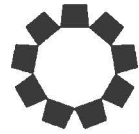


ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: March 14, 2019
To: ABAG Legislation Committee
From: Executive Director
Subject: **Report on Governor Newsom's Housing Trailer Bill**

This item is presented as an information item to provide an update on Governor Newsom's proposed legislation to implement various components of his state budget proposal.

On Monday, March 11, Governor Newsom released a draft trailer bill language to the Fiscal Year 2020-21 budget that provides details related to his housing proposal. The proposal would allocate \$250 million towards housing planning which would be split evenly between regional agencies and local government. Of this amount, approximately \$46 million would be provided to the Bay Area, including \$23 million which would come directly to ABAG for housing-related planning activities such as technical assistance to local governments for improving permitting processes, infrastructure planning including water, sewer, etc., developing an affordable housing trust fund, etc. The other \$23 million would be distributed directly to cities and counties using a three-tier formula of \$150,000 for jurisdictions below 50,000; \$275,000 between 60,000 to 200,000 and \$750,000 to cities over 200,000.

In addition to the \$250 million in funding for planning, the trailer bill also includes details on the \$500 million in incentive funding which local governments may use for any purpose. Funds would be distributed in proportion to each region's share of affordable housing. Regional agencies, in our case, ABAG, would be in charge of determining the methodology for distributing the funds, consistent with a regional action plan, which the bill would establish as a new requirement.

The bill also requires the Department of Transportation (Caltrans), in consultation with the California State Transportation Agency and the Office of Planning and Research to propose by December 31, 2022, after convening a process for stakeholder input, opportunities to link transportation and other non-housing funding with statewide housing goals. After July 1, 2023, the bill allows SB 1 funding for local streets and roads to be withheld from any jurisdiction that does not have a compliant housing element and zoning and entitling consistent with its annual housing goals. As a budget trailer bill, this bill will not go through the normal policy committee process but will be negotiated by leadership and ultimately resolved through the budget process.

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Staff is interested in your feedback on the proposal and will be happy to answer questions at your meeting.

Recommended Action

Information


Therese W. McMillan