, a job-rich and transit-adjacent city, 1,373 homes, and the City of Coachella, which lies 131 miles from Downtown Los Angeles, 15,154. Similarly, the methodology assigns Culver City, with its new major rail line and rapidly growing tech sector, only 1,660 homes, and desert cities such as Riverside and Fontana get 20,139 and 22,126, respectively. By comparison, under “Option H,” Coachella would be assigned a realistic 1,565 units of housing, and Culver City would get 5,114.

Local “concerns” untethered to any of the five statutory objectives under Section 65584, subdivision (d) cannot be relevant or considered at the jurisdictional level that perpetuate and worsen urban sprawl, increase vehicle miles traveled, or increase to the jobs-to-housing imbalance. (Cf. SCAG Staff Report, p. 23.)

For the foregoing reasons, AHLA concludes that SCAG’s Draft Methodology’s reliance on “local input” depresses an appropriate calculation of projected housing need to increase RHNA numbers, creates barriers rather than access for low-income residents, accelerates rather than avoids displacement, and inhibits rather than affirmatively promotes fair housing. This then would render its RHNA allocation as non-compliant with both the express statutory mandates to be followed and public policy objectives meant to be achieved by SB 828 and AB 1771.

Indeed, local inputs accomplish indirectly what SCAG is prohibited from doing directly; namely, considering a factor in SCAG’s draft methodology which perpetuates “stable population numbers and prior underproduction of housing” under Section 65584.04, subdivision (g).

Accordingly, any resolution adopting a RHNA allocation plan based upon SCAG’s current draft methodology would be a prejudicial abuse of discretion by SCAG, analogous to a public agency’s compliance under the California Environmental Quality Act, in failing to proceed in a manner required by law or in adopting a resolution for a RHNA allocation otherwise unsupported by substantial evidence. *Vineyard Area Citizens for Responsible Growth, Inc. v. City of Rancho Cordova* (2007) 40 Cal.4th 412, 426-427.

AHLA respectfully urges SCAG to adopt a new allocation methodology that does not rely upon any “local input” by evaluation projected housing need based upon a combination of factors raised by Paavo Monkkonen, et al. in their letter of August 31, 2019 to the Honorable Bill Jahn.

Thank you for your anticipated consideration.

Sincerely,

BERNARD, BALGLEY & BONACCORSI, LLP



DAVID BONACCORSI

dpb/DPB

cc: Megan Kirkeby, Assistant Deputy Director for Fair Housing, Department of Housing and Community Development Division of Housing Policy Development

Leonora Camner, Managing Director, Abundant Housing LA (Via email only @ [leonora@abundanthousingla.org](mailto:leonora@abundanthousingla.org))

Draft Shares Comparison based on HCD determination of 1,341,827  
 Updated 10/16/2019 with revised staff proposed methodology

HCD shares	26.1%	15.3%	16.7%	41.8%		26.2%	15.4%	16.7%	41.7%		26.1%	15.3%	16.7%	41.8%	
	350,998	206,338	225,152	562,252	1,344,740	351,796	206,807	223,957	559,267	1,341,827	350,998	206,338	225,152	562,252	1,344,740
Difference SCAG - HCD	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	
	-214	-73	-12	313		-232	-79	-11	344		-135	-52	-15	214	
SCAG shares	26.1%	15.3%	16.7%	41.8%		26.2%	15.4%	16.7%	41.7%		26.1%	15.3%	16.7%	41.8%	
	350,784	206,265	225,140	562,565	1,344,754	351,564	206,728	223,946	559,611	1,341,849	350,863	206,286	225,137	562,466	1,344,752

city	9/30/19 Proposed Methodology (Option 4)					10/16/19 Proposed Methodology (Option 4) w/ new regional total and HQTA revisions					OPTION 5 (10/7/19 Substitute Motion)					AHLA
	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	Total
Brawley city	805	421	407	1,228	2,861	807	422	405	1,221	2,855	396	208	203	613	1,420	696
Calexico city	1,447	735	690	2,589	5,461	1,454	739	688	2,581	5,462	1,236	633	598	2,249	4,717	1,059
Calipatria city	73	43	33	162	311	73	43	33	161	310	35	21	16	79	151	165
El Centro city	1,505	732	691	2,210	5,138	1,513	736	689	2,204	5,141	986	483	459	1,471	3,398	1,414
Holtville city	72	59	46	129	306	72	59	46	129	306	40	33	26	72	170	153
Imperial city	1,195	583	497	432	2,707	1,196	584	493	429	2,703	700	344	295	257	1,597	518
Westmorland city	5	4	3	11	23	5	4	3	11	23	5	4	3	11	23	53
Unincorporated Imperial Co.	1,353	665	648	2,131	4,798	1,364	671	649	2,132	4,815	1,202	596	584	1,925	4,307	1,119
Agoura Hills city	147	84	64	75	370	148	84	64	75	370	117	67	51	61	296	1,799
Alhambra city	871	505	527	1,422	3,325	871	505	523	1,410	3,308	1,220	713	748	2,024	4,705	7,571
Arcadia city	779	400	425	653	2,258	914	470	496	761	2,641	772	400	428	659	2,258	4,527
Artesia city	103	55	42	150	350	103	55	42	149	349	102	55	42	151	350	891
Avalon city	111	69	51	179	409	111	69	50	178	408	7	5	3	12	27	277
Azusa city	877	421	439	1,299	3,035	884	424	439	1,299	3,047	977	473	495	1,471	3,416	2,957
Baldwin Park city	580	275	263	882	2,000	581	276	262	877	1,996	574	275	264	888	2,000	4,682
Bell city	43	23	29	134	229	43	23	29	133	228	42	23	29	135	229	2,985
Bell Gardens city	100	29	73	302	504	100	29	72	301	502	99	29	73	304	504	2,876
Bellflower city	289	138	156	471	1,054	288	138	155	467	1,048	503	242	277	836	1,858	3,868
Beverly Hills city	449	300	266	358	1,373	449	300	264	355	1,368	634	428	382	514	1,958	7,576
Bradbury city	11	6	6	6	30	11	6	6	6	30	11	6	6	6	30	57
Burbank city	2,294	1,265	1,258	3,004	7,821	2,298	1,267	1,251	2,986	7,802	2,719	1,511	1,513	3,621	9,364	11,379
Calabasas city	108	58	57	67	291	109	58	57	67	291	107	58	58	68	291	2,311
Carson city	1,443	739	709	1,656	4,546	1,446	740	705	1,646	4,536	1,429	737	712	1,667	4,546	6,224
Cerritos city	38	19	18	30	105	38	19	18	30	105	37	19	18	30	105	3,504
Claremont city	538	298	286	525	1,647	531	294	280	514	1,619	521	290	281	516	1,608	2,545
Commerce city	55	22	39	132	247	55	22	38	131	246	54	22	39	132	247	2,036
Compton city	236	121	131	515	1,003	237	121	130	512	1,001	234	120	131	517	1,003	6,499
Covina city	386	167	176	464	1,193	372	161	168	444	1,146	504	220	233	616	1,573	3,137
Cudahy city	80	36	53	224	394	81	36	53	223	393	79	36	53	225	394	1,842
Culver City city	554	300	278	528	1,660	555	300	277	524	1,656	775	423	395	750	2,343	5,192
Diamond Bar city	872	445	449	823	2,588	874	446	446	818	2,584	701	360	366	672	2,099	3,176
Downey city	894	404	391	1,096	2,786	894	404	388	1,087	2,773	1,317	600	584	1,642	4,143	7,850
Duarte city	215	115	110	268	708	216	115	109	267	707	213	115	110	270	708	1,357
El Monte city	1,813	855	1,237	4,595	8,500	1,819	858	1,231	4,574	8,482	1,792	851	1,239	4,617	8,500	7,920
El Segundo city	99	46	43	68	256	99	46	43	68	255	98	46	44	69	256	2,266
Gardena city	951	484	570	1,640	3,645	955	486	567	1,633	3,641	1,218	625	740	2,135	4,718	5,589
Glendale city	2,539	1,586	1,651	4,057	9,833	2,543	1,588	1,641	4,032	9,804	3,169	1,995	2,089	5,148	12,401	17,779
Glendora city	659	344	346	679	2,029	661	345	345	676	2,026	767	403	409	803	2,382	3,069
Hawaiian Gardens city	61	43	46	181	331	61	44	46	180	330	60	43	46	181	331	710
Hawthorne city	449	204	250	832	1,735	450	205	248	828	1,731	444	204	251	837	1,735	7,177
Hermosa Beach city	140	76	63	56	335	140	76	63	56	334	139	76	64	56	335	1,965
Hidden Hills city	19	9	11	8	48	19	9	11	8	48	15	7	9	7	38	275
Huntington Park city	266	196	243	899	1,604	267	197	242	895	1,601	263	195	244	902	1,604	4,814
Industry city	4	4	0	0	8	4	4	0	0	8	4	4	0	0	8	61
Inglewood city	1,828	956	1,115	3,539	7,438	1,833	958	1,109	3,521	7,422	1,808	953	1,118	3,559	7,438	9,237



Draft Shares Comparison based on HCD determination of 1,341,827  
 Updated 10/16/2019 with revised staff proposed methodology

city	9/30/19 Proposed Methodology (Option 4)					10/16/19 Proposed Methodology (Option 4) w/ new regional total and HQTAs revisions					OPTION 5 (10/7/19 Substitute Motion)					AHLA
	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	Total
Irwindale city	36	11	17	56	120	36	11	16	56	119	36	11	17	57	120	211
La Cañada Flintridge city	141	75	78	48	343	142	76	78	48	343	140	75	78	49	343	1,828
La Habra Heights city	75	33	30	28	166	75	33	30	28	166	74	33	30	28	166	338
La Mirada city	412	221	207	428	1,268	413	221	206	425	1,265	409	221	208	431	1,268	2,966
La Puente city	96	48	48	146	339	96	48	48	145	338	95	48	49	147	339	2,489
La Verne city	204	117	110	229	660	204	117	109	228	658	202	117	110	231	660	1,913
Lakewood city	785	383	393	798	2,360	786	384	391	794	2,355	778	382	395	804	2,360	4,323
Lancaster city	4,196	2,237	2,491	7,955	16,880	4,279	2,281	2,521	8,048	17,129	2,107	1,132	1,268	4,061	8,569	6,760
Lawndale city	288	122	145	421	977	289	122	144	418	973	442	188	226	656	1,512	2,863
Lomita city	133	69	71	187	459	133	69	70	186	458	132	68	71	188	459	1,421
Long Beach city	7,198	4,051	4,166	11,082	26,497	7,215	4,060	4,144	11,021	26,440	7,125	4,040	4,181	11,151	26,497	37,582
Los Angeles city	115,609	68,032	74,394	193,303	451,338	115,989	68,257	74,067	192,432	450,744	132,892	78,804	86,713	225,902	524,310	367,937
Lynwood city	380	139	236	804	1,558	381	139	235	800	1,555	375	138	237	808	1,558	5,113
Malibu city	37	25	23	23	108	37	25	23	23	108	26	18	16	16	75	1,820
Manhattan Beach city	43	22	21	18	103	43	22	21	18	103	43	22	21	18	103	4,686
Maywood city	54	47	55	208	365	54	47	55	207	364	54	47	55	209	365	2,078
Monrovia city	521	261	254	630	1,666	522	262	252	627	1,663	470	237	232	577	1,516	2,643
Montebello city	714	381	419	1,279	2,794	713	381	416	1,268	2,778	953	513	568	1,736	3,769	4,956
Monterey Park city	768	473	489	1,294	3,023	767	472	484	1,283	3,006	1,011	628	652	1,733	4,024	5,415
Norwalk city	515	251	218	681	1,666	515	251	217	676	1,659	836	411	359	1,124	2,730	5,649
Palmdale city	3,087	1,613	1,733	5,008	11,442	3,097	1,618	1,725	4,985	11,426	1,772	933	1,009	2,922	6,636	6,400
Palos Verdes Estates city	83	44	48	26	201	82	44	48	26	200	79	43	47	25	194	1,340
Paramount city	92	43	48	181	364	92	43	48	180	363	91	43	48	182	364	2,929
Pasadena city	2,704	1,625	1,532	3,352	9,212	2,711	1,629	1,524	3,335	9,199	3,112	1,884	1,788	3,923	10,707	13,114
Pico Rivera city	733	356	363	1,042	2,493	734	356	360	1,035	2,485	917	448	460	1,325	3,150	3,819
Pomona city	3,082	1,464	1,653	5,330	11,529	2,984	1,417	1,588	5,120	11,109	2,877	1,377	1,564	5,057	10,874	9,391
Rancho Palos Verdes city	37	20	18	18	94	37	20	18	18	93	37	20	19	18	94	3,437
Redondo Beach city	838	452	437	492	2,219	838	452	433	488	2,212	1,002	545	530	598	2,675	5,672
Rolling Hills city	21	9	11	7	48	21	9	11	7	48	18	8	10	6	42	244
Rolling Hills Estates city	83	43	39	30	196	84	43	39	30	196	75	39	36	28	178	729
Rosemead city	789	433	467	1,440	3,129	779	427	457	1,410	3,073	1,007	557	603	1,866	4,033	4,505
San Dimas city	56	32	30	64	182	57	32	30	63	182	56	32	30	64	182	1,990
San Fernando city	255	150	156	425	987	256	151	156	423	985	253	150	157	428	987	1,872
San Gabriel city	802	391	439	1,213	2,846	803	392	436	1,205	2,837	914	449	507	1,405	3,276	3,027
San Marino city	16	10	10	7	43	16	10	10	7	43	16	10	10	7	43	1,712
Santa Clarita city	4,425	2,243	2,164	4,146	12,978	4,436	2,248	2,153	4,124	12,961	3,174	1,621	1,574	3,023	9,391	12,945
Santa Fe Springs city	254	159	152	387	952	255	159	151	385	950	252	158	153	389	952	2,359
Santa Monica city	1,528	908	925	1,470	4,830	1,534	911	922	1,465	4,832	2,062	1,234	1,266	2,016	6,578	14,155
Sierra Madre city	82	40	36	54	211	82	40	35	54	211	76	37	34	51	198	715
Signal Hill city	161	78	90	188	517	161	78	90	187	516	159	78	91	189	517	1,249
South El Monte city	132	64	70	312	577	132	64	70	310	576	130	63	70	313	577	1,533
South Gate city	948	438	518	1,741	3,644	948	438	514	1,727	3,627	1,396	650	773	2,606	5,425	7,133
South Pasadena city	446	233	196	337	1,211	446	233	194	334	1,207	592	311	263	454	1,621	2,596
Temple City city	769	425	449	1,010	2,652	771	426	446	1,005	2,648	591	329	350	789	2,059	2,140
Torrance city	850	441	444	837	2,572	850	441	441	831	2,563	1,166	609	618	1,168	3,561	12,241
Vernon city	4	4	0	0	8	4	4	0	0	8	4	4	0	0	8	44
Walnut city	151	79	81	143	454	151	79	81	142	453	149	79	82	144	454	2,080
West Covina city	1,286	656	669	1,518	4,130	1,252	639	646	1,466	4,003	1,603	824	846	1,923	5,196	7,338
West Hollywood city	948	609	603	1,313	3,473	948	609	599	1,303	3,460	1,140	737	736	1,605	4,218	4,398
Westlake Village city	73	37	40	31	181	74	37	40	30	181	54	28	30	23	135	1,075
Whittier city	937	488	505	1,193	3,123	939	489	503	1,186	3,116	928	487	508	1,201	3,123	4,719

