City & County of San Francisco

Subcommittee on Legislation, Policy & Practices

AGENDA

Wednesday, September 19, 2018 2:30-4:30pm 25 Van Ness Avenue Lower Level Conference

Note: Public comment will be taken throughout the meeting.

- 1. Introductions (discussion only)
- 2. Review the Draft Minutes of July 18, 2018 (discussion and possible action)
- 3. Staff Report (discussion only)
 - a. Safe Injection Sites Tour
 - b. Confirmed List of Subcommittee members
 - c. Amended Subcommittee Rules
 - d. Supervisor Appointed Reentry Council Seats
 - d. Mayoral Appointed Seats Recruitment
 - e. Retreat Dates and Topics
 - f. Reentry Council Budget
 - g. 2018 Legislation on the Governor's Desk
- 4. Gang Injunctions Report (discussion only)
- 2018 State Legislation Status AB2138 (On Governor's Desk) SB1393 (On Governor's Desk) SB906 (On Governor's Desk) *SB1437 (On Governor's Desk) SB 10 (Passed)
- 6. New Business
 - a. Community Forums Events
 - b. Reschedule November 21, 2018 scheduled LLP Meeting
 - c. November Ballot Measures (State and Local)
 - d. Creation of Implementation Work Groups
- 7. Member Roundtable and Agenda Items for Next Meeting (discussion only)
- 8. Adjournment

Next Meeting:
November 2018
2:30-4:30pm
location and date to be announced



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SUBMITTING WRITTEN PUBLIC COMMENT TO THE REENTRY COUNCIL

Persons who are unable to attend the public meeting may submit to the Reentry Council, by the time the proceedings begin, written comments regarding the subject of the meeting. These comments will be made a part of the official public record, and brought to the attention of the Reentry Council. Written comments should be submitted to: Geoffrea Morris, Reentry Policy Planner, Adult Probation Department, 564 Sixth St., San Francisco, CA 94102, or via email: reentry.council@sfgov.org.

MEETING MATERIALS

Copies of agendas, minutes, and explanatory documents are available through the Reentry Council's website at http://sfreentry.com or by calling Geoffrea Morris at (415) 241-4241 during normal business hours. The material can be Faxed or mailed to you upon request.

ACCOMMODATIONS

To obtain a disability-related modification or accommodation, including auxiliary aids or services, to participate in the meeting, please contact Geoffrea Morris, at reentry.council@sfgov.org or (415) 241-4241 at least two business days before the meeting.

TRANSLATION

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For either accommodation, please contact Geoffrea Morris, at reentry.council@sfgov.org or (415) 241-4241 at least two business days before the meeting.

CHEMICAL SENSITIVITIES

To assist the City in its efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library, and on the City's web site at: www.sfgov.org/sunshine.

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Administrator

Sunshine Ordinance Task Force

City Hall, Room 244

1 Dr. Carlton B. Goodlett Place,

San Francisco, CA 94102-4683.

Telephone: (415) 554-7724

Fax: (415) 554-5163

E-Mail: soft@sfgov.org

CELL PHONES

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Co-Chairs may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

LOBBYIST ORDINANCE

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance (SF Campaign and Governmental Conduct Code sections 2.100-2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco CA 94102, telephone (415) 581-2300, FAX (415) 581-2317, and web site http://www.sfgov.org/ethics/



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Subcommittee on Legislation, Policy & Practices

Draft Minutes

Wednesday, July 18, 2018 2:30-4:30pm 25 Van Ness, Lower Level Conference Room San Francisco, California

Members Present: Joe Calderon, Melody Fountila, Kathleen Connolly Lacey, Kara Chien, Donna Mandel, Eric Henderson, Victoria Westbrook, Becky LoDolce, Mark Walsh, Tara Anderson.

Members Absent: Tara Agnese, Woods Ervin, Freda Randolph Glenn, Leslie Bilbro, Nicholas Gregoratos, Ash Lynette; Jose Bernal

Guest Present: Linda Connolly

1. The subcommittee reviewed the draft minutes for March 21, 2018 and May 16, 2018.

The subcommittee established quorum during the meeting and the committee was able to approve the minutes.

2. Staff Report-

a. Guidelines for policy implementation:

Geoffrea provided the group with a two-page "How to Create a Policy Implementation Team" to focus on passed legislation. Geoffrea envisioned these workgroups would research passed legislation that the Reentry Council had supported and that each assigned workgroup would evaluate how the legislation was working and how it was impacting the reentry community. The workgroup would also research whether or not the legislation had been rolled out.

Committee member, Eric Henderson, stated the committee should focus on 1 to 2 passed legislation and track it. Committee member, Becky LoDolce, shared with the committee how time consuming this process could be. She shared with the committee the amount of time and effort that she and others have been exerting with the Stop the Gang Injunction Coalition. She too agreed the group should work on 1 to 2 passed legislation and research and its impact. The consensus of the group was to look at bills that had been passed in the last year (2017) or two (2016) and see what bills the committee might be interested in for further follow-up. Eric Henderson talked about SB 10, Bail Reform. He stated this bill had been supported last year by the committee and the Council. He stated the bill was still alive and that it would definitely be a bill requiring continuous monitoring.



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b. Getting Out and Staying Out Provider list:

Geoffrea informed the committee that Adult Probation Department was working on making an updated version of its "Getting Out and Staying Out Guide." Geoffrea directed the group to page 9 in their packet. She stated if anyone wanted their organization or agency included in the guide that they needed to follow the format provided on page 9. She also told them that they needed to send their entry to Destiny Pletsch with the Reentry Division immediately.

c. Reentry Council Budget:

Geoffrea informed the committee that subcommittee member and Reentry Council appointee, Jose Bernal, had asked for the Reentry Council and its subcommittees to be provided a small budget in order to host community meetings, lobby days and other events. Geoffrea informed the Council that she would work with Adult Probation's Reentry Director, Lauren Bell, to see if the Reentry Council and subcommittees could be provided a budget to do the activities envisioned for the fund. Geoffrea promised to report back to the group at its September meeting.

d. Recruitment for the Reentry Council & Subcommittees

Geoffrea directed the committee to pages 10- 16. She shared with members what Adult Probation Department's Reentry Division had been doing to increase the number of individuals engaged in the Reentry Council's subcommittees and the Reentry Council. Geoffrea encouraged everyone to share the documents that APD had generated to their extended networks.

e. Meeting the New Mayor

Geoffrea informed the group that Mayor Breed had been sworn in last week. She asked if the committee was interested in meeting with the mayor to talk about problems and solutions for the reentry community. She informed the subcommittee that the meeting with the Mayor would have to be approved by the Reentry Council but that the committee would work on getting on her calendar and expressing the issues presently and foreseeably impacting the reentry community. The subcommittee unanimously agreed that this was a good idea to meet with Mayor Breed after the Reentry Council had approved such meeting. Several members spoke about Mayor Breed's support to the reentry community in regards to fines and fees and how her legislation had effectively removed barriers for the reentry community.

f. Community Flyers

Geoffrea directed the committee's attention to page 17-19 of their packet. She informed the committee of two community events geared towards the Reentry Community. The first event was the showing of the film "Life After Life" at the Koret Auditorium on August 8, 2018. The second event was the Restorative Justice Ministry annual Reentry Conference and Resource Fair scheduled for September 7, 2018.



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3. Gang injunctions report

Subcommittee member Becky Lodolce informed the group that more than half of the individuals placed on the City Attorney's Gang injunction list had been removed. Becky stated there are 50+ individuals still active on the City Attorney's gang injunction list.

4. 2018 State Legislation Status

Geoffrea informed the committee as to which legislation had and move out of its house of origin. Below is the status of each bill that was endorsed by the Reentry Council.

AB1940- This bill failed in the Assembly

AB2138- This bill is presently being heard in the Senate.

SB1025- This bill is presently being heard in the Assembly.

SB1105- This bill failed in the Senate.

SB1392- This bill failed in the Senate.

SB1393- This bill is presently being heard in the Assembly.

SB906- This bill is presently being heard in the Assembly.

SB1437- The Reentry Council did not endorse this bill despite this subcommittee interest in the bill. This bill is presently being heard in the Assembly.