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	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	Total
Unincorporated Los Angeles Co.	27,398	14,520	15,056	38,451	95,424	27,489	14,568	14,990	38,280	95,327	29,995	16,018	16,714	42,797	105,524	70,885
Aliso Viejo city	55	30	29	54	169	55	30	29	54	168	55	30	29	55	169	3,143
Anaheim city	3,800	2,401	2,954	8,295	17,450	3,811	2,407	2,939	8,254	17,412	3,758	2,392	2,961	8,339	17,450	27,554
Brea city	334	195	200	444	1,172	334	195	199	441	1,170	330	194	201	447	1,172	3,635
Buena Park city	1,291	813	953	2,333	5,389	1,297	816	950	2,325	5,387	1,561	990	1,168	2,868	6,588	6,330
Costa Mesa city	1,082	660	769	1,811	4,323	1,083	661	765	1,800	4,309	1,525	938	1,100	2,596	6,159	11,179
Cypress city	271	154	146	350	920	270	153	145	347	915	450	258	246	592	1,546	3,168
Dana Point city	142	81	97	191	510	142	81	97	190	509	111	64	77	152	404	2,538
Fountain Valley city	374	224	237	540	1,376	375	224	236	537	1,371	571	343	367	838	2,119	4,034
Fullerton city	1,837	1,134	1,297	3,255	7,523	1,841	1,137	1,290	3,238	7,507	2,271	1,413	1,626	4,093	9,403	10,173
Garden Grove city	1,227	820	941	2,610	5,598	1,232	823	937	2,600	5,592	1,835	1,235	1,426	3,967	8,462	13,807
Huntington Beach city	1,001	593	627	1,405	3,625	1,001	593	623	1,395	3,612	1,561	932	992	2,229	5,714	15,656
Irvine city	5,853	3,847	3,918	7,820	21,438	5,696	3,744	3,784	7,550	20,774	6,518	4,317	4,424	8,853	24,112	23,977
La Habra city	193	116	130	365	805	194	117	130	363	803	191	116	131	367	805	3,340
La Palma city	6	4	4	8	22	6	4	4	8	22	6	4	4	8	22	1,026
Laguna Beach city	16	11	11	16	55	17	11	11	16	55	16	11	11	16	55	2,453
Laguna Hills city	311	192	193	384	1,080	311	192	192	382	1,077	308	192	194	387	1,080	2,218
Laguna Niguel city	52	30	34	65	181	53	30	33	65	181	52	30	34	65	181	4,534
Laguna Woods city	13	14	20	55	102	13	14	20	55	102	13	14	20	56	102	838
Lake Forest city	187	105	109	228	629	188	106	108	226	628	185	105	109	229	629	5,725
Los Alamitos city	68	41	51	108	268	68	41	50	108	268	67	41	51	109	268	1,064
Mission Viejo city	210	124	123	230	688	59	35	34	64	193	344	205	204	382	1,135	6,098
Newport Beach city	836	530	600	798	2,764	836	530	595	791	2,751	1,049	670	763	1,018	3,500	10,814
Orange city	1,075	604	678	1,578	3,935	1,077	606	675	1,569	3,927	1,064	603	681	1,588	3,935	11,537
Placentia city	738	405	459	1,001	2,603	739	405	456	995	2,595	889	491	561	1,227	3,168	3,276
Rancho Santa Margarita city	56	32	33	60	181	56	32	33	60	181	55	32	33	60	181	2,890
San Clemente city	240	138	159	294	831	241	139	158	292	830	214	124	144	266	748	4,867
San Juan Capistrano city	276	175	187	433	1,071	276	176	186	431	1,068	192	123	132	307	755	2,572
Santa Ana city	590	362	525	1,616	3,094	592	363	523	1,609	3,087	583	361	526	1,624	3,094	29,972
Seal Beach city	38	29	35	79	182	38	30	35	79	182	38	29	35	80	182	1,726
Stanton city	166	145	232	688	1,231	166	145	231	685	1,228	164	144	232	691	1,231	2,973
Tustin city	1,291	777	842	2,125	5,035	1,241	747	804	2,028	4,820	1,603	972	1,061	2,684	6,320	6,661
Villa Park city	13	8	8	11	40	12	8	8	11	39	12	8	8	11	40	422
Westminster city	544	423	513	1,318	2,799	544	423	509	1,308	2,784	823	645	787	2,027	4,282	7,685
Yorba Linda city	66	39	39	63	207	66	39	39	63	207	65	39	39	64	207	4,434
Unincorporated Orange Co.	3,690	2,179	2,383	3,894	12,146	3,728	2,201	2,390	3,905	12,224	3,041	1,809	1,992	3,263	10,104	8,088
Banning city	626	379	550	1,726	3,281	628	380	548	1,718	3,275	312	190	278	874	1,654	1,085
Beaumont city	1,827	1,065	1,069	2,255	6,216	1,832	1,068	1,064	2,244	6,208	1,202	706	714	1,509	4,130	1,731
Blythe city	166	142	194	491	993	166	143	193	489	991	81	70	97	245	493	635
Calimesa city	1,075	593	818	1,863	4,349	1,078	595	814	1,853	4,340	488	272	377	860	1,996	362
Canyon Lake city	64	35	36	57	192	64	35	36	57	192	42	23	24	38	128	492
Cathedral City city	1,002	651	845	2,198	4,696	1,005	653	841	2,188	4,687	526	345	450	1,173	2,493	2,254
Coachella city	2,004	1,926	2,638	8,586	15,154	2,012	1,933	2,628	8,551	15,124	1,015	982	1,354	4,419	7,770	1,589
Corona city	1,861	1,097	1,157	2,305	6,419	1,853	1,092	1,144	2,278	6,367	2,135	1,268	1,346	2,688	7,438	9,054
Desert Hot Springs city	1,258	1,176	1,513	4,540	8,487	1,262	1,180	1,507	4,521	8,470	564	531	688	2,069	3,851	890
Eastvale City	914	533	504	454	2,405	913	533	500	451	2,397	1,086	638	608	549	2,880	3,209
Hemet city	1,605	1,438	2,309	7,310	12,662	1,612	1,444	2,300	7,284	12,640	807	729	1,177	3,737	6,450	2,949
Indian Wells city	135	93	105	108	440	132	91	102	105	431	128	89	101	104	421	560
Indio city	2,679	1,736	1,954	5,208	11,577	2,706	1,753	1,958	5,218	11,635	1,738	1,135	1,285	3,435	7,594	3,582
Jurupa Valley City	1,343	827	809	1,987	4,966	1,346	829	804	1,976	4,956	1,143	709	698	1,719	4,268	4,765
La Quinta city	692	439	486	886	2,502	694	440	483	881	2,498	403	258	287	525	1,473	2,293



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	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	Total
Lake Elsinore city	3,466	2,014	2,080	4,678	12,238	3,475	2,019	2,069	4,653	12,217	1,867	1,093	1,136	2,561	6,657	2,292
Menifee city	3,221	1,910	2,012	4,855	11,997	3,230	1,915	2,002	4,830	11,976	1,746	1,043	1,105	2,675	6,569	3,260
Moreno Valley city	4,557	2,456	2,596	6,694	16,303	4,570	2,463	2,583	6,660	16,275	3,737	2,030	2,158	5,581	13,506	7,596
Murrieta city	1,107	635	594	982	3,318	1,110	637	591	977	3,315	999	577	544	901	3,021	4,884
Norco city	13	8	8	13	42	14	8	8	13	42	13	8	8	13	42	1,577
Palm Desert city	1,384	936	940	2,418	5,678	1,389	939	936	2,407	5,671	663	452	456	1,177	2,748	3,324
Palm Springs city	701	522	591	1,452	3,266	706	525	590	1,450	3,271	554	415	473	1,165	2,607	2,732
Perris city	2,638	1,453	1,645	4,322	10,059	2,645	1,457	1,637	4,300	10,040	1,992	1,106	1,260	3,318	7,675	3,056
Rancho Mirage city	641	470	487	987	2,585	643	472	484	981	2,580	426	315	328	667	1,736	1,367
Riverside city	5,347	3,346	3,432	8,014	20,139	5,367	3,358	3,419	7,982	20,126	6,073	3,829	3,952	9,254	23,108	16,103
San Jacinto city	1,553	897	1,081	3,003	6,534	1,558	900	1,076	2,989	6,523	796	463	562	1,564	3,385	1,570
Temecula city	2,532	1,482	1,442	2,307	7,764	2,537	1,485	1,434	2,294	7,750	1,348	795	779	1,249	4,170	5,815
Wildomar city	1,470	824	796	1,881	4,971	1,474	826	792	1,871	4,963	792	447	435	1,030	2,703	1,511
Unincorporated Riverside Co. (incl. M	11,888	7,542	8,371	18,413	46,214	11,930	7,569	8,336	18,335	46,171	10,700	6,841	7,640	16,849	42,029	16,903
Adelanto city	762	1,088	1,253	4,107	7,211	765	1,093	1,249	4,091	7,198	392	563	653	2,145	3,752	936
Apple Valley town	1,921	1,055	1,315	3,244	7,535	1,927	1,058	1,309	3,229	7,523	1,079	597	748	1,851	4,275	2,223
Barstow city	313	411	542	1,474	2,740	314	413	540	1,468	2,736	170	225	299	814	1,507	690
Big Bear Lake city	100	66	75	186	426	100	66	75	185	425	49	33	37	93	212	272
Chino city	2,544	1,535	1,440	2,823	8,342	2,560	1,545	1,438	2,819	8,361	2,347	1,427	1,347	2,648	7,770	5,005
Chino Hills city	1,524	895	861	793	4,073	1,516	890	850	783	4,039	1,615	956	925	854	4,350	4,350
Colton city	1,321	665	903	2,514	5,403	1,330	670	903	2,512	5,414	1,263	641	876	2,444	5,224	2,740
Fontana city	6,502	3,727	3,840	8,058	22,126	6,522	3,738	3,822	8,019	22,101	6,012	3,473	3,600	7,574	20,659	9,739
Grand Terrace city	244	118	136	312	810	244	118	136	310	808	176	86	100	229	590	507
Hesperia city	3,758	2,391	2,740	6,933	15,822	3,769	2,398	2,727	6,899	15,794	1,909	1,224	1,412	3,581	8,126	2,856
Highland city	1,018	668	771	1,646	4,103	1,021	670	767	1,639	4,097	605	401	465	995	2,466	2,034
Loma Linda city	585	346	392	956	2,280	588	348	391	953	2,280	489	291	332	811	1,924	1,660
Montclair city	479	261	272	753	1,765	460	251	260	718	1,688	620	340	358	991	2,309	2,405
Needles city	17	19	30	94	160	17	19	30	94	160	9	10	16	51	86	149
Ontario city	6,694	3,873	3,927	10,058	24,552	6,703	3,878	3,903	9,994	24,478	6,772	3,948	4,029	10,345	25,095	9,783
Rancho Cucamonga city	3,264	1,918	2,037	3,294	10,513	3,273	1,923	2,027	3,278	10,502	3,748	2,219	2,372	3,846	12,186	9,613
Redlands city	1,243	786	833	1,626	4,488	1,248	789	830	1,620	4,487	878	560	597	1,168	3,203	3,591
Rialto city	2,235	1,206	1,374	3,455	8,270	2,240	1,209	1,366	3,436	8,252	2,212	1,203	1,379	3,476	8,270	5,078
San Bernardino city	1,428	1,099	1,453	4,142	8,122	1,432	1,103	1,446	4,123	8,104	1,411	1,095	1,455	4,161	8,122	12,744
Twentynine Palms city	458	251	366	994	2,069	460	252	364	990	2,066	229	126	185	504	1,044	626
Upland city	1,938	1,165	1,232	2,570	6,905	1,820	1,093	1,148	2,395	6,456	2,132	1,291	1,374	2,875	7,672	4,725
Victorville city	3,463	2,251	2,984	7,458	16,156	3,493	2,271	2,987	7,465	16,216	1,705	1,117	1,490	3,734	8,047	3,909
Yucaipa city	1,181	818	847	1,902	4,747	1,169	810	833	1,869	4,681	698	487	508	1,144	2,838	2,113
Yucca Valley town	316	236	295	674	1,521	311	232	288	658	1,489	160	120	151	346	778	636
Unincorporated San Bernardino Co.	2,887	1,789	2,007	4,925	11,607	3,103	1,923	2,140	5,253	12,419	1,794	1,120	1,265	3,112	7,291	12,236
Camarillo city	337	231	257	480	1,305	337	232	256	477	1,302	308	213	239	446	1,206	4,639
Fillmore city	120	100	120	347	687	121	101	119	345	686	72	61	73	211	417	762
Moorpark city	362	223	235	412	1,232	363	223	233	410	1,230	358	222	235	414	1,230	2,357
Ojai city	18	13	15	32	78	18	13	15	32	78	12	8	10	22	52	552
Oxnard city	1,842	1,064	1,531	4,047	8,484	1,851	1,069	1,527	4,035	8,482	1,835	1,068	1,546	4,098	8,547	11,593
Port Hueneme city	26	15	18	66	125	26	15	18	65	125	25	15	18	66	125	1,212
San Buenaventura (Ventura) city	1,126	815	896	2,162	4,999	1,134	821	896	2,161	5,012	1,087	793	877	2,122	4,878	7,148
Santa Paula city	165	160	197	541	1,063	166	160	196	539	1,061	100	97	121	333	651	1,532
Simi Valley city	901	590	621	1,227	3,339	903	591	617	1,220	3,332	683	450	477	945	2,555	7,651
Thousand Oaks city	1,046	699	752	1,208	3,705	1,048	700	748	1,202	3,698	694	467	506	815	2,482	9,257
Unincorporated Ventura Co.	304	214	237	442	1,197	305	214	236	440	1,195	301	213	238	445	1,197	5,638

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	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	VLI	LI	MI	AMI	Total	Total
Imperial	6,455	3,243	3,015	8,892	21,605	6,485	3,258	3,005	8,867	21,615	4,599	2,322	2,183	6,678	15,783	5,176
Los Angeles	206,177	116,201	124,722	323,200	770,300	206,810	116,566	124,154	321,620	769,150	227,420	129,567	139,953	362,576	859,516	828,755
Orange	27,941	17,436	19,536	44,529	109,442	27,659	17,260	19,215	43,843	107,978	31,521	19,876	22,370	51,555	125,322	250,408
Riverside	57,769	36,624	41,062	99,992	235,447	57,950	36,742	40,881	99,557	235,131	43,373	27,358	30,318	71,946	172,995	107,440
San Bernardino	46,193	28,637	31,926	74,989	181,746	46,387	28,761	31,829	74,797	181,774	38,475	23,554	25,974	59,794	147,796	100,619
Ventura	6,248	4,123	4,879	10,964	26,214	6,273	4,140	4,862	10,926	26,201	5,475	3,608	4,340	9,917	23,340	52,342
SCAG	350,784	206,265	225,140	562,565	1,344,754	351,564	206,728	223,946	559,611	1,341,849	350,863	206,286	225,137	562,466	1,344,752	1,344,740
<b>Share of total</b>																
Imperial	1.8%	1.6%	1.3%	1.6%	1.6%	1.8%	1.6%	1.3%	1.6%	1.6%	1.3%	1.1%	1.0%	1.2%	1.2%	0.4%
Los Angeles	58.8%	56.3%	55.4%	57.5%	57.3%	58.8%	56.4%	55.4%	57.5%	57.3%	64.8%	62.8%	62.2%	64.5%	63.9%	61.6%
Orange	8.0%	8.5%	8.7%	7.9%	8.1%	7.9%	8.3%	8.6%	7.8%	8.0%	9.0%	9.6%	9.9%	9.2%	9.3%	18.6%
Riverside	16.5%	17.8%	18.2%	17.8%	17.5%	16.5%	17.8%	18.3%	17.8%	17.5%	12.4%	13.3%	13.5%	12.8%	12.9%	8.0%
San Bernardino	13.2%	13.9%	14.2%	13.3%	13.5%	13.2%	13.9%	14.2%	13.4%	13.5%	11.0%	11.4%	11.5%	10.6%	11.0%	7.5%
Ventura	1.8%	2.0%	2.2%	1.9%	1.9%	1.8%	2.0%	2.2%	2.0%	2.0%	1.6%	1.7%	1.9%	1.8%	1.7%	3.9%
SCAG	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Difference Option 5 (NO local input) - old Option 4 (WITH local input)						Difference Option 5 (NO local input) - NEW Option 4 (WITH local input)					Diff. AHLA - New Option 4					
Imperial	-1,856	-921	-832	-2,214	-5,822	-1,885	-935	-822	-2,189	-5,832						-16,439
Los Angeles	21,243	13,366	15,231	39,376	89,216	20,610	13,001	15,799	40,956	90,366						59,605
Orange	3,580	2,440	2,833	7,027	15,880	3,862	2,616	3,155	7,712	17,344						142,430
Riverside	-14,396	-9,266	-10,744	-28,046	-62,452	-14,577	-9,385	-10,563	-27,611	-62,136						-127,691
San Bernardino	-7,719	-5,083	-5,952	-15,195	-33,950	-7,912	-5,208	-5,855	-15,003	-33,978						-81,155
Ventura	-773	-515	-539	-1,047	-2,874	-798	-532	-521	-1,010	-2,861						26,141
SCAG	79	21	-2	-99	-2	-700	-443	1,192	2,854	2,903						2,891

Draft Shares Comparison based on HCD determination of 1,341,827  
 Updated 10/16/2019 with revised staff proposed methodology

HCD shares

Difference SCAG - HCD

SCAG shares

New Option 4/Staff Proposed  
 Includes new HCD totals and revised  
 HQTA boundaries and disaggregation

Option 5: Existing need is split at 50% transit  
 access and 50% job access, no local input