5. Subcommittee Transition Period (discussion only)

a. Review Subcommittee Rules:

The subcommittee reviewed the rules one final time before having them submitted to the Reentry Council for approval.

b. Review Mission Statement:

The subcommittee reviewed its past mission statement.

- c. <u>Strategic Planning for the Subcommittee for July 1, 2018 to June 30, 2019:</u> The subcommittee agreed that it should began some form of strategic planning for this present fiscal year.
- d. 2018 Mid-year Goals:

The subcommittee spoke about hosting community forums and lobbying more in the next legislative cycle.

e. Retreat ideas and take away:

The subcommittee agreed that the retreat would cover mid-years goals.



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- 6. Subcommittee roster (discussion and possible action)
 The new subcommittee members were added to the new roster.
- 7. Member Roundtable and Agenda Items for Next Meeting (discussion only)

There were no suggestions for next meeting agenda items.

8. Adjournment



Subcommittee on Legislation, Policy & Practices

Reentry Council of the City & County of San Francisco

Roster of Members

Jose Bernal (Chair)

Member of the Reentry Community jose.bernal415@gmail.com

Tara Agnese (Non- Voting Member)

Research Director
San Francisco Adult Probation Department
880 Bryant St., Room 200
San Francisco, CA 94103
tara.agnese@sfgov.org

Tara Anderson

Grants & Policy Manager District Attorney's Office 850 Bryant Street, Room 322 San Francisco, CA 94103 tara.anderson@sfgov.org

Joe Calderon, CHW

Southeast Health Clinic 2401 Keith St. San Francisco, CA 94124 joseph.calderon@sfdph.org

Kara Chien

Managing Attorney, Mental Health Unit San Francisco Public Defender's Office Kara.chien@sfgov.org

Linda Connelly

President Successful Reentry lconnelly@successfulreentry.com

Melody Fountila

HSA Employment Specialist 3120 Mission Street San Francisco, CA 94110 melody.fountila@sfgov.org

Nicholas Gregoratos

Directing Attorney, Prisoner Legal Services Sheriff's Department 850 Bryant St., #442 San Francisco, CA 94103 nick.gregoratos@sfgov.org

Eric Henderson

Policy Associate Ella Baker Center for Human Rights eric@ellabakercenter.org

Kathleen Connolly Lacey

Director Citywide Forensic Case Management 982 Mission Street San Francisco, CA 94103 kathleen.connolly@ucsf.edu

Becky LoDolce

Principal Administrative Analyst San Francisco Adult Probation Department 880 Bryant Street, Room 200 San Francisco, CA 94103 becky.lodolce@sfgov.org

Donna Mandel

Legislative Policy Analyst San Francisco Public Defender's Office Donna.mandel@sfgov.org

Emmeline Sun

Case Manager
Citywide Forensic Case Management
564 6th Street
San Francisco, CA 94103
emmeline.sun@ucsf.edu

Mark Walsh

Civil Rights and Social Justice Advocate, Writer, Specialist markwalsh@bluewavestrategic.com



Subcommittee on Legislation, Policy & Practices

Reentry Council of the City & County of San Francisco

Victoria Westbrook

Director of Programs and Operations Code Tenderloin Member of the Reentry Community Victoriawestbrook 1@gmail.com

For more information, please contact Geoffrea Morris, Reentry Policy Planner, at geoffrea.morris@sfgov.org or (415) 241-4241 or visit http://sfgov.org/reentry



1	Reentry Council of the City and County of San Francisco
2	Reentry Council Subcommittees
3	
4	Mission
5	
6	The mission of the Reentry Council Subcommittees ("Subcommittees") is to assist the
7	Reentry Council of the City & County of San Francisco ("Reentry Council") in
8	addressing issues related to the reentry population. The Subcommittees are comprised of
9	previously incarcerated people, other individuals who are deeply invested in improving
10	the criminal justice system and its treatment of the reentry population, nonprofit services
11	providers, public servants, and advocates.
12	
13	Meetings
14	
15	The Subcommittees shall hold meetings as may be required for the satisfactory
16	performance of its mission in accordance with the Bylaws of the Reentry Council as
17	established by Chapter 5.1 of the San Francisco Administrative Code ("Bylaws").
18	
19	The Subcommittees shall hold at least one annual retreat each year.
20	
21	Regular meetings of the Subcommittees shall be convened at dates decided by the
22	Subcommittee members in consultation with the Reentry Council Staff.
23	
24	Special meetings shall be convened by decision of the Subcommittees.
25	
26	The Reentry Council Staff shall notify Subcommittee members and the public of the
27	location and time of all Subcommittee meetings.
28	
29	
30	Agenda