city	9/30/19 Prop. Method. (Option 4)				10/16/19 Proposed Methodology (Op 4) w/ new regional total & HQTA revisions				OPTION 5 (Substitute Motion)				New Opt. 4 - old Opt 4	5 - new Option 4	AHLA - New Opt. 4
	VLI	LI	MI	AMI	VLI	LI	MI	AMI	VLI	LI	MI	AMI			
Brawley city	28.2%	14.7%	14.2%	42.9%	28.3%	14.8%	14.2%	42.8%	27.9%	14.7%	14.3%	43.2%	-6	-1,435	-2,159
Calexico city	26.5%	13.5%	12.6%	47.4%	26.2%	13.4%	12.7%	47.7%	26.2%	13.4%	12.7%	47.7%	1	-745	-4,403
Calipatria city	23.5%	13.9%	10.6%	52.0%	23.3%	13.8%	10.7%	52.3%	23.3%	13.8%	10.7%	52.3%	-1	-159	-145
El Centro city	29.3%	14.2%	13.4%	43.0%	29.0%	14.2%	13.5%	43.3%	29.0%	14.2%	13.5%	43.3%	3	-1,743	-3,727
Holtville city	23.6%	19.2%	15.1%	42.2%	23.3%	19.2%	15.1%	42.4%	23.3%	19.2%	15.1%	42.4%	0	-136	-153
Imperial city	44.1%	21.6%	18.3%	16.0%	43.8%	21.6%	18.5%	16.1%	43.8%	21.6%	18.5%	16.1%	-4	-1,106	-2,185
Westmorland city	22.4%	17.4%	11.2%	49.0%	22.1%	17.4%	11.2%	49.2%	22.1%	17.4%	11.2%	49.2%	0	0	30
Unincorporated Imperial Co.	28.2%	13.9%	13.5%	44.4%	27.9%	13.8%	13.6%	44.7%	27.9%	13.8%	13.6%	44.7%	17	-508	-3,696
Agoura Hills city	39.8%	22.6%	17.2%	20.4%	39.5%	22.6%	17.4%	20.6%	39.5%	22.6%	17.4%	20.6%	0	-74	1,429
Alhambra city	26.2%	15.2%	15.8%	42.8%	25.9%	15.1%	15.9%	43.0%	25.9%	15.1%	15.9%	43.0%	-17	1,397	4,263
Arcadia city	34.5%	17.7%	18.8%	28.9%	34.2%	17.7%	18.9%	29.2%	34.2%	17.7%	18.9%	29.2%	383	-383	1,886
Artesia city	29.3%	15.7%	12.0%	43.0%	29.0%	15.7%	12.0%	43.2%	29.0%	15.7%	12.0%	43.2%	-1	1	542
Avalon city	27.0%	16.8%	12.4%	43.8%	26.8%	16.7%	12.4%	44.1%	26.8%	16.7%	12.4%	44.1%	-1	-381	-131
Azusa city	28.9%	13.9%	14.4%	42.8%	28.6%	13.8%	14.5%	43.1%	28.6%	13.8%	14.5%	43.1%	12	369	-90
Baldwin Park city	29.0%	13.8%	13.1%	44.1%	28.7%	13.7%	13.2%	44.4%	28.7%	13.7%	13.2%	44.4%	-4	4	2,686
Bell city	18.6%	10.2%	12.6%	58.6%	18.4%	10.2%	12.6%	58.8%	18.4%	10.2%	12.6%	58.8%	-1	1	2,757
Bell Gardens city	19.8%	5.8%	14.4%	60.0%	19.6%	5.7%	14.4%	60.2%	19.6%	5.7%	14.4%	60.2%	-2	2	2,374
Bellflower city	27.4%	13.1%	14.8%	44.7%	27.1%	13.0%	14.9%	45.0%	27.1%	13.0%	14.9%	45.0%	-6	810	2,820
Beverly Hills city	32.7%	21.9%	19.4%	26.0%	32.4%	21.9%	19.5%	26.2%	32.4%	21.9%	19.5%	26.2%	-5	590	6,208
Bradbury city	38.1%	21.2%	21.4%	19.4%	37.8%	21.2%	21.5%	19.5%	37.8%	21.2%	21.5%	19.5%	0	0	27
Burbank city	29.3%	16.2%	16.1%	38.4%	29.0%	16.1%	16.2%	38.7%	29.0%	16.1%	16.2%	38.7%	-19	1,562	3,577
Calabasas city	37.2%	19.9%	19.7%	23.1%	36.9%	19.9%	19.8%	23.3%	36.9%	19.9%	19.8%	23.3%	0	0	2,020
Carson city	31.7%	16.2%	15.6%	36.4%	31.4%	16.2%	15.7%	36.7%	31.4%	16.2%	15.7%	36.7%	-10	10	1,688
Cerritos city	35.8%	18.0%	17.4%	28.8%	35.5%	18.0%	17.5%	29.0%	35.5%	18.0%	17.5%	29.0%	0	0	3,399
Claremont city	32.7%	18.1%	17.4%	31.9%	32.4%	18.1%	17.5%	32.1%	32.4%	18.1%	17.5%	32.1%	-28	-11	926
Commerce city	22.2%	8.9%	15.7%	53.3%	21.9%	8.8%	15.7%	53.6%	21.9%	8.8%	15.7%	53.6%	-1	1	1,790
Compton city	23.6%	12.0%	13.1%	51.3%	23.3%	12.0%	13.1%	51.6%	23.3%	12.0%	13.1%	51.6%	-2	2	5,498
Covina city	32.3%	14.0%	14.8%	38.9%	32.0%	14.0%	14.8%	39.2%	32.0%	14.0%	14.8%	39.2%	-47	427	1,991
Cudahy city	20.4%	9.2%	13.5%	56.8%	20.2%	9.2%	13.6%	57.1%	20.2%	9.2%	13.6%	57.1%	-1	1	1,449
Culver City city	33.4%	18.1%	16.8%	31.8%	33.1%	18.0%	16.9%	32.0%	33.1%	18.0%	16.9%	32.0%	-4	687	3,536
Diamond Bar city	33.7%	17.2%	17.3%	31.8%	33.4%	17.2%	17.4%	32.0%	33.4%	17.2%	17.4%	32.0%	-4	-485	592
Downey city	32.1%	14.5%	14.0%	39.4%	31.8%	14.5%	14.1%	39.6%	31.8%	14.5%	14.1%	39.6%	-13	1,370	5,077
Duarte city	30.4%	16.2%	15.5%	37.9%	30.1%	16.2%	15.6%	38.1%	30.1%	16.2%	15.6%	38.1%	-1	1	650
El Monte city	21.3%	10.1%	14.5%	54.1%	21.1%	10.0%	14.6%	54.3%	21.1%	10.0%	14.6%	54.3%	-18	18	-562
El Segundo city	38.6%	17.9%	17.0%	26.6%	38.2%	17.8%	17.1%	26.9%	38.2%	17.8%	17.1%	26.9%	-1	1	2,011
Gardena city	26.1%	13.3%	15.6%	45.0%	25.8%	13.2%	15.7%	45.3%	25.8%	13.2%	15.7%	45.3%	-4	1,077	1,948
Glendale city	25.8%	16.1%	16.8%	41.3%	25.6%	16.1%	16.8%	41.5%	25.6%	16.1%	16.8%	41.5%	-29	2,597	7,975
Glendora city	32.5%	16.9%	17.1%	33.5%	32.2%	16.9%	17.2%	33.7%	32.2%	16.9%	17.2%	33.7%	-3	356	1,043
Hawaiian Gardens city	18.3%	13.1%	13.9%	54.6%	18.1%	13.1%	14.0%	54.8%	18.1%	13.1%	14.0%	54.8%	-1	1	380
Hawthorne city	25.9%	11.8%	14.4%	48.0%	25.6%	11.7%	14.4%	48.2%	25.6%	11.7%	14.4%	48.2%	-4	4	5,446
Hermosa Beach city	41.7%	22.7%	18.9%	16.7%	41.4%	22.7%	19.0%	16.9%	41.4%	22.7%	19.0%	16.9%	-1	1	1,631
Hidden Hills city	40.0%	19.6%	22.8%	17.6%	39.7%	19.6%	22.9%	17.7%	39.7%	19.6%	22.9%	17.7%	0	-10	227
Huntington Park city	16.6%	12.2%	15.2%	56.0%	16.4%	12.2%	15.2%	56.3%	16.4%	12.2%	15.2%	56.3%	-3	3	3,213
Industry city	50.0%	50.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	0	0	53
Inglewood city	24.6%	12.9%	15.0%	47.6%	24.3%	12.8%	15.0%	47.8%	24.3%	12.8%	15.0%	47.8%	-16	16	1,815

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city	9/30/19 Prop. Method. (Option 4)				10/16/19 Proposed Methodology (Op 4) w/ new regional total & HQTa revisions				OPTION 5 (Substitute Motion)				New Opt. 4 - old Opt 4	5 - new Option 4	AHLA - New Opt. 4
	VLI	LI	MI	AMI	VLI	LI	MI	AMI	VLI	LI	MI	AMI			
Irwindale city	30.1%	9.1%	13.8%	47.0%	29.8%	9.1%	13.9%	47.3%	29.8%	9.1%	13.9%	47.3%	-1	1	92
La Cañada Flintridge city	41.2%	22.0%	22.7%	14.1%	40.9%	22.0%	22.9%	14.2%	40.9%	22.0%	22.9%	14.2%	0	0	1,485
La Habra Heights city	45.1%	20.1%	18.0%	16.8%	44.8%	20.1%	18.1%	17.0%	44.8%	20.1%	18.1%	17.0%	0	0	172
La Mirada city	32.5%	17.4%	16.3%	33.7%	32.2%	17.4%	16.4%	34.0%	32.2%	17.4%	16.4%	34.0%	-3	3	1,701
La Puente city	28.4%	14.3%	14.3%	43.1%	28.1%	14.2%	14.3%	43.3%	28.1%	14.2%	14.3%	43.3%	-1	1	2,151
La Verne city	30.9%	17.7%	16.6%	34.8%	30.6%	17.7%	16.7%	35.0%	30.6%	17.7%	16.7%	35.0%	-2	2	1,255
Lakewood city	33.3%	16.2%	16.7%	33.8%	33.0%	16.2%	16.8%	34.1%	33.0%	16.2%	16.8%	34.1%	-5	5	1,968
Lancaster city	24.9%	13.3%	14.8%	47.1%	24.6%	13.2%	14.8%	47.4%	24.6%	13.2%	14.8%	47.4%	249	-8,560	-10,369
Lawndale city	29.5%	12.5%	14.9%	43.1%	29.2%	12.4%	14.9%	43.4%	29.2%	12.4%	14.9%	43.4%	-4	539	1,890
Lomita city	29.0%	14.9%	15.4%	40.7%	28.7%	14.9%	15.5%	41.0%	28.7%	14.9%	15.5%	41.0%	-1	1	963
Long Beach city	27.2%	15.3%	15.7%	41.8%	26.9%	15.2%	15.8%	42.1%	26.9%	15.2%	15.8%	42.1%	-57	57	11,142
Los Angeles city	25.6%	15.1%	16.5%	42.8%	25.3%	15.0%	16.5%	43.1%	25.3%	15.0%	16.5%	43.1%	-594	73,566	-82,807
Lynwood city	24.4%	8.9%	15.2%	51.6%	24.1%	8.9%	15.2%	51.9%	24.1%	8.9%	15.2%	51.9%	-3	3	3,558
Malibu city	34.4%	23.4%	21.1%	21.1%	34.1%	23.4%	21.3%	21.3%	34.1%	23.4%	21.3%	21.3%	0	-33	1,712
Manhattan Beach city	41.7%	21.2%	20.0%	17.1%	41.4%	21.2%	20.1%	17.3%	41.4%	21.2%	20.1%	17.3%	0	0	4,583
Maywood city	14.9%	12.9%	15.1%	57.1%	14.7%	12.9%	15.1%	57.3%	14.7%	12.9%	15.1%	57.3%	-1	1	1,714
Monrovia city	31.3%	15.7%	15.2%	37.8%	31.0%	15.7%	15.3%	38.1%	31.0%	15.7%	15.3%	38.1%	-3	-147	980
Montebello city	25.5%	13.6%	15.0%	45.8%	25.3%	13.6%	15.1%	46.1%	25.3%	13.6%	15.1%	46.1%	-16	991	2,178
Monterey Park city	25.4%	15.6%	16.2%	42.8%	25.1%	15.6%	16.2%	43.1%	25.1%	15.6%	16.2%	43.1%	-17	1,018	2,409
Norwalk city	30.9%	15.1%	13.1%	40.9%	30.6%	15.0%	13.2%	41.2%	30.6%	15.0%	13.2%	41.2%	-7	1,071	3,990
Palmdale city	27.0%	14.1%	15.1%	43.8%	26.7%	14.1%	15.2%	44.0%	26.7%	14.1%	15.2%	44.0%	-16	-4,790	-5,026
Palos Verdes Estates city	41.1%	22.1%	23.9%	12.9%	40.8%	22.1%	24.1%	13.0%	40.8%	22.1%	24.1%	13.0%	-1	-6	1,140
Paramount city	25.2%	11.9%	13.3%	49.7%	24.9%	11.8%	13.3%	50.0%	24.9%	11.8%	13.3%	50.0%	-1	1	2,566
Pasadena city	29.3%	17.6%	16.6%	36.4%	29.1%	17.6%	16.7%	36.6%	29.1%	17.6%	16.7%	36.6%	-13	1,508	3,915
Pico Rivera city	29.4%	14.3%	14.5%	41.8%	29.1%	14.2%	14.6%	42.1%	29.1%	14.2%	14.6%	42.1%	-8	665	1,334
Pomona city	26.7%	12.7%	14.3%	46.2%	26.5%	12.7%	14.4%	46.5%	26.5%	12.7%	14.4%	46.5%	-420	-235	-1,718
Rancho Palos Verdes city	39.7%	21.7%	19.6%	19.0%	39.4%	21.7%	19.7%	19.2%	39.4%	21.7%	19.7%	19.2%	-1	1	3,344
Redondo Beach city	37.8%	20.4%	19.7%	22.2%	37.5%	20.4%	19.8%	22.4%	37.5%	20.4%	19.8%	22.4%	-7	463	3,460
Rolling Hills city	42.9%	19.6%	23.8%	13.7%	42.6%	19.6%	24.0%	13.8%	42.6%	19.6%	24.0%	13.8%	0	-6	196
Rolling Hills Estates city	42.5%	22.0%	20.0%	15.5%	42.2%	22.0%	20.1%	15.7%	42.2%	22.0%	20.1%	15.7%	0	-18	533
Rosemead city	25.2%	13.8%	14.9%	46.0%	25.0%	13.8%	15.0%	46.3%	25.0%	13.8%	15.0%	46.3%	-56	960	1,432
San Dimas city	30.9%	17.6%	16.6%	34.9%	30.6%	17.5%	16.6%	35.2%	30.6%	17.5%	16.6%	35.2%	0	0	1,808
San Fernando city	25.9%	15.2%	15.8%	43.1%	25.6%	15.2%	15.9%	43.3%	25.6%	15.2%	15.9%	43.3%	-2	2	887
San Gabriel city	28.2%	13.7%	15.4%	42.6%	27.9%	13.7%	15.5%	42.9%	27.9%	13.7%	15.5%	42.9%	-9	439	190
San Marino city	37.5%	22.8%	22.9%	16.8%	37.3%	22.8%	23.0%	17.0%	37.3%	22.8%	23.0%	17.0%	0	0	1,669
Santa Clarita city	34.1%	17.3%	16.7%	31.9%	33.8%	17.3%	16.8%	32.2%	33.8%	17.3%	16.8%	32.2%	-17	-3,570	-16
Santa Fe Springs city	26.7%	16.7%	16.0%	40.6%	26.4%	16.6%	16.0%	40.9%	26.4%	16.6%	16.0%	40.9%	-2	2	1,409
Santa Monica city	31.6%	18.8%	19.2%	30.4%	31.3%	18.8%	19.2%	30.7%	31.3%	18.8%	19.2%	30.7%	2	1,746	9,323
Sierra Madre city	38.7%	18.8%	16.9%	25.6%	38.4%	18.8%	17.0%	25.8%	38.4%	18.8%	17.0%	25.8%	0	-13	504
Signal Hill city	31.1%	15.1%	17.4%	36.4%	30.9%	15.0%	17.5%	36.6%	30.9%	15.0%	17.5%	36.6%	-1	1	733
South El Monte city	22.8%	11.0%	12.2%	54.0%	22.5%	11.0%	12.2%	54.3%	22.5%	11.0%	12.2%	54.3%	-1	1	957
South Gate city	26.0%	12.0%	14.2%	47.8%	25.7%	12.0%	14.3%	48.0%	25.7%	12.0%	14.3%	48.0%	-17	1,798	3,506
South Pasadena city	36.8%	19.2%	16.1%	27.8%	36.5%	19.2%	16.2%	28.0%	36.5%	19.2%	16.2%	28.0%	-4	414	1,389
Temple City city	29.0%	16.0%	16.9%	38.1%	28.7%	16.0%	17.0%	38.3%	28.7%	16.0%	17.0%	38.3%	-4	-589	-508
Torrance city	33.0%	17.1%	17.3%	32.5%	32.7%	17.1%	17.4%	32.8%	32.7%	17.1%	17.4%	32.8%	-9	998	9,678
Vernon city	50.0%	50.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%	0	0	36
Walnut city	33.2%	17.4%	17.9%	31.6%	32.9%	17.3%	18.0%	31.8%	32.9%	17.3%	18.0%	31.8%	-1	1	1,627
West Covina city	31.1%	15.9%	16.2%	36.8%	30.8%	15.9%	16.3%	37.0%	30.8%	15.9%	16.3%	37.0%	-127	1,193	3,335
West Hollywood city	27.3%	17.5%	17.4%	37.8%	27.0%	17.5%	17.4%	38.1%	27.0%	17.5%	17.4%	38.1%	-13	758	938
Westlake Village city	40.5%	20.4%	22.2%	16.9%	40.2%	20.4%	22.3%	17.0%	40.2%	20.4%	22.3%	17.0%	0	-46	894
Whittier city	30.0%	15.6%	16.2%	38.2%	29.7%	15.6%	16.3%	38.4%	29.7%	15.6%	16.3%	38.4%	-7	7	1,603

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city	9/30/19 Prop. Method. (Option 4)				10/16/19 Proposed Methodology (Op 4) w/ new regional total & HQTAs revisions				OPTION 5 (Substitute Motion)				New Opt. 4 - old Opt 4	5 - new Option 4	AHLA - New Opt. 4
	VLI	LI	MI	AMI	VLI	LI	MI	AMI	VLI	LI	MI	AMI			
Unincorporated Los Angeles Co.	28.7%	15.2%	15.8%	40.3%	28.4%	15.2%	15.8%	40.6%	28.4%	15.2%	15.8%	40.6%	-97	10,197	-24,442
Aliso Viejo city	32.8%	17.9%	17.2%	32.1%	32.5%	17.9%	17.2%	32.4%	32.5%	17.9%	17.2%	32.4%	-1	1	2,975
Anaheim city	21.8%	13.8%	16.9%	47.5%	21.5%	13.7%	17.0%	47.8%	21.5%	13.7%	17.0%	47.8%	-38	38	10,142
Brea city	28.5%	16.6%	17.1%	37.8%	28.2%	16.6%	17.1%	38.1%	28.2%	16.6%	17.1%	38.1%	-2	2	2,465
Buena Park city	24.0%	15.1%	17.7%	43.3%	23.7%	15.0%	17.7%	43.5%	23.7%	15.0%	17.7%	43.5%	-2	1,201	943
Costa Mesa city	25.0%	15.3%	17.8%	41.9%	24.8%	15.2%	17.9%	42.2%	24.8%	15.2%	17.9%	42.2%	-14	1,850	6,870
Cypress city	29.4%	16.7%	15.9%	38.0%	29.1%	16.7%	15.9%	38.3%	29.1%	16.7%	15.9%	38.3%	-5	631	2,253
Dana Point city	27.8%	15.8%	19.1%	37.4%	27.5%	15.8%	19.1%	37.6%	27.5%	15.8%	19.1%	37.6%	-1	-105	2,029
Fountain Valley city	27.2%	16.2%	17.3%	39.3%	26.9%	16.2%	17.3%	39.5%	26.9%	16.2%	17.3%	39.5%	-5	748	2,663
Fullerton city	24.4%	15.1%	17.2%	43.3%	24.2%	15.0%	17.3%	43.5%	24.2%	15.0%	17.3%	43.5%	-16	1,896	2,666
Garden Grove city	21.9%	14.6%	16.8%	46.6%	21.7%	14.6%	16.8%	46.9%	21.7%	14.6%	16.8%	46.9%	-6	2,870	8,215
Huntington Beach city	27.6%	16.3%	17.3%	38.8%	27.3%	16.3%	17.4%	39.0%	27.3%	16.3%	17.4%	39.0%	-13	2,102	12,044
Irvine city	27.3%	17.9%	18.3%	36.5%	27.0%	17.9%	18.3%	36.7%	27.0%	17.9%	18.3%	36.7%	-664	3,338	3,203
La Habra city	24.0%	14.4%	16.2%	45.4%	23.7%	14.4%	16.2%	45.6%	23.7%	14.4%	16.2%	45.6%	-2	2	2,537
La Palma city	27.8%	18.2%	17.0%	37.1%	27.5%	18.2%	17.0%	37.3%	27.5%	18.2%	17.0%	37.3%	0	0	1,004
Laguna Beach city	29.9%	20.3%	20.0%	29.8%	29.6%	20.3%	20.1%	30.0%	29.6%	20.3%	20.1%	30.0%	0	0	2,398
Laguna Hills city	28.8%	17.8%	17.9%	35.6%	28.5%	17.8%	17.9%	35.8%	28.5%	17.8%	17.9%	35.8%	-3	3	1,141
Laguna Niguel city	29.0%	16.7%	18.5%	35.8%	28.7%	16.7%	18.6%	36.0%	28.7%	16.7%	18.6%	36.0%	0	0	4,353
Laguna Woods city	12.8%	13.6%	19.3%	54.3%	12.6%	13.6%	19.3%	54.5%	12.6%	13.6%	19.3%	54.5%	0	0	736
Lake Forest city	29.7%	16.8%	17.3%	36.2%	29.5%	16.7%	17.4%	36.4%	29.5%	16.7%	17.4%	36.4%	-1	1	5,097
Los Alamitos city	25.3%	15.4%	18.9%	40.4%	25.0%	15.4%	19.0%	40.6%	25.0%	15.4%	19.0%	40.6%	0	0	796
Mission Viejo city	30.6%	18.1%	17.9%	33.4%	30.3%	18.1%	18.0%	33.6%	30.3%	18.1%	18.0%	33.6%	-495	942	5,905
Newport Beach city	30.3%	19.2%	21.7%	28.9%	30.0%	19.2%	21.8%	29.1%	30.0%	19.2%	21.8%	29.1%	-13	749	8,063
Orange city	27.3%	15.4%	17.2%	40.1%	27.0%	15.3%	17.3%	40.3%	27.0%	15.3%	17.3%	40.3%	-8	8	7,610
Placentia city	28.3%	15.6%	17.6%	38.5%	28.1%	15.5%	17.7%	38.7%	28.1%	15.5%	17.7%	38.7%	-8	573	681
Rancho Santa Margarita city	30.9%	17.6%	18.4%	33.2%	30.6%	17.6%	18.4%	33.4%	30.6%	17.6%	18.4%	33.4%	0	0	2,709
San Clemente city	28.9%	16.7%	19.1%	35.3%	28.6%	16.6%	19.2%	35.6%	28.6%	16.6%	19.2%	35.6%	-1	-82	4,037
San Juan Capistrano city	25.7%	16.4%	17.4%	40.5%	25.5%	16.3%	17.5%	40.7%	25.5%	16.3%	17.5%	40.7%	-3	-313	1,504
Santa Ana city	19.1%	11.7%	17.0%	52.2%	18.9%	11.7%	17.0%	52.5%	18.9%	11.7%	17.0%	52.5%	-7	7	26,885
Seal Beach city	20.9%	16.2%	19.3%	43.7%	20.6%	16.1%	19.3%	43.9%	20.6%	16.1%	19.3%	43.9%	0	0	1,544
Stanton city	13.5%	11.8%	18.9%	55.9%	13.3%	11.7%	18.9%	56.1%	13.3%	11.7%	18.9%	56.1%	-3	3	1,745
Tustin city	25.6%	15.4%	16.7%	42.2%	25.4%	15.4%	16.8%	42.5%	25.4%	15.4%	16.8%	42.5%	-215	1,500	1,841
Villa Park city	31.4%	20.2%	20.5%	27.9%	31.1%	20.1%	20.6%	28.1%	31.1%	20.1%	20.6%	28.1%	-1	1	383
Westminster city	19.4%	15.1%	18.3%	47.1%	19.2%	15.1%	18.4%	47.3%	19.2%	15.1%	18.4%	47.3%	-15	1,498	4,901
Yorba Linda city	31.9%	18.6%	19.0%	30.5%	31.6%	18.6%	19.0%	30.8%	31.6%	18.6%	19.0%	30.8%	0	0	4,227
Unincorporated Orange Co.	30.4%	17.9%	19.6%	32.1%	30.1%	17.9%	19.7%	32.3%	30.1%	17.9%	19.7%	32.3%	78	-2,120	-4,136
Banning city	19.1%	11.5%	16.8%	52.6%	18.9%	11.5%	16.8%	52.8%	18.9%	11.5%	16.8%	52.8%	-6	-1,621	-2,190
Beaumont city	29.4%	17.1%	17.2%	36.3%	29.1%	17.1%	17.3%	36.5%	29.1%	17.1%	17.3%	36.5%	-8	-2,078	-4,477
Blythe city	16.7%	14.3%	19.5%	49.5%	16.5%	14.2%	19.6%	49.7%	16.5%	14.2%	19.6%	49.7%	-2	-498	-356
Calimesa city	24.7%	13.6%	18.8%	42.8%	24.4%	13.6%	18.9%	43.1%	24.4%	13.6%	18.9%	43.1%	-9	-2,344	-3,978
Canyon Lake city	33.2%	18.2%	18.8%	29.8%	32.9%	18.1%	18.9%	30.0%	32.9%	18.1%	18.9%	30.0%	0	-64	300
Cathedral City city	21.3%	13.9%	18.0%	46.8%	21.1%	13.8%	18.0%	47.1%	21.1%	13.8%	18.0%	47.1%	-9	-2,194	-2,433
Coachella city	13.2%	12.7%	17.4%	56.7%	13.1%	12.6%	17.4%	56.9%	13.1%	12.6%	17.4%	56.9%	-30	-7,354	-13,535
Corona city	29.0%	17.1%	18.0%	35.9%	28.7%	17.0%	18.1%	36.1%	28.7%	17.0%	18.1%	36.1%	-52	1,071	2,687
Desert Hot Springs city	14.8%	13.9%	17.8%	53.5%	14.6%	13.8%	17.9%	53.7%	14.6%	13.8%	17.9%	53.7%	-17	-4,619	-7,580
Eastvale City	38.0%	22.2%	21.0%	18.9%	37.7%	22.2%	21.1%	19.1%	37.7%	22.2%	21.1%	19.1%	-8	483	812
Hemet city	12.7%	11.4%	18.2%	57.7%	12.5%	11.3%	18.2%	57.9%	12.5%	11.3%	18.2%	57.9%	-22	-6,190	-9,691
Indian Wells city	30.6%	21.1%	23.9%	24.4%	30.3%	21.0%	24.0%	24.6%	30.3%	21.0%	24.0%	24.6%	-9	-10	129
Indio city	23.1%	15.0%	16.9%	45.0%	22.9%	14.9%	16.9%	45.2%	22.9%	14.9%	16.9%	45.2%	58	-4,041	-8,053
Jurupa Valley City	27.0%	16.7%	16.3%	40.0%	26.8%	16.6%	16.3%	40.3%	26.8%	16.6%	16.3%	40.3%	-10	-688	-191
La Quinta city	27.7%	17.5%	19.4%	35.4%	27.4%	17.5%	19.5%	35.6%	27.4%	17.5%	19.5%	35.6%	-4	-1,025	-205

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	VLI	LI	MI	AMI	VLI	LI	MI	AMI	VLI	LI	MI	AMI			
Lake Elsinore city	28.3%	16.5%	17.0%	38.2%	28.0%	16.4%	17.1%	38.5%	28.0%	16.4%	17.1%	38.5%	-21	-5,560	-9,925
Menifee city	26.8%	15.9%	16.8%	40.5%	26.6%	15.9%	16.8%	40.7%	26.6%	15.9%	16.8%	40.7%	-21	-5,407	-8,716
Moreno Valley city	28.0%	15.1%	15.9%	41.1%	27.7%	15.0%	16.0%	41.3%	27.7%	15.0%	16.0%	41.3%	-28	-2,769	-8,679
Murrieta city	33.4%	19.1%	17.9%	29.6%	33.1%	19.1%	18.0%	29.8%	33.1%	19.1%	18.0%	29.8%	-3	-294	1,569
Norco city	32.1%	18.6%	18.0%	31.3%	31.8%	18.6%	18.1%	31.5%	31.8%	18.6%	18.1%	31.5%	0	0	1,535
Palm Desert city	24.4%	16.5%	16.6%	42.6%	24.1%	16.4%	16.6%	42.8%	24.1%	16.4%	16.6%	42.8%	-7	-2,923	-2,347
Palm Springs city	21.5%	16.0%	18.1%	44.5%	21.2%	15.9%	18.1%	44.7%	21.2%	15.9%	18.1%	44.7%	5	-664	-539
Perris city	26.2%	14.4%	16.4%	43.0%	26.0%	14.4%	16.4%	43.2%	26.0%	14.4%	16.4%	43.2%	-19	-2,365	-6,984
Rancho Mirage city	24.8%	18.2%	18.8%	38.2%	24.6%	18.2%	18.9%	38.4%	24.6%	18.2%	18.9%	38.4%	-5	-844	-1,213
Riverside city	26.5%	16.6%	17.0%	39.8%	26.3%	16.6%	17.1%	40.0%	26.3%	16.6%	17.1%	40.0%	-13	2,982	-4,023
San Jacinto city	23.8%	13.7%	16.5%	46.0%	23.5%	13.7%	16.6%	46.2%	23.5%	13.7%	16.6%	46.2%	-11	-3,138	-4,953
Temecula city	32.6%	19.1%	18.6%	29.7%	32.3%	19.1%	18.7%	29.9%	32.3%	19.1%	18.7%	29.9%	-14	-3,580	-1,935
Wildomar city	29.6%	16.6%	16.0%	37.8%	29.3%	16.5%	16.1%	38.1%	29.3%	16.5%	16.1%	38.1%	-8	-2,260	-3,452
Unincorporated Riverside Co. (incl. M	25.7%	16.3%	18.1%	39.8%	25.5%	16.3%	18.2%	40.1%	25.5%	16.3%	18.2%	40.1%	-43	-4,142	-29,268
Adelanto city	10.6%	15.1%	17.4%	57.0%	10.4%	15.0%	17.4%	57.2%	10.4%	15.0%	17.4%	57.2%	-13	-3,446	-6,262
Apple Valley town	25.5%	14.0%	17.4%	43.0%	25.2%	14.0%	17.5%	43.3%	25.2%	14.0%	17.5%	43.3%	-12	-3,248	-5,300
Barstow city	11.4%	15.0%	19.8%	53.8%	11.3%	14.9%	19.8%	54.0%	11.3%	14.9%	19.8%	54.0%	-4	-1,229	-2,046
Big Bear Lake city	23.4%	15.4%	17.6%	43.6%	23.2%	15.3%	17.6%	43.9%	23.2%	15.3%	17.6%	43.9%	-1	-213	-153
Chino city	30.5%	18.4%	17.3%	33.8%	30.2%	18.4%	17.3%	34.1%	30.2%	18.4%	17.3%	34.1%	19	-591	-3,356
Chino Hills city	37.4%	22.0%	21.1%	19.5%	37.1%	22.0%	21.3%	19.6%	37.1%	22.0%	21.3%	19.6%	-34	311	311
Colton city	24.4%	12.3%	16.7%	46.5%	24.2%	12.3%	16.8%	46.8%	24.2%	12.3%	16.8%	46.8%	11	-190	-2,674
Fontana city	29.4%	16.8%	17.4%	36.4%	29.1%	16.8%	17.4%	36.7%	29.1%	16.8%	17.4%	36.7%	-25	-1,442	-12,362
Grand Terrace city	30.1%	14.6%	16.8%	38.5%	29.8%	14.5%	16.9%	38.8%	29.8%	14.5%	16.9%	38.8%	-2	-218	-301
Hesperia city	23.8%	15.1%	17.3%	43.8%	23.5%	15.1%	17.4%	44.1%	23.5%	15.1%	17.4%	44.1%	-28	-7,668	-12,938
Highland city	24.8%	16.3%	18.8%	40.1%	24.5%	16.2%	18.8%	40.4%	24.5%	16.2%	18.8%	40.4%	-6	-1,631	-2,063
Loma Linda city	25.7%	15.2%	17.2%	41.9%	25.4%	15.1%	17.3%	42.2%	25.4%	15.1%	17.3%	42.2%	0	-356	-620
Montclair city	27.1%	14.8%	15.4%	42.7%	26.8%	14.7%	15.5%	42.9%	26.8%	14.7%	15.5%	42.9%	-77	621	717
Needles city	10.4%	12.1%	18.6%	58.9%	10.3%	12.0%	18.6%	59.1%	10.3%	12.0%	18.6%	59.1%	0	-74	-11
Ontario city	27.3%	15.8%	16.0%	41.0%	27.0%	15.7%	16.1%	41.2%	27.0%	15.7%	16.1%	41.2%	-74	617	-14,695
Rancho Cucamonga city	31.0%	18.2%	19.4%	31.3%	30.8%	18.2%	19.5%	31.6%	30.8%	18.2%	19.5%	31.6%	-11	1,684	-889
Redlands city	27.7%	17.5%	18.6%	36.2%	27.4%	17.5%	18.6%	36.5%	27.4%	17.5%	18.6%	36.5%	-1	-1,284	-896
Rialto city	27.0%	14.6%	16.6%	41.8%	26.7%	14.5%	16.7%	42.0%	26.7%	14.5%	16.7%	42.0%	-18	18	-3,174
San Bernardino city	17.6%	13.5%	17.9%	51.0%	17.4%	13.5%	17.9%	51.2%	17.4%	13.5%	17.9%	51.2%	-18	18	4,640
Twentynine Palms city	22.2%	12.1%	17.7%	48.0%	21.9%	12.1%	17.7%	48.3%	21.9%	12.1%	17.7%	48.3%	-3	-1,022	-1,440
Upland city	28.1%	16.9%	17.8%	37.2%	27.8%	16.8%	17.9%	37.5%	27.8%	16.8%	17.9%	37.5%	-449	1,216	-1,731
Victorville city	21.4%	13.9%	18.5%	46.2%	21.2%	13.9%	18.5%	46.4%	21.2%	13.9%	18.5%	46.4%	60	-8,169	-12,307
Yucaipa city	24.9%	17.2%	17.9%	40.1%	24.6%	17.2%	17.9%	40.3%	24.6%	17.2%	17.9%	40.3%	-66	-1,843	-2,568
Yucca Valley town	20.8%	15.5%	19.4%	44.3%	20.5%	15.5%	19.5%	44.5%	20.5%	15.5%	19.5%	44.5%	-32	-711	-853
Unincorporated San Bernardino Co.	24.9%	15.4%	17.3%	42.4%	24.6%	15.4%	17.3%	42.7%	24.6%	15.4%	17.3%	42.7%	812	-5,128	-183
Camarillo city	25.8%	17.7%	19.7%	36.8%	25.5%	17.7%	19.8%	37.0%	25.5%	17.7%	19.8%	37.0%	-3	-96	3,337
Fillmore city	17.5%	14.6%	17.4%	50.5%	17.3%	14.6%	17.5%	50.7%	17.3%	14.6%	17.5%	50.7%	-1	-269	76
Moorpark city	29.4%	18.1%	19.0%	33.5%	29.1%	18.0%	19.1%	33.7%	29.1%	18.0%	19.1%	33.7%	-2	0	1,127
Ojai city	23.2%	16.1%	19.3%	41.5%	22.9%	16.0%	19.3%	41.8%	22.9%	16.0%	19.3%	41.8%	0	-26	474
Oxnard city	21.7%	12.5%	18.0%	47.7%	21.5%	12.5%	18.1%	47.9%	21.5%	12.5%	18.1%	47.9%	-2	65	3,111
Port Hueneme city	20.6%	12.3%	14.6%	52.5%	20.3%	12.2%	14.7%	52.7%	20.3%	12.2%	14.7%	52.7%	0	0	1,087
San Buenaventura (Ventura) city	22.5%	16.3%	17.9%	43.2%	22.3%	16.2%	18.0%	43.5%	22.3%	16.2%	18.0%	43.5%	13	-134	2,136
Santa Paula city	15.6%	15.0%	18.5%	50.9%	15.4%	15.0%	18.5%	51.1%	15.4%	15.0%	18.5%	51.1%	-2	-410	471
Simi Valley city	27.0%	17.7%	18.6%	36.8%	26.7%	17.6%	18.7%	37.0%	26.7%	17.6%	18.7%	37.0%	-7	-777	4,319
Thousand Oaks city	28.2%	18.9%	20.3%	32.6%	28.0%	18.8%	20.4%	32.8%	28.0%	18.8%	20.4%	32.8%	-7	-1,216	5,559
Unincorporated Ventura Co.	25.4%	17.8%	19.8%	36.9%	25.1%	17.8%	19.9%	37.2%	25.1%	17.8%	19.9%	37.2%	-2	2	4,443

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	VLI	LI	MI	AMI	VLI	LI	MI	AMI	VLI	LI	MI	AMI			
Imperial															
Los Angeles															
Orange															
Riverside															
San Bernardino															
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## STAFF REPORT

October 24, 2019

### AGENDA ITEM 4

### 2019 END OF YEAR LEGISLATIVE REPORT

#### SUMMARY

This legislative update covers the major bills of interest to OCCOG that were approved by the Legislature and signed or vetoed by the Governor.

#### BACKGROUND

OCCOG has been tracking legislation of interest to our members for the 2019 legislative session. Of particular note, OCCOG has been monitoring legislation pursuant to its approved legislative policies and guidelines. The Legislative Update is provided to keep the OCCOG Board apprised of legislative and regulatory actions that address land use and housing, energy, mobility, air quality and water issues.

#### STATE UPDATE – END OF LEGISLATIVE YEAR REPORT

The Legislature concluded the first half of the 2019-2020 session on September 13, 2019 and is in recess until January 6, 2020. The Governor had until October 13, 2019 to sign or veto legislation on his desk. This year saw 1,042 bills head to the Governor's desk. He signed 870 bills and vetoed 172 bills. This report covers the major bills of interest for OCCOG that were acted on at the close of session.