The agenda for each regular meeting shall be prepared by the Reentry Council Staff in 1 consultation with the Chairperson of the Subcommittees, in conformity with the Bylaws 2 and the rules herein, and shall include: 3 (a) Any item the inclusion of which has been ordered by the Subcommittee at a 4 5 previous session; (b) Any item proposed by the Chairperson of the Subcommittee; 6 (c) Any item proposed by the Reentry Council; 7 (d) Any item proposed by a member of the Subcommittee. 8 The agenda for each special meeting shall consist only of those items which are proposed 9 for consideration at that special meeting. 10 11 During a meeting, the Subcommittees may revise the agenda and may, as appropriate, 12 defer or delete items; only urgent and important items may be added to the agenda. 13 14 15 Subcommittee Membership The members of the Subcommittee ("Members") shall be appointed by the Reentry 16 Council in accordance with the Reentry Council Ordinance and the Bylaws during the 17 18 July meeting. 19 The term of office of the Members shall begin on the day of the appointment by the 20 Reentry Council and expire a year from the date of appointment. 21 22 Subcommittee Chairperson 23 Each Subcommittee shall elect from among its members one or two Chairperson(s) to 24 represent the Subcommittee. The subcommittee chair/s must agree to a two year 25 The voting requirement for such election shall be simple majority. 26 commitment.

27

The Chairperson shall declare the opening and closing of each meeting of the 1 Subcommittee, direct the discussion, ensure observance of these rules herein, accord the 2 right to speak, put motions to the vote and announce decisions. The Chairperson, subject 3 to these rules, shall have control over the proceedings of the Subcommittee and over the 4 maintenance of order at its meetings. 5 6. The Chairperson shall confer with Reentry Council Staff on the logistics of conducting 7 8 the Subcommittee meetings. 9 The Chairperson shall represent the Subcommittees in front of the public, the Reentry 10 Council, the Mayor, the Board of Supervisors and other public entities or organizations. 11 12 13 The Chairperson of each Subcommittee shall serve as a liaison to the other 14 Subcommittee(s), and shall be supported by the Reentry Council Staff in the performance 15 as such. 16 Attendance Requirement 17 The subcommittee chairs shall monitor the attendance of subcommittee members. In the 18 event that any subcommittee member misses three regularly scheduled subcommittee 19 meetings in a twelve-month period without prior notice to the Reentry Policy Planner the 20 subcommittee shall certify that fact in writing to the appointing authority, and the 21 subcommittee member shall be deemed to have resigned from the Reentry Council 22 subcommittee on the date of such certification. 23 24 Voting A Subcommittee Member shall have the right to introduce a motion and the Chairperson 25 shall put the motion to vote after receiving a second. Each Member shall have one vote. 26 27 Decisions of the Subcommittee shall be made by a simple majority of the Members 28 29 present. 30 31 Quorum