#### STATE UPDATE – GOVERNOR'S EXECUTIVE ORDER

On September 20<sup>th</sup>, Governor Newsom signed Executive Order N-19-19 which expanded state actions to reduce greenhouse gas (GHG) emissions in order to mitigate the impacts of climate change. Relative to transportation, the Executive Order directs the California State Transportation Agency (CalSTA) to leverage the \$5 billion in annual state transportation spending to help advance projects that reduce fuel consumption and GHG emissions associated with the transportation



sector. Additionally, CalSTA should work to align transportation programming objectives with the State's Climate Change Scoping Plan where possible, focus transportation investments near housing, encourage investments in projects that promote alternatives to driving, and mitigate increases in transportation costs for lower-income Californians. Lastly, the Executive Order requires the California Air Resources Board (CARB) to strengthen existing regulations and adopt new regulations to achieve GHG reductions within the transportation sector to advance the goal of having five million zero emission vehicles on the road by 2030.

On October 8<sup>th</sup>, the Draft Interregional Transportation Improvement Program was released and calls for \$61.3 million to be reserved for priority rail projects and other priorities consistent with Executive Order N-19-19.

#### **STATE UPDATE - 2019 CALIFORNIA GREEN INNOVATION INDEX**

Also on October 8<sup>th</sup>, Next 10 and Beacon Economics released the *2019 California Green Innovation Index*, stating that California will miss its 2030 and 2050 GHG emission targets by more than 30 years. This follows last year's annual report that celebrated California hitting its 2020 emissions goals four years early.

The report found that while industrial, residential, and transportation sectors are seeing modest declines in GHG emissions, the commercial sector is seeing emissions grow. The transportation sector still accounts for the highest overall portion of GHG emissions – 41%, with 28% of overall emissions coming from passenger vehicles. Car ownership rates and vehicle miles traveled also continue to grow. Lastly, the report acknowledges the significant impacts of the 2018 wildfires, which produced nine times more emissions than all of the reductions combined in 2016 and 2017.

The report concludes that in order to reach the State's goal of a 40% reduction below 1990 levels by 2030, declines in emissions must grow from -1.15% currently to -4.51% annually.

## **DISCUSSION- BILLS OF INTEREST**

### **ACCESSORY DWELLING UNITS (ADUS)**



**AB 68 (Ting, D-San Francisco) Land Use: accessory dwelling units** was signed by the Governor on October 9, 2019 (Chapter 655, Statutes of 2019). This bill modifies existing statutes related to ADUs and Junior Accessory Dwelling Units (JADUs) with a stated goal of reducing barriers to expanded use of ADUs as a means to address the housing crisis. Specifically, AB 68 permits two ADUs on lots with single-family homes and multiple ADUs on lots with multi-family dwellings, allows for ministerial approvals at the local level, institutes prohibitions on lot and ADU size requirements and setbacks, and no longer allows local agencies to require replacement parking when parking is demolished to create an ADU.

**AB 670 (Friedman, D-Glendale) Common Interest Developments: accessory dwelling units** was signed by the Governor on August 30, 2019 (Chapter 178, Statutes of 2019). This bill voids the covenants, conditions, or restrictions (CC&Rs) of a Homeowners Association (HOA) if they prohibit or unreasonably restrict the construction or installation of ADUs or JADUs in a single-family planned development as long as that construction meets state requirements.

**AB 671 (Friedman, D-Glendale) Accessory Dwelling Units: incentives** was signed by the Governor on October 9, 2019 (Chapter 658, Statutes of 2019). This bill requires local governments to include a plan to incentivize and promote the creation of ADUs targeted toward very-low, low-, and moderate-income households in their housing element required under the Regional Housing Needs Assessment (RHNA) process.

**AB 881 (Bloom, D-Santa Monica) Accessory Dwelling Units** was signed by the Governor on October 9, 2019 (Chapter 659, Statutes of 2019). This bill limits the criteria that local governments can use to permit ADUs, adds clarifying language regarding ministerial approvals, and eliminates the ability of local agencies to require owner-occupancy.

**SB 13 (Beall, D-San Jose) Accessory Dwelling Units** was signed by the Governor on October 9, 2019 (Chapter 653, Statutes of 2019). This bill creates a tiered fee structure for ADUs based on assessed impact and reduces barriers including shortening approval timeframes, provides a mechanism for bringing unpermitted units up to code, and increases enforcement by the Department of Housing and Community Development (HCD) in this area. SB 13 sunsets on January 1, 2025.



### RENT CAPS

**AB 1482 (Chiu, D-San Francisco) Tenant Protection Act of 2019: tenancy: rent caps** was signed by the Governor on October 8, 2019 (Chapter 597, Statutes of 2019). This bill imposes a cap on annual rent increases of 5% plus inflation, a ceiling that would apply through 2030. AB 1482 exempts units built within the last 15 years as well as most single-family homes. It also includes tenant protection provisions requiring “just cause” evictions of those renting for 12 months or more.

### HOUSING/HOMELESSNESS

**AB 139 (Quirk-Silva, D-Fullerton) Emergency and Transitional Housing Act of 2019** was signed by the Governor on September 26, 2019 (Chapter 335, Statutes of 2019). This bill authorizes local governments to apply a written, objective standard that provides sufficient parking to accommodate the staff working in the emergency shelter.

**AB 143 (Quirk-Silva, D-Fullerton) Shelter crisis: homeless shelters: Counties of Alameda and Orange: City of San Jose** was signed by the Governor on September 26, 2019. Current law requires specified jurisdictions, upon declaring a shelter crisis, to provide their draft ordinance addressing that crisis to HCD. This bill extends the timeline that HCD then must provide its findings to the Senate Committee on Housing and the Assembly Committee on Housing and Community Development from 30 days to 90 days.

**AB 1197 (Bloom, D-Santa Monica) California Environmental Quality Act: exemption: City of Los Angeles: supportive housing and emergency shelters** was signed by the Governor on September 26, 2019. This bill exempts emergency shelters established during a declared shelter crisis and supportive housing projects in the City of Los Angeles from the California Environmental Quality Act (CEQA). This bill also exempts actions taken by a public agency on land owned by that agency to provide emergency shelters or supportive housing in the City of Los Angeles. The agency must file a notice of exemption and this authority expires in January 1, 2025.



**AB 1483 (Grayson, D-Concord) Housing data: collection and reporting** was signed by the Governor on October 9, 2019 (Chapter 662, Statutes of 2019). This bill requires cities, counties, and special districts to include the following information on their websites relative to housing regulations and proposed housing development projects: current schedule of fees, exactions and affordability requirements; all zoning ordinances and development standards; annual fee reports or annual financial reports; and impact fee nexus studies and cost of service studies.

**SB 5 (Beall, D-San Jose) Affordable Housing and Community Development Investment Program** was vetoed by the Governor on October 13, 2019. SB 5 would have established the Affordable Housing and Community Development Investment Program, funded by the reallocation of local property tax revenue otherwise allocated to schools. Funding for this program was estimated to be between \$200 million and \$250 million annually. In the veto message for this bill, the Governor said that the total cost of the bill would exceed \$2 billion and discussions surrounding a program of that nature should occur as part of the budget process.

**SB 6 (Beall, D-San Jose) Residential development: available land** was signed by the Governor on October 9, 2019 (Chapter 667, Statutes of 2019). This bill requires HCD to provide the Department of General Services (DGS) with a list of local lands that are available and suitable for residential development. The list would include properties identified by local agencies through the housing element of their general plans. DGS is further required to create an online, searchable database of properties, including surplus state properties identified for residential development.

**SB 18 (Skinner, D-Berkeley) Keep Californians Housed Act** was signed by the Governor on July 30, 2019 (Chapter 134, Statutes of 2019). This bill repeals a previously adopted sunset date governing tenant protections for rental properties going through foreclosure. Tenants must be given 90 days to vacate the property in the event of foreclosure. For those with a fixed term lease, tenants have the option to remain in place until the end of their lease.

**SB 330 (Beall, D-San Jose) Housing Crisis Act of 2019** was signed by the Governor on October 9, 2019. OCCOG had a "Watch" position on this bill. This bill places restrictions on development standards, amends the Housing Accountability Act (HAA), and makes change to approval and permitting requirements. Specifically, SB 330 requires a local agency that proposes to disapprove a



housing development project that complies with applicable, objective general plan and zoning standards and criteria that were in effect at the time the application was deemed to be complete, or to approve it on the condition that it be developed at a lower density, to base its decision upon written findings supported by substantial evidence on the record that specified conditions exist, and places the burden of proof on the local agency to that effect. SB 330 sunsets on January 1, 2025.

### **TRANSPORTATION**

**AB 252 (Daly, D-Anaheim and Frazier, D-Discovery Bay) Department of Transportation: environmental review process: federal program** was signed by the Governor on July 31, 2019. OCCOG had a support position on this bill. AB 252 removes the sunset, thereby extending existing National Environmental Protection Act (NEPA) delegation authority to the California Department of Transportation (Caltrans) indefinitely.

**SB 127 (Wiener, D-San Francisco) Transportation funding: active transportation: complete streets** was vetoed by the Governor on October 12, 2019. OCCOG had an oppose position on this bill. SB 127 would have required Caltrans' Asset Management Program to prioritize the implementation of safe and connected facilities for bicycles, pedestrians, and transit for all State Highway Operation and Protection Program (SHOPP) projects. In his veto message, the Governor stated support for the objectives of the bill, however, he is pursuing those goals through Executive Order N-19-19 and by working with the new leadership at Caltrans.

**SB 277 (Beall, D-San Jose) Road Maintenance Rehabilitation Program: Local Partnership Program** was vetoed by the Governor on October 12, 2019. This bill would have clarified the implementation of the Local Partnership Program (LPP) under SB 1 (Chapter 5, Statutes of 2017) to provide 85 percent of the funds to local agencies that have a voter approved local tax or fee or have imposed a uniform developer fees dedicated solely to transportation. The remaining 15 percent would have been made available through a competitive grant program for smaller agencies that have uniform developer fees or have a population under 750,000. The Governor's veto message states that existing program implementation provides some formulaic predictability but also provides the California Transportation Commission (CTC) with the flexibility to competitively award funds that achieve statewide goals, particularly for small urban and rural areas.





Orange County Council of Governments

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### ***RECOMMENDED ACTION***

Receive and file.

### ***STAFF CONTACT***

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# Status Report

## Thursday, October 17, 2019

### [AB 10](#)

#### **(Chiu D) Income taxes: credits low-income housing: farmworker housing.**

**Last Amend:** 8/12/2019

**Status:** 8/30/2019-In committee: Held under submission.

**Location:** 8/26/2019-S. APPR. SUSPENSE FILE

**Summary:** Current 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, and authorizes CTCAC, for calendar years beginning in 2020, to allocate an additional \$500,000,000 to specified low-income housing projects and, for calendar years beginning in 2021, requires this additional amount only to be available for allocation pursuant to an authorization in the annual Budget Act or related legislation, and specified regulatory action by CTCAC. This bill would remove the requirement that, beginning in the 2021 calendar year, the above-described additional \$500,000,000 allocation only be available pursuant to an authorization in the annual Budget Act or related legislation, and specified regulatory action by CTCAC.

### [AB 11](#)

#### **(Chiu D) Community Redevelopment Law of 2019.**

**Last Amend:** 4/11/2019

**Status:** 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/25/2019) (May be acted upon Jan 2020)

**Location:** 5/17/2019-A. 2 YEAR

**Summary:** Current law dissolved redevelopment agencies as of February 1, 2012, and designates successor agencies to act as successor entities to the dissolved redevelopment agencies. 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.

### [AB 14](#)

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

**Status:** 1/17/2019-Referred to Com. on H. & C.D.

**Location:** 1/17/2019-A. H. & C.D.

**Summary:** 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.

### [AB 53](#)

#### **(Jones-Sawyer D) Rental housing unlawful housing practices: applications: criminal records.**

**Last Amend:** 4/22/2019

**Status:** 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was H. & C.D. on 1/17/2019)(May be acted upon Jan 2020)

**Location:** 4/26/2019-A. 2 YEAR

**Summary:** Would make it an unlawful housing practice for the owner of a rental housing accommodation to inquire about, or require an applicant for a 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.

### [AB 68](#)

#### **(Ting D) Land use: accessory dwelling units.**

**Last Amend:** 9/9/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 655, Statutes of 2019.

**Location:** 10/9/2019-A. CHAPTERED

**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 requires such an ordinance to impose standards on accessory dwelling units, including, among others, lot coverage. Current law also requires such an ordinance to require that the accessory dwelling units to be either attached to, or located within, the living area of the proposed or existing primary dwelling, or detached from the proposed or existing primary dwelling and located on the same lot as the proposed or existing primary dwelling. This bill would delete the provision authorizing the imposition of standards on lot coverage and would prohibit an ordinance from imposing requirements on minimum lot size.

**AB 69**

**(Ting D) Land use: accessory dwelling units.**

**Last Amend:** 6/20/2019

**Status:** 9/15/2019-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/5/2019)(May be acted upon Jan 2020)

**Location:** 9/15/2019-S. 2 YEAR

**Summary:** Current law requires the Department of Housing and Community Development to propose building standards to the California Building Standards Commission, and to adopt, amend, or repeal rules and regulations governing, among other things, apartment houses and dwellings, as specified. This bill would require the department to propose small home building standards governing accessory dwelling units smaller than 800 square feet, junior accessory dwelling units, and detached dwelling units smaller than 800 square feet, as specified, and to submit the small home building standards to the California Building Standards Commission for adoption on or before January 1, 2021.

**AB 139**

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

**Last Amend:** 9/6/2019

**Status:** 9/26/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 335, Statutes of 2019.

**Location:** 9/26/2019-A. CHAPTERED

**Summary:** Current law authorizes a local government to impose only those development and management standards that apply to residential or commercial development within the same zone, however, a local government may impose specified objective standards, including standards for off-street parking based on demonstrated need, as specified. This bill would instead authorize a local government to apply a written objective standard that provides sufficient parking to accommodate the staff working in the emergency shelter, except as provided.

**AB 143**

**(Quirk-Silva D) Shelter crisis: homeless shelters: Counties of Alameda and Orange: City of San Jose.**

**Last Amend:** 8/30/2019

**Status:** 9/26/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 336, Statutes of 2019.

**Location:** 9/26/2019-A. CHAPTERED

**Summary:** Current law, upon a declaration of a shelter crisis by the City of Berkeley, Emeryville, Los Angeles, Oakland, or San Diego, the County of Santa Clara, or the City and County of San Francisco, specifies additional provisions applicable to a shelter crisis declared by one of those jurisdictions. Among other things, existing law authorizes the city, county, or city and county that declares a shelter crisis pursuant to these provisions, in lieu of compliance with local building approval procedures or state housing, health, habitability, planning and zoning, or safety standards, procedures, and laws, to adopt by ordinance reasonable local standards and procedures for the design, site development, and operation of homeless shelters and the structures and facilities in the homeless shelters, to the extent that it is determined at the time of adoption that strict compliance with state and local standards or laws in existence at the time of that adoption would in any way prevent, hinder, or delay the mitigation of the effects of the shelter crisis. Current law requires the Department of Housing and Community Development to review and approve the city's, county's, or city and county's draft ordinance to ensure it addresses minimum health and safety standards. Existing law requires the department to provide its findings to the Senate Committee on Housing and the Assembly Committee on Housing and Community Development within 30 calendar days of receiving the draft ordinance. This bill would extend the time within which the department is required to provide its findings to those legislative committees to 90 calendar days of receiving the draft ordinance.

**AB 146**

**(Quirk-Silva D) State highways: property leases: County of Orange.**

**Status:** 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 1/24/2019) (May be acted upon Jan 2020)

**Location:** 4/26/2019-A. 2 YEAR

**Summary:** Would authorize the Department of Transportation to lease airspace under a freeway, or real property acquired for highway purposes, in the County of Orange, that is not excess property, to a city located in the County of Orange, the County of Orange, a political subdivision of the state whose jurisdiction is located in the County of Orange, or another state agency for purposes of an emergency shelter or feeding program, subject to certain conditions. The bill would specifically authorize the Orange County Housing Finance Trust to enter into these leases.

**AB 148**

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

**Status:** 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 1/24/2019) (May be acted upon Jan 2020)

**Location:** 4/26/2019-A. 2 YEAR

**Summary:** Current law requires certain transportation planning agencies to prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system. Current law requires the regional transportation plan to include, if the transportation planning agency is also a metropolitan planning organization, a sustainable communities strategy. This bill

would require each sustainable communities strategy to identify areas within the region sufficient to house an 8-year projection of the emergency shelter needs for the region, as specified.

**[AB 252](#)**

**(Daly D) Department of Transportation: environmental review process: federal program.**

**Status:** 7/31/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 160, Statutes of 2019.

**Location:** 7/31/2019-A. CHAPTERED

**Summary:** Current federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery program, under which the participating states may assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Current law, until January 1, 2020, provides that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the program. This bill would extend the operation of these provisions indefinitely.

**[AB 670](#)**

**(Friedman D) Common interest developments: accessory dwelling units.**

**Last Amend:** 5/24/2019

**Status:** 8/30/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 178, Statutes of 2019.

**Location:** 8/30/2019-A. CHAPTERED

**Summary:** The Davis-Stirling Common Interest Development Act, governs the management and operation of common interest developments. Current law prohibits the governing document of a common interest development from prohibiting the rental or leasing of any separate interest in the common interest development, unless that governing document was effective prior to the date the owner acquired title to their separate interest. This bill would make void and unenforceable any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a planned development, and any provision of a governing document, that effectively prohibits or unreasonably restricts the construction or use of an accessory dwelling unit or junior accessory dwelling unit on a lot zoned for single-family residential use that meets the above-described minimum standards established for those units.

**[AB 671](#)**

**(Friedman D) Accessory dwelling units: incentives.**

**Last Amend:** 9/6/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 658, Statutes of 2019.

**Location:** 10/9/2019-A. CHAPTERED

**Summary:** Would require a local agency to include a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent for very low, low-, or moderate-income households in its housing element. The bill would require the Department of Housing and Community Development to develop a list of existing state grants and financial incentives for operating, administrative, and other expenses in connection with the planning, construction, and operation of accessory dwelling units with affordable rent, as specified. The bill would require the department to post that list on its internet website by December 31, 2020.