-3

The number of total members appointed in the July's meeting by the Council, then 1 divided by two. If an odd number of members, then quorum is established by rounding to 2 3 the nearest whole number. 4 Communications with the Reentry Council 5 The Subcommittees shall bring to the attention of the Reentry Council, in accordance 6 with the Bylaws and the rules herein, communications ("Communication(s)") which are 7 8 for consideration by the Reentry Council. 9 The Communications shall be in writing, and may include concerns, requests, questions 10 11 and comments. 12 13 A Communication may begin by a motion by a Member. 14 Prior to submission to the Reentry Council, the Chairperson(s) of the Subcommittee that 15 originated the Communication ("Originating Subcommittee") shall send the 16 Communication in writing to the Chairperson(s) of the other Subcommittee(s) ("Non-17 18 originating Subcommittee(s)). 19 The Chairperson(s) of the Non-originating Subcommittees shall forward the 20 Communication to their Subcommittee members to consider for endorsement. 21 22 A Communication shall be submitted to the Reentry Council if the Communication has 23 been approved by a simple majority vote of the Originating Subcommittee and the Non-24 Originating Subcommittee(s) has/have had an opportunity for endorsement. 25 26 The Chairperson of the Originating Subcommittee is responsible for the submission of 27 the Communications to the Reentry Council. The Reentry Council Staff shall assist the 28 Chairperson in doing so. If a written response by the Reentry Council is requested by the 29 Subcommittee, the Chairperson shall specify such a date in the Communication. 30

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Adoption of Rules

- 2 The rules contained herein are effective if and only if they have been approved by at
- 3 least two thirds of the Subcommittee Members, and subsequently passed by the Reentry
- 4 Council. Changes to these rules must be made in writing and approved by the same
- 5 process.

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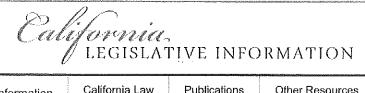
7 The Reentry Council Staff shall keep a log of when the rules are adopted and changed.

8

9 Updated August 16, 2018







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AB-2138 Licensing boards: denial of application: revocation or suspension of licensure: criminal conviction. (2017-2018)

Date	Action
09/11/18	Enrolled and presented to the Governor at 4:30 p.m.
08/30/18	Senate amendments concurred in, To Engrossing and Enrolling,
08/29/18	Assembly Rule 77 suspended.
08/28/18	In Assembly, Concurrence in Senate amendments pending, May be considered on or after August 30 pursuant to Assembly Rule 77.
08/28/18	Read third time, Passed, Ordered to the Assembly.
08/27/18	Read second time. Ordered to third reading.
08/24/18	Read third time and amended. Ordered to second reading.
08/17/18	Read second time, Ordered to third reading.
08/17/18	From committee: Do pass. (Ayes 5. Noes 2.) (August 16).
08/06/18	In committee: Referred to APPR. suspense file.
06/26/18	From committee: Do pass and re-refer to Com. on APPR, (Ayes 4, Noes 2.) (June 26), Re-referred to Com, on APPR,
06/20/18	From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on PUB. S.
06/19/18	From committee: Do pass and re-refer to Com. on PUB. S. (Ayes 6. Noes 3.) (June 18), Re-referred to Com. on PUB, S.
06/13/18	Referred to Coms. on B., P. & E.D. and PUB. S.
06/04/18	In Senate, Read first time, To Com. on RLS, for assignment,
05/31/18	Read third time. Passed. Ordered to the Senate. (Ayes 45. Noes 29. Page 5633.)
05/29/18	Read second time. Ordered to third reading.
05/25/18	Read second time and amended. Ordered returned to second reading.
05/25/18	From committee: Amend, and do pass as amended, (Ayes 12, Noes 4,) (May 25).
05/25/18	Joint Rule 62(a), file notice suspended. (Page 5298.)
05/23/18	In committee: Set, first hearing. Referred to APPR. suspense file.
04/24/18	From committee: Do pass and re-refer to Com. on APPR. (Ayes 11, Noes 5.) (April 24). Re-referred to Com. on APPR.
04/03/18	Re-referred to Com, on B, & P.
04/02/18	From committee chair, with author's amendments: Amend, and re-refer to Com, on B. & P. Read second time and amended.
02/26/18	Referred to Com. on B. & P.
02/13/18	From printer. May be heard in committee March 15.
02/12/18	Read first time. To print.