**[AB 881](#)**

**(Bloom D) Accessory dwelling units.**

**Last Amend:** 9/9/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 659, Statutes of 2019.

**Location:** 10/9/2019-A. CHAPTERED

**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. Current law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on criteria that includes, but is not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. This bill would require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. The bill would also prohibit a local agency from issuing a certificate of occupancy for an accessory dwelling unit before issuing a certificate of occupancy for the primary residence.

**[AB 1197](#)**

**(Santiago D) California Environmental Quality Act: exemption: City of Los Angeles: supportive housing and emergency shelters.**

**Last Amend:** 9/6/2019

**Status:** 9/26/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 340, Statutes of 2019.

**Location:** 9/26/2019-A. CHAPTERED

**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. This bill would, until January 1, 2025, exempt from the requirements of CEQA certain activities approved or carried out by the City of Los Angeles and other eligible public agencies, as defined, related to supportive housing and emergency shelters, as defined.

**[AB 1273](#) (Brough R) County of Orange: joint exercise of powers agreements: toll roads.**

**Last Amend:** 3/25/2019

**Status:** 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 3/25/2019) (May be acted upon Jan 2020)

**Location:** 4/26/2019-A. 2 YEAR

**Summary:** Current law authorizes the County of Orange and the cities in that county, by ordinance, to require the payment of development fees, as specified, for purposes of defraying the costs of constructing bridges and major thoroughfares. Current law authorizes those entities to form a joint powers agency for specified purposes, including constructing bridges and major thoroughfares, collecting tolls for the use of those facilities, and incurring indebtedness for the construction of those facilities. Pursuant to this authority, various toll roads in the County of Orange were constructed. This bill would limit the expenditure of those development fees to the maintenance, operation, or financing of a completed toll facility that is in service on January 1, 2020, and for which indebtedness was incurred.

**[AB 1402](#) (Petrie-Norris D) Active Transportation Program.**

**Last Amend:** 3/26/2019

**Status:** 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 3/25/2019) (May be acted upon Jan 2020)

**Location:** 4/26/2019-A. 2 YEAR

**Summary:** Would require the Department of Transportation, instead of the California Transportation Commission, to award funds to projects in the statewide and small urban and rural region distribution categories and to adopt a program of projects for those distribution categories. The bill would require that 75% of available funds be awarded to MPO's in urban areas with populations greater than 200,000, in proportion to their relative share of the population, 15% to small urban and rural regions with populations of 200,000 or less, competitively awarded by the department to projects in those regions, and 10% to projects competitively awarded by the department, in consultation with the commission, on a statewide basis.

**[AB 1482](#) (Chiu D) Tenant Protection Act of 2019: tenancy: rent caps.**

**Last Amend:** 9/5/2019

**Status:** 10/8/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 597, Statutes of 2019.

**Location:** 10/8/2019-A. CHAPTERED

**Summary:** Would, with certain exceptions, prohibit an owner, as defined, of residential real property from terminating a tenancy without just cause, as defined, which the bill would require to be stated in the written notice to terminate tenancy when the tenant has continuously and lawfully occupied the residential real property for 12 months, except as provided. The bill would require, for certain just cause terminations that are curable, that the owner give a notice of violation and an opportunity to cure the violation prior to issuing the notice of termination. The bill, if the violation is not cured within the time period set forth in the notice, would authorize a 3-day notice to quit without an opportunity to cure to be served to terminate the tenancy. The bill would require, for no-fault just cause terminations, as specified, that the owner, at the owner's option, either assist certain tenants to relocate, regardless of the tenant's income, by providing a direct payment of one month's rent to the tenant, as specified, or waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

**[AB 1483](#) (Grayson D) Housing data: collection and reporting.**

**Last Amend:** 9/6/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 662, Statutes of 2019.

**Location:** 10/9/2019-A. CHAPTERED

**Summary:** Would require a city, county, or special district to maintain on its internet website, as applicable, a current schedule of fees, exactions, and affordability requirements imposed by the city, county, or special district, including any dependent special district, applicable to a proposed housing development project, all zoning ordinances and development standards, and annual fee reports or annual financial reports, as specified. The bill would require a city, county, or special district to provide on its internet website an archive of impact fee nexus studies, cost of service studies, or equivalent, as specified. By requiring a city or county to include this information on its internet website, the bill would



impose a state-mandated local program.

**[AB 1484](#) (Grayson D) Mitigation Fee Act: housing developments.**

**Last Amend:** 9/6/2019

**Status:** 9/9/2019-Read second time. Ordered to third reading. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10(b).

**Location:** 9/9/2019-S. RLS.

**Summary:** The Mitigation Fee Act requires a local agency that establishes, increases, or imposes a fee as a condition of approval of a development project to, among other things, determine a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. This bill would prohibit a local agency from imposing a housing impact requirement adopted by the local agency on a housing development project, as defined, unless specified requirements are satisfied by the local agency, including that the housing impact requirement be roughly proportional in both nature and extent to the impact created by the housing development project.

**[AB 1485](#) (Wicks D) Housing development: streamlining.**

**Last Amend:** 9/6/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 663, Statutes of 2019.

**Location:** 10/9/2019-A. CHAPTERED

**Summary:** The Planning and Zoning Law requires that a development be subject to a requirement mandating a minimum percentage of below market rate housing based on one of 3 specified conditions. This bill would modify that condition to authorize a development that is located within the San Francisco Bay area, as defined, to instead dedicate 20% of the total number of units to housing affordable to households making at or below 120% of the area median income with the average income of the units at or below 100% of the area median income, except as provided.

**[AB 1486](#) (Ting D) Surplus land.**

**Last Amend:** 9/6/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 664, Statutes of 2019.

**Location:** 10/9/2019-A. CHAPTERED

**Summary:** Current law prescribes requirements for the disposal of surplus land by a local agency. Current law defines "local agency" for these purposes as every city, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property. This bill would expand the definition of "local agency" to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. The bill would specify that the term "district" includes all districts within the state, and that this change is declaratory of existing law.

**[AB 1568](#) (McCarty D) Housing law compliance: prohibition on applying for state grants.**

**Last Amend:** 4/11/2019

**Status:** 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/8/2019)(May be acted upon Jan 2020)

**Location:** 5/17/2019-A. 2 YEAR

**Summary:** The Housing Element Law, prescribes requirements for the preparation of the housing element, including a requirement that a planning agency submit a draft of the element or draft amendment to the element to the Department of Housing and Community Development prior to the adoption of the element or amendment to the element. Current law requires the department to review the draft and report its written findings, as specified. Current law also requires the department, in its written findings, to determine whether the draft substantially complies with the Housing Element Law. This bill would authorize the city or county to submit evidence that the city or county is no longer in violation of state law to the department and to request the department to issue a finding that the city or county is no longer in violation of state law.

**[ACA 1](#) (Aguiar-Curry D) Local government financing: affordable housing and public infrastructure: voter approval.**

**Last Amend:** 3/18/2019

**Status:** 8/19/2019-Read third time. Refused adoption. Motion to reconsider made by Assembly Member Aguiar-Curry.

**Location:** 5/20/2019-A. THIRD READING

**Summary:** The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing,



or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.

**SB 1**

**(Atkins D) California Environmental, Public Health, and Workers Defense Act of 2019.**

**Last Amend:** 9/10/2019

**Status:** 9/27/2019-Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.

**Location:** 9/27/2019-S. VETOED

**Summary:** Current state law regulates the discharge of air pollutants into the atmosphere. The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species, and generally prohibits the taking of those species. This bill would, until January 20, 2025, require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified. By imposing new duties on local agencies, this bill would impose a state-mandated local program.

**SB 5**

**(Beall D) Affordable Housing and Community Development Investment Program.**

**Last Amend:** 9/5/2019

**Status:** 10/13/2019-Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.

**Location:** 10/13/2019-S. VETOED

**Summary:** Would establish in state government the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment 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, transit village development district, or a combination of those entities, to apply to the Affordable Housing and Community Development Investment Committee to participate in the program and would authorize the committee to approve or deny plans for projects meeting specific criteria. The bill would also authorize certain local agencies to establish an affordable housing and community development investment agency and authorize an agency to apply for funding under the program and issue bonds, as provided, to carry out a project under the program.

**SB 6**

**(Beall D) Residential development: available land.**

**Last Amend:** 9/6/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 667, Statutes of 2019.

**Location:** 10/9/2019-S. CHAPTERED

**Summary:** Would require the Department of Housing and Community Development to furnish the Department of General Services with a list of local lands suitable and available for residential development as identified by a local government as part of the housing element of its general plan. The bill would require the Department of General Services to create a database of that information and information regarding state lands determined or declared excess and to make this database available and searchable by the public by means of a link on its internet website.

**SB 9**

**(Beall D) Income taxes: low-income housing credits: allocation: sale of credits.**

**Last Amend:** 4/3/2019

**Status:** 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was H. & C.D. on 5/30/2019)(May be acted upon Jan 2020)

**Location:** 7/10/2019-A. 2 YEAR

**Summary:** Current law, beginning on or after January 1, 2009, and before January 1, 2020, requires, in the case of a project that receive a preliminary reservation of a state low-income housing tax credit, that the credit be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, as provided. Existing law, beginning on or after January 1, 2016, and before January 1, 2020, authorizes a taxpayer that is allowed a low-income housing tax credit to elect to sell all or a portion of that credit to one or more unrelated parties for each taxable year in which the credit is allowed, as described. 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.

**SB 13**

**(Wieckowski D) Accessory dwelling units.**

**Last Amend:** 9/6/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 653, Statutes of 2019.

**Location:** 10/9/2019-S. CHAPTERED

**Summary:** Would authorize the creation of accessory dwelling units in areas zoned to allow single-family or multifamily dwelling residential use. The bill would also revise the requirements for an accessory dwelling unit by providing that the accessory dwelling unit may be attached to, or located

within, an attached garage, storage area, or other structure, and that it does not exceed a specified amount of total floor area.

**SB 18** **(Skinner D) Keep Californians Housed Act.**

**Last Amend:** 5/21/2019

**Status:** 7/30/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 134, Statutes of 2019.

**Location:** 7/30/2019-S. CHAPTERED

**Summary:** Current law requires a tenant or subtenant in possession of a rental housing unit under a month-to-month lease at the time that property is sold in foreclosure to be provided 90 days' written notice to quit before the tenant or subtenant may be removed from the property. Current law also provides tenants or subtenants holding possession of a rental housing unit under a fixed-term residential lease entered into before transfer of title at the foreclosure sale the right to possession until the end of the lease term, except in specified circumstances. Current law repeals these provisions as of December 31, 2019. This bill would delete the above-described repeal date, thereby extending the operation of these provisions indefinitely.

**SB 50** **(Wiener D) Planning and zoning: housing development: streamlined approval: incentives.**

**Last Amend:** 6/4/2019

**Status:** 6/4/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/13/2019)(May be acted upon Jan 2020)

**Location:** 6/4/2019-S. 2 YEAR

**Summary:** Would authorize a development proponent of a neighborhood multifamily project located on an eligible parcel to submit an application for a streamlined, ministerial approval process that is not subject to a conditional use permit. The bill would define a "neighborhood multifamily project" to mean a project to construct a multifamily structure on vacant land, or to convert an existing structure that does not require substantial exterior alteration into a multifamily structure, consisting of up to 4 residential dwelling units and that meets local height, setback, and lot coverage zoning requirements as they existed on July 1, 2019.

**SB 127** **(Wiener D) Transportation funding: active transportation: complete streets.**

**Last Amend:** 9/3/2019

**Status:** 10/12/2019-Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.

**Location:** 10/12/2019-S. VETOED

**Summary:** Current law requires the Department of Transportation, in consultation with the California Transportation Commission, to prepare an asset management plan to guide selection of projects for the State Highway Operation and Protection Program consistent with any applicable state and federal requirements. Current law requires the commission, in connection with the asset management plan, to adopt targets and performance measures reflecting state transportation goals and objectives. This bill would require the asset management plan to prescribe a process for community input and complete streets implementation to prioritize the implementation of safe and connected facilities for pedestrians, bicyclists, and transit users on all State Highway Operation and Protection Program projects, as specified.

**SB 152** **(Beall D) Active Transportation Program.**

**Last Amend:** 4/25/2019

**Status:** 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/13/2019)(May be acted upon Jan 2020)

**Location:** 5/17/2019-S. 2 YEAR

**Summary:** Current law establishes the Active Transportation Program in the Department of Transportation for the purpose of encouraging increased use of active modes of transportation, such as biking and walking. Existing law requires specified funds for the program to be appropriated to the department in the annual Budget Act and allocated to eligible projects by the California Transportation Commission. This bill would require that 60% of available funds be awarded to projects selected by metropolitan planning organizations (MPO) in urban areas with populations greater than 200,000, with the available funds distributed to each MPO based on its relative share of the population, 15% to fund projects in small urban and rural regions, and 25% to projects competitively awarded by the commission on a statewide basis.

**SB 241** **(Moorlach R) Personal Income Tax: California Voluntary Contribution Program.**

**Last Amend:** 4/29/2019

**Status:** 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/13/2019)(May be acted upon Jan 2020)

**Location:** 5/17/2019-S. 2 YEAR

**Summary:** Current law contains administrative provisions generally applicable to a new or extended voluntary tax contribution. Current law provides for various voluntary contribution funds to be listed on the personal income tax return, including the California Firefighters' Memorial Fund and the California Peace Officer Memorial Foundation Fund, which are both repealed on January 1, 2021, except as

otherwise provided. This bill would remove the repeal dates for the California Firefighters' Memorial Fund and the California Peace Officer Memorial Foundation Fund, thereby allowing those voluntary contribution funds to be listed on the personal income tax return indefinitely.

**SB 277** (Beall D) Road Maintenance and Rehabilitation Program: Local Partnership Program.

**Last Amend:** 9/6/2019

**Status:** 10/12/2019-Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.

**Location:** 10/12/2019-S. VETOED

**Summary:** Current law continuously appropriates \$200,000,000 annually from the Road Maintenance and Rehabilitation Account for allocation by the commission for a program commonly known as the Local Partnership Program to local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed certain fees, which taxes or fees are dedicated solely for road maintenance and rehabilitation and other transportation improvement projects. Current law requires the commission, in cooperation with the Department of Transportation, transportation planning agencies, county transportation commissions, and other local agencies, to develop guidelines for the allocation of those moneys. This bill would require the commission to annually deposit 85% of these funds into the Local Partnership Formula Subaccount, which the bill would create, and 15% of these funds into the Small Counties and Uniform Developer Fees Competitive Subaccount, which the bill would create.

**SB 307** (Roth D) Water conveyance: use of facility with unused capacity.

**Last Amend:** 4/30/2019

**Status:** 7/31/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 169, Statutes of 2019.

**Location:** 7/31/2019-S. CHAPTERED

**Summary:** Current law prohibits the state or a regional or local public agency from denying a bona fide transferor of water from using a water conveyance facility that has unused capacity for the period of time for which that capacity is available, if fair compensation is paid for that use and other requirements are met. This bill would, notwithstanding that provision, prohibit a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands, as defined, that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife and the Department of Water Resources, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal or state lands, as provided.

**SB 330** (Skinner D) Housing Crisis Act of 2019.

**Last Amend:** 8/12/2019

**Status:** 10/9/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 654, Statutes of 2019.

**Location:** 10/9/2019-S. CHAPTERED

**Summary:** The The Housing Accountability Act requires a local agency that proposes to disapprove a housing development project that complies with applicable, objective general plan and zoning standards and criteria that were in effect at the time the application was deemed to be complete, or to approve it on the condition that it be developed at a lower density, to base its decision upon written findings supported by substantial evidence on the record that specified conditions exist, and places the burden of proof on the local agency to that effect. The act requires a court to impose a fine on a local agency under certain circumstances and requires that the fine be at least \$10,000 per housing unit in the housing development project on the date the application was deemed complete. This bill would, until January 1, 2025, specify that an application is deemed complete for these purposes if a preliminary application was submitted, as specified.

**SB 332** (Hertzberg D) Wastewater treatment: recycled water.

**Last Amend:** 4/30/2019

**Status:** 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/13/2019)(May be acted upon Jan 2020)

**Location:** 5/17/2019-S. 2 YEAR

**Summary:** Would declare, except in compliance with the bill's provisions, that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. The bill would require each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility's annual flow as compared to the average annual wastewater discharge baseline volume, as prescribed, by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. The bill would subject the owner or operator of a wastewater treatment facility, as well as the affiliated water suppliers, to a civil penalty of \$2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines.

**SB 526** (Allen D) Regional transportation plans: greenhouse gas emissions: State Mobility Action Plan for Healthy Communities.

**Last Amend:** 4/30/2019

**Status:** 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/16/2019)(May be acted upon Jan 2020)

**Location:** 5/17/2019-S. 2 YEAR

**Summary:** Would require the State Air Resources Board to adopt a regulation that requires a metropolitan planning organization to provide any data that the state board determines is necessary to fulfill the requirements of the above-described report and to determine if the metropolitan planning organization is on track to meet its 2035 greenhouse gas emission reduction target. After completing each report, the bill would require the state board to determine if each metropolitan planning organization is on track to meet its 2035 target.

**SB 664 (Allen D) Electronic toll and transit fare collection systems.**

**Last Amend:** 9/10/2019

**Status:** 9/15/2019-Failed Deadline pursuant to Rule 61(a)(15). (Last location was P. & C.P. on 9/10/2019)(May be acted upon Jan 2020)

**Location:** 9/15/2019-A. 2 YEAR

**Summary:** Current law requires the Department of Transportation, in cooperation with the Golden Gate Bridge, Highway and Transportation District and all known entities planning to implement a toll facility, to develop and adopt functional specifications and standards for an automatic vehicle identification system, in compliance with specified objectives, including that a vehicle owner shall not be required to purchase or install more than one device to use on all toll facilities, and generally requires any automatic vehicle identification system purchased or installed after January 1, 1991, to comply with those specifications and standards. Current law authorizes operators of toll facilities on federal-aid highways engaged in an interoperability program to provide only specified information regarding a vehicle's use of the toll facility. This bill would expand the above-described objective so that a user of a toll facility shall also not be required to purchase or install more than one device to use on all toll facilities.

**SB 669 (Caballero D) Water quality: Safe Drinking Water Fund.**

**Status:** 5/16/2019-May 16 hearing: Held in committee and under submission.

**Location:** 5/13/2019-S. APPR. SUSPENSE FILE

**Summary:** Would establish the Safe Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the state board to administer the fund to assist community water systems in disadvantaged communities that are chronically noncompliant relative to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards, as specified.

**SB 732 (Allen D) Transactions and use tax: South Coast Air Quality Management District.**

**Last Amend:** 4/30/2019

**Status:** 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/30/2019) (May be acted upon Jan 2020)

**Location:** 5/17/2019-S. 2 YEAR

**Summary:** Current law establishes the South Coast Air Quality Management District vested with the authority to regulate air emissions from stationary sources located in the South Coast Air Basin and establishes a district board to govern the district. This bill would authorize the south coast district board to impose a transactions and use tax within the boundaries of the south coast district, as specified, with the moneys generated from the transactions and use tax to be used to supplement existing revenues being used for south coast district purposes, as specified.

**SCA 1 (Allen D) Public housing projects.**

**Status:** 9/10/2019-Read. Adopted. (Ayes 38. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Location:** 9/10/2019-A. DESK

**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.

**Total Measures: 43**

**Total Tracking Forms: 43**



## STAFF REPORT

October 24, 2019

### AGENDA ITEM 5

## AB 5 – New Law Presuming and Favoring Classification of Workers as Employees Rather Than Independent Contractors

### SUMMARY

Assembly Bill No. 5 (“AB 5”) was recently enacted and becomes effective January 1, 2020. The new law reflects the state legislature’s objective of ensuring workers are not misclassified as independent contractors rather than employees, which misclassification deprives workers of the benefits afforded to employees under the law. It also codifies the “ABC test” adopted by the California Supreme Court in its recent decision in *Dynamex Operations W. v. Superior Court* (2018) 4 Cal.5th 903, and goes even further by creating a rebuttable presumption that a worker is an employee rather than an independent contractor.

OCCOG Counsel has analyzed the arrangements OCCOG maintains with various consultants and provided advice on how to address the impacts of AB 5 on those arrangements. Counsel will continue to monitor this issue since this is a developing area of law, and legislative changes and court decisions in coming years will clarify how this law is intended to apply to employers, including public entities. Analysis of employee versus independent contractor status is very fact specific.

### BACKGROUND

#### I. Summary of Key Takeaways

- Most significantly, AB 5 presumes employment status and codifies the 3-prong “ABC” test for determining whether an employer can rebut the presumption and claim independent contractor status. The “ABC” test makes it easier for workers to prove status as an employee.
- Under the “ABC” test, a worker will be presumed to be an employee rather than an independent contractor unless the hiring entity can show: 1) the worker is free from





the direction and control of the hiring entity; 2) the work performed is outside the usual course of the hiring entity's business; and 3) the worker is customarily engaged in an independently established business of the same nature as that involved in the work performed. (See Section III for details.)

- Certain professions and types of arrangements have been expressly exempted from the application of AB 5 such as lawyers, architects, engineers, private investigators, and accountants. (See Section IV for details.)
- The significance of the distinction between employee and independent contractor is that employee status triggers legally mandated benefits, protections and taxation. As an aside, CalPERS has not indicated whether it will use the new 3 prong "ABC" test for determining employee status for pension eligibility purposes. (See Section V for details for details.)
- AB 5 will likely have minimal impacts in situations where employees of bona fide third-party entities are providing services to a city, but until there are cases specifically addressing the issue, nothing is certain.

## II. Legal Background

On September 18, 2019, the Governor signed Assembly Bill No. 5, which codifies aspects of the decision of the California Supreme Court in the case of *Dynamex Operations W. v. Superior Court* (2018) 4 Cal.5th 903. *Dynamex* dealt with the issue of whether an individual worker should be classified as an independent contractor or an employee. The result of *Dynamex* and the codification of its holding in AB 5, is that many workers who were formerly classified as independent contractors will now likely be deemed employees under California law. While the *Dynamex* decision had retroactive application, the bulk of the provisions of AB 5 will not be effective until January 1, 2020.

Prior to the California Supreme Court's decision in *Dynamex*, employers in California, including public sector employers, had long used the more complicated and numerous factor test set forth in a previous California Supreme Court case, *S. G. Borello & Sons, Inc. v. Department of Industrial Relations* (1989) 48 Cal.3d 341, to determine whether a worker was an employee or an independent contractor. In *Borello*, the Court set forth the following list of non-exclusive factors for use in determining the employment status of workers:

1. The right to control the manner and means of accomplishing the work (acknowledged as the most important factor);





2. whether the one performing services is engaged in a distinct occupation or business;
3. the kind of occupation, with reference to whether, in the locality, the work is usually done under the direction of the principal or by a specialist without supervision;
4. the skill required in the particular occupation;
5. whether the principal or the worker supplies the instrumentalities, tools, and the place of work for the person doing the work;
6. the length of time for which the services are to be performed;
7. the method of payment, whether by the time or by the job;
8. whether or not the work is a part of the regular business of the principal; and
9. whether or not the parties believe they are creating the relationship of employer-employee.

An employer determining whether an individual worker should be classified as an employee or an independent contractor could generally apply the *Borello* factors, and if most of the factors applied (in particular the critical factor of control), then the individual could be classified as an employee.

### III. Changes to the Law Under AB 5

The California Supreme Court, in its opinion in *Dynamex* changed the common law test of employment status established by *Borello*, but with respect to wage orders only. In doing so, the Court established the “ABC” test for determining whether an individual qualifies as an independent contractor or an employee. Under the “ABC” test, a worker’s default status is that of an employee rather than an independent contractor unless the hiring entity establishes each of three designated factors:

- (A) The person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact; and
- (B) The person performs work that is outside the usual course of the hiring entity’s business; and
- (C) The person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.



AB 5 codifies the “ABC” test, in the soon-to-be added Section 2750.3 to the Labor Code, as the applicable standard in the Labor Code and Unemployment Insurance Code. In addition to adding Labor Code Section 2750.3, AB 5 will amend the definition of employee in Section 3351 of the Labor Code, and revise Sections 606.5 and 621 of the Unemployment Insurance Code.

#### IV. Exemptions From 3 Prong “ABC” Test

Certain professions and types of arrangements are exempt from the 3 prong “ABC” test. Where an exemption applies, this means that the common law test of employment status established by *Borello* will still apply. The following professions/arrangements are expressly exempted under AB 5:

- Licensed lawyers, architects, engineers, private investigators, and accountants. (Labor Code § 2750.3(b)(3).)
- Certain categories of “professional services,” although this term is limited to certain types of services (e.g. marketing, human resources administrator, graphic design, grant writing, fine artists, and payment processing agents). (Labor Code § 2750.3(c).)
- Business to business contracting relationships, subject to meeting a list of 12 detailed criteria. (Labor Code § 2750.3(e).)

#### V. The Importance of Employee Versus Independent Contractor Status

Employees are afforded more legal protection than independent contractors. For example, employers must deduct payroll taxes for employees, comply with minimum wage and federal overtime requirements, and reimburse employees for business expenses incurred in performing their jobs. Employees are also afforded protection by workers’ compensation insurance, unemployment insurance, medical leave laws, and anti-discrimination and retaliation laws. State and federal laws do not provide these same employment protections to independent contractors.

CalPERS members are also subject to rules pertaining to employees of member agencies, including mandatory CalPERS enrollment requirements and limitations on hiring of retired annuitants as employees. CalPERS has not indicated that it will use the 3 prong “ABC” test for analyzing employment relationships for CalPERS eligibility purposes; for now, at least, the existing common law “control” test used by CalPERS continues to apply.



Orange County Council of Governments

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### ***ATTACHMENTS***

Text of AB 5

### ***RECOMMENDED ACTION***

Receive and file.

### ***STAFF CONTACT***

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## Assembly Bill No. 5

### CHAPTER 296

An act to amend Section 3351 of, and to add Section 2750.3 to, the Labor Code, and to amend Sections 606.5 and 621 of the Unemployment Insurance Code, relating to employment, and making an appropriation therefor.

[Approved by Governor September 18, 2019. Filed with  
Secretary of State September 18, 2019.]

#### legislative counsel's digest

AB 5, Gonzalez. Worker status: employees and independent contractors.

Existing law, as established in the case of *Dynamex Operations West, Inc. v. Superior Court of Los Angeles* (2018) 4 Cal.5th 903 (*Dynamex*), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Existing law requires a 3-part test, commonly known as the “ABC” test, to establish that a worker is an independent contractor for those purposes.

Existing law, for purposes of unemployment insurance provisions, requires employers to make contributions with respect to unemployment insurance and disability insurance from the wages paid to their employees. Existing law defines “employee” for those purposes to include, among other individuals, any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee.

This bill would state the intent of the Legislature to codify the decision in the *Dynamex* case and clarify its application. The bill would provide that for purposes of the provisions of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity’s business, and the person is customarily engaged in an independently established trade, occupation, or business. The bill, notwithstanding this provision, would provide that any statutory exception from employment status or any extension of employer status or liability remains in effect, and that if a court rules that the 3-part test cannot be applied, then the determination of employee or independent contractor status shall be governed by the test adopted in *S. G. Borello & Sons, Inc. v. Department of Industrial Relations* (1989) 48 Cal.3d 341 (*Borello*). The bill would exempt specified occupations from the application of *Dynamex*, and would instead provide that these

occupations are governed by Borello. These exempt occupations would include, among others, licensed insurance agents, certain licensed health care professionals, registered securities broker-dealers or investment advisers, direct sales salespersons, real estate licensees, commercial fishermen, workers providing licensed barber or cosmetology services, and others performing work under a contract for professional services, with another business entity, or pursuant to a subcontract in the construction industry.

The bill would also require the Employment Development Department, on or before March 1, 2021, and each March 1 thereafter, to issue an annual report to the Legislature on the use of unemployment insurance in the commercial fishing industry. The bill would make the exemption for commercial fishermen applicable only until January 1, 2023, and the exemption for licensed manicurists applicable only until January 1, 2022. The bill would authorize an action for injunctive relief to prevent employee misclassification to be brought by the Attorney General and specified local prosecuting agencies.

This bill would also redefine the definition of “employee” described above, for purposes of unemployment insurance provisions, to include an individual providing labor or services for remuneration who has the status of an employee rather than an independent contractor, unless the hiring entity demonstrates that the individual meets all of specified conditions, including that the individual performs work that is outside the usual course of the hiring entity’s business. Because this bill would increase the categories of individuals eligible to receive benefits from, and thus would result in additional moneys being deposited into, the Unemployment Fund, a continuously appropriated fund, the bill would make an appropriation. The bill would state that addition of the provision to the Labor Code does not constitute a change in, but is declaratory of, existing law with regard to violations of the Labor Code relating to wage orders of the Industrial Welfare Commission. The bill would also state that specified Labor Code provisions of the bill apply retroactively to existing claims and actions to the maximum extent permitted by law while other provisions apply to work performed on or after January 1, 2020. The bill would additionally provide that the bill’s provisions do not permit an employer to reclassify an individual who was an employee on January 1, 2019, to an independent contractor due to the bill’s enactment.

Existing provisions of the Labor Code make it a crime for an employer to violate specified provisions of law with regard to an employee. The Unemployment Insurance Code also makes it a crime to violate specified provisions of law with regard to benefits and payments.

By expanding the definition of an employee for purposes of these provisions, the bill would expand the definition of a crime, thereby imposing a state-mandated local program.

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

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

Appropriation: yes.

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

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

(a) On April 30, 2018, the California Supreme Court issued a unanimous decision in *Dynamex Operations West, Inc. v. Superior Court of Los Angeles* (2018) 4 Cal.5th 903 (Dynamex).

(b) In its decision, the Court cited the harm to misclassified workers who lose significant workplace protections, the unfairness to employers who must compete with companies that misclassify, and the loss to the state of needed revenue from companies that use misclassification to avoid obligations such as payment of payroll taxes, payment of premiums for workers' compensation, Social Security, unemployment, and disability insurance.

(c) The misclassification of workers as independent contractors has been a significant factor in the erosion of the middle class and the rise in income inequality.

(d) It is the intent of the Legislature in enacting this act to include provisions that would codify the decision of the California Supreme Court in *Dynamex* and would clarify the decision's application in state law.

(e) It is also the intent of the Legislature in enacting this act to ensure workers who are currently exploited by being misclassified as independent contractors instead of recognized as employees have the basic rights and protections they deserve under the law, including a minimum wage, workers' compensation if they are injured on the job, unemployment insurance, paid sick leave, and paid family leave. By codifying the California Supreme Court's landmark, unanimous *Dynamex* decision, this act restores these important protections to potentially several million workers who have been denied these basic workplace rights that all employees are entitled to under the law.

(f) The *Dynamex* decision interpreted one of the three alternative definitions of "employ," the "suffer or permit" definition, from the wage orders of the Industrial Welfare Commission (IWC). Nothing in this act is intended to affect the application of alternative definitions from the IWC wage orders of the term "employ," which were not addressed by the holding of *Dynamex*.

(g) Nothing in this act is intended to diminish the flexibility of employees to work part-time or intermittent schedules or to work for multiple employers.

SEC. 2. Section 2750.3 is added to the Labor Code, to read:

2750.3. (a) (1) For purposes of the provisions of this code and the



Unemployment Insurance Code, and for the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor unless the hiring entity demonstrates that all of the following conditions are satisfied:

(A) The person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(B) The person performs work that is outside the usual course of the hiring entity's business.

(C) The person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

(2) Notwithstanding paragraph (1), any exceptions to the terms "employee," "employer," "employ," or "independent contractor," and any extensions of employer status or liability, that are expressly made by a provision of this code, the Unemployment Insurance Code, or in an applicable order of the Industrial Welfare Commission, including, but not limited to, the definition of "employee" in subdivision 2(E) of Wage Order No. 2, shall remain in effect for the purposes set forth therein.

(3) If a court of law rules that the three-part test in paragraph (1) cannot be applied to a particular context based on grounds other than an express exception to employment status as provided under paragraph (2), then the determination of employee or independent contractor status in that context shall instead be governed by the California Supreme Court's decision in *S. G. Borello & Sons, Inc. v. Department of Industrial Relations* (1989) 48 Cal.3d 341 (Borello).

(b) Subdivision (a) and the holding in *Dynamex Operations West, Inc. v. Superior Court of Los Angeles* (2018) 4 Cal.5th 903 (Dynamex), do not apply to the following occupations as defined in the paragraphs below, and instead, the determination of employee or independent contractor status for individuals in those occupations shall be governed by Borello.

(1) A person or organization who is licensed by the Department of Insurance pursuant to Chapter 5 (commencing with Section 1621), Chapter 6 (commencing with Section 1760), or Chapter 8 (commencing with Section 1831) of Part 2 of Division 1 of the Insurance Code.

(2) A physician and surgeon, dentist, podiatrist, psychologist, or veterinarian licensed by the State of California pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, performing professional or medical services provided to or by a health care entity, including an entity organized as a sole proprietorship, partnership, or professional corporation as defined in Section 13401 of the Corporations Code. Nothing in this subdivision shall apply to the employment settings currently or potentially governed by collective bargaining agreements for the licensees identified in this paragraph.

(3) An individual who holds an active license from the State of California and is practicing one of the following recognized professions: lawyer, architect, engineer, private investigator, or accountant.

(4) A securities broker-dealer or investment adviser or their agents and representatives that are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Authority or licensed by the State of California under Chapter 2 (commencing with Section 25210) or Chapter 3 (commencing with Section 25230) of Division 1 of Part 3 of Title 4 of the Corporations Code.

(5) A direct sales salesperson as described in Section 650 of the Unemployment Insurance Code, so long as the conditions for exclusion from employment under that section are met.

(6) A commercial fisherman working on an American vessel as defined in subparagraph (A) below.

(A) For the purposes of this paragraph:

(i) “American vessel” has the same meaning as defined in Section 125.5 of the Unemployment Insurance Code.

(ii) “Commercial fisherman” means a person who has a valid, unrevoked commercial fishing license issued pursuant to Article 3 (commencing with Section 7850) of Chapter 1 of Part 3 of Division 6 of the Fish and Game Code.

(iii) “Working on an American vessel” means the taking or the attempt to take fish, shellfish, or other fishery resources of the state by any means, and includes each individual aboard an American vessel operated for fishing purposes who participates directly or indirectly in the taking of these raw fishery products, including maintaining the vessel or equipment used aboard the vessel. However, “working on an American vessel” does not apply to anyone aboard a licensed commercial fishing vessel as a visitor or guest who does not directly or indirectly participate in the taking.

(B) For the purposes of this paragraph, a commercial fisherman working on an American vessel is eligible for unemployment insurance benefits if they meet the definition of “employment” in Section 609 of the Unemployment Insurance Code and are otherwise eligible for those benefits pursuant to the provisions of the Unemployment Insurance Code.

(C) On or before March 1, 2021, and each March 1 thereafter, the Employment Development Department shall issue an annual report to the Legislature on the use of unemployment insurance in the commercial fishing industry. This report shall include, but not be limited to, reporting the number of commercial fishermen who apply for unemployment insurance benefits, the number of commercial fishermen who have their claims disputed, the number of commercial fishermen who have their claims denied, and the number of commercial fishermen who receive unemployment insurance benefits. The report required by this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

(D) This paragraph shall become inoperative on January 1, 2023, unless extended by the Legislature.

(c) (1) Subdivision (a) and the holding in *Dynamex* do not apply to a contract for “professional services” as defined below, and instead the determination of whether the individual is an employee or independent contractor shall be governed by *Borello* if the hiring entity demonstrates that all of the following factors are satisfied:

(A) The individual maintains a business location, which may include the individual's residence, that is separate from the hiring entity. Nothing in this subdivision prohibits an individual from choosing to perform services at the location of the hiring entity.

(B) If work is performed more than six months after the effective date of this section, the individual has a business license, in addition to any required professional licenses or permits for the individual to practice in their profession.

(C) The individual has the ability to set or negotiate their own rates for the services performed.

(D) Outside of project completion dates and reasonable business hours, the individual has the ability to set the individual's own hours.

(E) The individual is customarily engaged in the same type of work performed under contract with another hiring entity or holds themselves out to other potential customers as available to perform the same type of work.

(F) The individual customarily and regularly exercises discretion and independent judgment in the performance of the services.

(2) For purposes of this subdivision:

(A) An "individual" includes an individual providing services through a sole proprietorship or other business entity.

(B) "Professional services" means services that meet any of the following:

(i) Marketing, provided that the contracted work is original and creative in character and the result of which depends primarily on the invention, imagination, or talent of the employee or work that is an essential part of or necessarily incident to any of the contracted work.

(ii) Administrator of human resources, provided that the contracted work is predominantly intellectual and varied in character and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time.

(iii) Travel agent services provided by either of the following: (I) a person regulated by the Attorney General under Article 2.6 (commencing with Section 17550) of Chapter 1 of Part 3 of Division 7 of the Business and Professions Code, or (II) an individual who is a seller of travel within the meaning of subdivision (a) of Section 17550.1 of the Business and Professions Code and who is exempt from the registration under subdivision (g) of Section 17550.20 of the Business and Professions Code.

(iv) Graphic design.

(v) Grant writer.

(vi) Fine artist.

(vii) Services provided by an enrolled agent who is licensed by the United States Department of the Treasury to practice before the Internal Revenue Service pursuant to Part 10 of Subtitle A of Title 31 of the Code of Federal Regulations.

(viii) Payment processing agent through an independent sales organization.

(ix) Services provided by a still photographer or photojournalist who do not license content submissions to the putative employer more than 35 times per year. This clause is not applicable to an individual who works on motion pictures, which includes, but is not limited to, projects produced for theatrical, television, internet streaming for any device, commercial productions, broadcast news, music videos, and live shows, whether distributed live or recorded for later broadcast, regardless of the distribution platform. For purposes of this clause a “submission” is one or more items or forms of content produced by a still photographer or photojournalist that: (I) pertains to a specific event or specific subject; (II) is provided for in a contract that defines the scope of the work; and (III) is accepted by and licensed to the publication or stock photography company and published or posted. Nothing in this section shall prevent a photographer or artist from displaying their work product for sale.

(x) Services provided by a freelance writer, editor, or newspaper cartoonist who does not provide content submissions to the putative employer more than 35 times per year. Items of content produced on a recurring basis related to a general topic shall be considered separate submissions for purposes of calculating the 35 times per year. For purposes of this clause, a “submission” is one or more items or forms of content by a freelance journalist that: (I) pertains to a specific event or topic; (II) is provided for in a contract that defines the scope of the work; (III) is accepted by the publication or company and published or posted for sale.

(xi) Services provided by a licensed esthetician, licensed electrologist, licensed manicurist, licensed barber, or licensed cosmetologist provided that the individual:

(I) Sets their own rates, processes their own payments, and is paid directly by clients.

(II) Sets their own hours of work and has sole discretion to decide the number of clients and which clients for whom they will provide services.

(III) Has their own book of business and schedules their own appointments.

(IV) Maintains their own business license for the services offered to clients.

(V) If the individual is performing services at the location of the hiring entity, then the individual issues a Form 1099 to the salon or business owner from which they rent their business space.

(VI) This subdivision shall become inoperative, with respect to licensed manicurists, on January 1, 2022.

(d) Subdivision (a) and the holding in *Dynamex* do not apply to the following, which are subject to the Business and Professions Code:

(1) A real estate licensee licensed by the State of California pursuant to Division 4 (commencing with Section 10000) of the Business and Professions Code, for whom the determination of employee or independent contractor status shall be governed by subdivision (b) of Section 10032 of the Business and Professions Code. If that section is not applicable, then this determination shall be governed as follows: (A) for purposes of unemployment insurance by Section 650 of the Unemployment Insurance Code; (B) for purposes of workers compensation by Section 3200 et seq.;

and (C) for all other purposes in the Labor Code by Borello. The statutorily imposed duties of a responsible broker under Section 10015.1 of the Business and Professions Code are not factors to be considered under the Borello test.

(2) A repossession agency licensed pursuant to Section 7500.2 of the Business and Professions Code, for whom the determination of employee or independent contractor status shall be governed by Section 7500.2 of the Business and Professions Code, if the repossession agency is free from the control and direction of the hiring person or entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(e) Subdivision (a) and the holding in *Dynamex* do not apply to a bona fide business-to-business contracting relationship, as defined below, under the following conditions:

(1) If a business entity formed as a sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation (“business service provider”) contracts to provide services to another such business (“contracting business”), the determination of employee or independent contractor status of the business services provider shall be governed by Borello, if the contracting business demonstrates that all of the following criteria are satisfied:

(A) The business service provider is free from the control and direction of the contracting business entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(B) The business service provider is providing services directly to the contracting business rather than to customers of the contracting business.

(C) The contract with the business service provider is in writing.

(D) If the work is performed in a jurisdiction that requires the business service provider to have a business license or business tax registration, the business service provider has the required business license or business tax registration.

(E) The business service provider maintains a business location that is separate from the business or work location of the contracting business.

(F) The business service provider is customarily engaged in an independently established business of the same nature as that involved in the work performed.

(G) The business service provider actually contracts with other businesses to provide the same or similar services and maintains a clientele without restrictions from the hiring entity.

(H) The business service provider advertises and holds itself out to the public as available to provide the same or similar services.

(I) The business service provider provides its own tools, vehicles, and equipment to perform the services.

(J) The business service provider can negotiate its own rates.

(K) Consistent with the nature of the work, the business service provider can set its own hours and location of work.

(L) The business service provider is not performing the type of work for which a license from the Contractor’s State License Board is required,

pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code.

(2) This subdivision does not apply to an individual worker, as opposed to a business entity, who performs labor or services for a contracting business.

(3) The determination of whether an individual working for a business service provider is an employee or independent contractor of the business service provider is governed by paragraph (1) of subdivision (a).

(4) This subdivision does not alter or supersede any existing rights under Section 2810.3.

(f) Subdivision (a) and the holding in *Dynamex* do not apply to the relationship between a contractor and an individual performing work pursuant to a subcontract in the construction industry, and instead the determination of whether the individual is an employee of the contractor shall be governed by Section 2750.5 and by *Borello*, if the contractor demonstrates that all the following criteria are satisfied:

(1) The subcontract is in writing.

(2) The subcontractor is licensed by the Contractors State License Board and the work is within the scope of that license.

(3) If the subcontractor is domiciled in a jurisdiction that requires the subcontractor to have a business license or business tax registration, the subcontractor has the required business license or business tax registration.

(4) The subcontractor maintains a business location that is separate from the business or work location of the contractor.

(5) The subcontractor has the authority to hire and to fire other persons to provide or to assist in providing the services.

(6) The subcontractor assumes financial responsibility for errors or omissions in labor or services as evidenced by insurance, legally authorized indemnity obligations, performance bonds, or warranties relating to the labor or services being provided.

(7) The subcontractor is customarily engaged in an independently established business of the same nature as that involved in the work performed.

(8) (A) Paragraph (2) shall not apply to a subcontractor providing construction trucking services for which a contractor's license is not required by Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, provided that all of the following criteria are satisfied:

(i) The subcontractor is a business entity formed as a sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation.

(ii) For work performed after January 1, 2020, the subcontractor is registered with the Department of Industrial Relations as a public works contractor pursuant to Section 1725.5, regardless of whether the subcontract involves public work.

(iii) The subcontractor utilizes its own employees to perform the construction trucking services, unless the subcontractor is a sole proprietor who operates their own truck to perform the entire subcontract and holds a valid motor carrier permit issued by the Department of Motor Vehicles.



(iv) The subcontractor negotiates and contracts with, and is compensated directly by, the licensed contractor.

(B) For work performed after January 1, 2020, any business entity that provides construction trucking services to a licensed contractor utilizing more than one truck shall be deemed the employer for all drivers of those trucks.

(C) For purposes of this paragraph, “construction trucking services” mean hauling and trucking services provided in the construction industry pursuant to a contract with a licensed contractor utilizing vehicles that require a commercial driver’s license to operate or have a gross vehicle weight rating of 26,001 or more pounds.

(D) This paragraph shall only apply to work performed before January 1, 2022.

(E) Nothing in this paragraph prohibits an individual who owns their truck from working as an employee of a trucking company and utilizing that truck in the scope of that employment. An individual employee providing their own truck for use by an employer trucking company shall be reimbursed by the trucking company for the reasonable expense incurred for the use of the employee owned truck.

(g) Subdivision (a) and the holding in *Dynamex* do not apply to the relationship between a referral agency and a service provider, as defined below, under the following conditions:

(1) If a business entity formed as a sole proprietor, partnership, limited liability company, limited liability partnership, or corporation (“service provider”) provides services to clients through a referral agency, the determination whether the service provider is an employee of the referral agency shall be governed by *Borello*, if the referral agency demonstrates that all of the following criteria are satisfied:

(A) The service provider is free from the control and direction of the referral agency in connection with the performance of the work for the client, both as a matter of contract and in fact.

(B) If the work for the client is performed in a jurisdiction that requires the service provider to have a business license or business tax registration, the service provider has the required business license or business tax registration.

(C) If the work for the client requires the service provider to hold a state contractor’s license pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, the service provider has the required contractor’s license.

(D) The service provider delivers services to the client under service provider’s name, rather than under the name of the referral agency.

(E) The service provider provides its own tools and supplies to perform the services.

(F) The service provider is customarily engaged in an independently established business of the same nature as that involved in the work performed for the client.

(G) The service provider maintains a clientele without any restrictions from the referral agency and the service provider is free to seek work elsewhere, including through a competing agency.

(H) The service provider sets its own hours and terms of work and is free to accept or reject clients and contracts.

(I) The service provider sets its own rates for services performed, without deduction by the referral agency.

(J) The service provider is not penalized in any form for rejecting clients or contracts. This subparagraph does not apply if the service provider accepts a client or contract and then fails to fulfill any of its contractual obligations.

(2) For purposes of this subdivision, the following definitions apply:

(A) “Animal services” means services related to daytime and nighttime pet care including pet boarding under Section 122380 of the Health and Safety Code.

(B) “Client” means a person or business that engages a service contractor through a referral agency.

(C) “Referral agency” is a business that connects clients with service providers that provide graphic design, photography, tutoring, event planning, minor home repair, moving, home cleaning, errands, furniture assembly, animal services, dog walking, dog grooming, web design, picture hanging, pool cleaning, or yard cleanup.

(D) “Referral agency contract” is the agency’s contract with clients and service contractors governing the use of its intermediary services described in subparagraph (C).

(E) “Service provider” means a person or business who agrees to the referral agency’s contract and uses the referral agency to connect with clients.

(F) “Tutor” means a person who develops and teaches their own curriculum. A “tutor” does not include a person who teaches a curriculum created by a public school or who contracts with a public school through a referral company for purposes of teaching students of a public school.

(3) This subdivision does not apply to an individual worker, as opposed to a business entity, who performs services for a client through a referral agency. The determination whether such an individual is an employee of a referral agency is governed by subdivision (a).

(h) Subdivision (a) and the holding in *Dynamex* do not apply to the relationship between a motor club holding a certificate of authority issued pursuant to Chapter 2 (commencing with Section 12160) of Part 5 of Division 2 of the Insurance Code and an individual performing services pursuant to a contract between the motor club and a third party to provide motor club services utilizing the employees and vehicles of the third party and, instead, the determination whether such an individual is an employee of the motor club shall be governed by *Borello*, if the motor club demonstrates that the third party is a separate and independent business from the motor club.

(i) (1) The addition of subdivision (a) to this section of the Labor Code by this act does not constitute a change in, but is declaratory of, existing law with regard to wage orders of the Industrial Welfare Commission and violations of the Labor Code relating to wage orders.

(2) Insofar as the application of subdivisions (b), (c), (d), (e), (f), (g), and (h) of this section would relieve an employer from liability, those

subdivisions shall apply retroactively to existing claims and actions to the maximum extent permitted by law.

(3) Except as provided in paragraphs (1) and (2) of this subdivision, the provisions of this section of the Labor Code shall apply to work performed on or after January 1, 2020.

(j) In addition to any other remedies available, an action for injunctive relief to prevent the continued misclassification of employees as independent contractors may be prosecuted against the putative employer in a court of competent jurisdiction by the Attorney General or by a city attorney of a city having a population in excess of 750,000, or by a city attorney in a city and county or, with the consent of the district attorney, by a city prosecutor in a city having a full-time city prosecutor in the name of the people of the State of California upon their own complaint or upon the complaint of a board, officer, person, corporation, or association.

SEC. 3. Section 3351 of the Labor Code, as amended by Section 33 of Chapter 38 of the Statutes of 2019, is amended to read:

3351. “Employee” means every person in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed, and includes:

- (a) Aliens and minors.
- (b) All elected and appointed paid public officers.
- (c) All officers and members of boards of directors of quasi-public or private corporations while rendering actual service for the corporations for pay. An officer or member of a board of directors may elect to be excluded from coverage in accordance with paragraph (16), (18), or (19) of subdivision (a) of Section 3352.
- (d) Except as provided in paragraph (8) of subdivision (a) of Section 3352, any person employed by the owner or occupant of a residential dwelling whose duties are incidental to the ownership, maintenance, or use of the dwelling, including the care and supervision of children, or whose duties are personal and not in the course of the trade, business, profession, or occupation of the owner or occupant.
- (e) All persons incarcerated in a state penal or correctional institution while engaged in assigned work or employment as defined in paragraph (1) of subdivision (a) of Section 10021 of Title 8 of the California Code of Regulations, or engaged in work performed under contract.
- (f) All working members of a partnership or limited liability company receiving wages irrespective of profits from the partnership or limited liability company. A general partner of a partnership or a managing member of a limited liability company may elect to be excluded from coverage in accordance with paragraph (17) of subdivision (a) of Section 3352.
- (g) A person who holds the power to revoke a trust, with respect to shares of a private corporation held in trust or general partnership or limited liability company interests held in trust. To the extent that this person is deemed to be an employee described in subdivision (c) or (f), as applicable, the person may also elect to be excluded from coverage as described in

subdivision (c) or (f), as applicable, if that person otherwise meets the criteria for exclusion, as described in Section 3352.

(h) A person committed to a state hospital facility under the State Department of State Hospitals, as defined in Section 4100 of the Welfare and Institutions Code, while engaged in and assigned work in a vocation rehabilitation program, including a sheltered workshop.

(i) Beginning on July 1, 2020, any individual who is an employee pursuant to Section 2750.3. This subdivision shall not apply retroactively.

SEC. 4. Section 606.5 of the Unemployment Insurance Code is amended to read:

606.5. (a) Whether an individual or entity is the employer of specific employees shall be determined pursuant to subdivision (b) of Section 621, except as provided in subdivisions (b) and (c).

(b) As used in this section, a “temporary services employer” and a “leasing employer” is an employing unit that contracts with clients or customers to supply workers to perform services for the client or customer and performs all of the following functions:

(1) Negotiates with clients or customers for such matters as time, place, type of work, working conditions, quality, and price of the services.

(2) Determines assignments or reassignments of workers, even though workers retain the right to refuse specific assignments.

(3) Retains the authority to assign or reassign a worker to other clients or customers when a worker is determined unacceptable by a specific client or customer.

(4) Assigns or reassigns the worker to perform services for a client or customer.

(5) Sets the rate of pay of the worker, whether or not through negotiation.

(6) Pays the worker from its own account or accounts.

(7) Retains the right to hire and terminate workers.

(c) If an individual or entity contracts to supply an employee to perform services for a customer or client, and is a leasing employer or a temporary services employer, the individual or entity is the employer of the employee who performs the services. If an individual or entity contracts to supply an employee to perform services for a client or customer and is not a leasing employer or a temporary services employer, the client or customer is the employer of the employee who performs the services. An individual or entity that contracts to supply an employee to perform services for a customer or client and pays wages to the employee for the services, but is not a leasing employer or a temporary services employer, pays the wages as the agent of the employer.

(d) In circumstances which are in essence the loan of an employee from one employer to another employer wherein direction and control of the manner and means of performing the services changes to the employer to whom the employee is loaned, the loaning employer shall continue to be the employer of the employee if the loaning employer continues to pay remuneration to the employee, whether or not reimbursed by the other employer. If the employer to whom the employee is loaned pays

remuneration to the employee for the services performed, that employer shall be considered the employer for the purposes of any remuneration paid to the employee by the employer, regardless of whether the loaning employer also pays remuneration to the employee.

SEC. 5. Section 621 of the Unemployment Insurance Code is amended to read:

621. “Employee” means all of the following:

(a) Any officer of a corporation.

(b) Any individual providing labor or services for remuneration has the status of an employee rather than an independent contractor unless the hiring entity demonstrates all of the following conditions:

(1) The individual is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(2) The individual performs work that is outside the usual course of the hiring entity’s business.

(3) The individual is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

(c) (1) Any individual, other than an individual who is an employee under subdivision (a) or (b), who performs services for remuneration for any employing unit if the contract of service contemplates that substantially all of those services are to be performed personally by that individual either:

(A) As an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or drycleaning services, for their principal.

(B) As a traveling or city salesperson, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, their principal (except for sideline sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

(C) As a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by that person that are required to be returned to that person or a designee thereof.

(2) An individual shall not be included in the term “employee” under the provisions of this subdivision if that individual has a substantial investment in facilities used in connection with the performance of those services, other than in facilities for transportation, or if the services are in the nature of a single transaction not part of a continuing relationship with the employing unit for whom the services are performed.

(d) Any individual who is an employee pursuant to Section 601.5 or 686.

(e) Any individual whose services are in subject employment pursuant to an election for coverage under any provision of Article 4 (commencing with Section 701) of this chapter.

(f) Any member of a limited liability company that is treated as a corporation for federal income tax purposes.

SEC. 6. No provision of this measure shall permit an employer to reclassify an individual who was an employee on January 1, 2019, to an independent contractor due to this measure's enactment.

SEC. 7. 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.

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