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SB-1393 Sentencing. (2017-2018)

Date	Action
09/07/18	Enrolled and presented to the Governor at 4 p.m.
08/31/18	In Senate. Ordered to engrossing and enrolling.
08/31/18	Read third time, Passed, Ordered to the Senate,
08/16/18	Read second time. Ordered to third reading.
08/15/18	From committee: Do pass. (Ayes 11, Noes 5.) (August 15).
06/27/18	June 27 set for first hearing canceled at the request of author.
06/12/18	From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (June 12). Re-referred to Com. on APPR.
05/25/18	Referred to Com. on PUB, S,
05/15/18	In Assembly. Read first time, Held at Desk.
05/14/18	Read third time. Passed. (Ayes 23, Noes 14. Page 5037.) Ordered to the Assembly.
05/10/18	Read second time. Ordered to third reading.
05/09/18	Ordered to second reading.
05/09/18	Read third time and amended.
04/17/18	Read second time. Ordered to third reading.
04/16/18	From committee: Be ordered to second reading pursuant to Senate Rule 28.8.
04/09/18	Set for hearing April 16.
04/03/18	From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 1. Page 4516.) (April 3). Re-referred to Com. on APPR.
03/20/18	Set for hearing April 3.
03/08/18	Referred to Com. on PUB, S.
02/20/18	From printer, May be acted upon on or after March 22.
02/16/18	Introduced, Read first time, To Com, on RLS, for assignment. To print,





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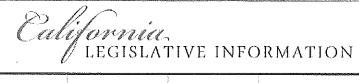
My Favorites

SB-906 Mental health services and substance use disorder treatment: peer support specialist certification. (2017-2018)

Date	Action
09/12/18	Enrolled and presented to the Governor at 5 p.m.
08/31/18	Assembly amendments concurred in. (Ayes 38, Noes 0.) Ordered to engrossing and enrolling.
08/31/18	Ordered to special consent calendar.
08/31/18	In Senate, Concurrence in Assembly amendments pending.
08/31/18	Read third time, Passed. Ordered to the Senate.
08/22/18	Read second time. Ordered to third reading.
08/21/18	Read second time and amended. Ordered to second reading.
08/20/18	From committee: Do pass as amended. (Ayes 12. Noes 0.) (August 16).
08/08/18	August 8 set for first hearing. Placed on APPR, suspense file,
06/20/18	From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (June 19). Re-referred to Com. on APPR.
06/07/18	Referred to Com. on HEALTH.
05/31/18	In Assembly. Read first time. Held at Desk,
05/30/18	Read third time. Passed. (Ayes 38. Noes 0, Page 4399.) Ordered to the Assembly.
05/29/18	Read second time. Ordered to third reading.
05/25/18	Read second time and amended. Ordered to second reading.
05/25/18	From committee: Do pass as amended. (Ayes 7. Noes 0. Page 4299.) (May 25).
05/18/18	Set for hearing May 25.
05/14/18	May 14 hearing: Placed on APPR, suspense file.
05/04/18	Set for hearing May 14.
04/19/18	From committee with author's amendments. Read second time and amended, Re-referred to Com. on APPR,
03/14/18	From committee: Do pass and re-refer to Com. on APPR. (Ayes 9, Noes 0, Page 4375.) (March 14). Re-referred to Com. on APPR.
02/28/18	Set for hearing March 14.
01/24/18	Referred to Com, on HEALTH.
01/18/18	From printer. May be acted upon on or after February 17.
01/17/18	Introduced, Read first time, To Com. on RLS, for assignment, To print.







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SB-1437 Accomplice liability for felony murder. (2017-2018)

Date	Action
09/07/18	Enrolled and presented to the Governor at 4 p.m.
08/30/18	Assembly amendments concurred in, (Ayes 27, Noes 9,) Ordered to engrossing and enrolling.
08/29/18	In Senate, Concurrence in Assembly amendments pending.
08/29/18	Read third time. Passed. Ordered to the Senate.
08/21/18	Read second time, Ordered to third reading,
08/20/18	Read second time and amended. Ordered to second reading.
08/16/18	From committee: Do pass as amended. (Ayes 12. Noes 1.) (August 16).
08/08/18	August 8 set for first hearing. Placed on APPR, suspense file.
06/26/18	From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2,) (June 26), Re-referred to Com. on APPR.
06/11/18	Referred to Com. on PUB. S.
05/31/18	In Assembly, Read first time, Held at Desk.
05/30/18	Read third time. Passed. (Ayes 26, Noes 11. Page 4393.) Ordered to the Assembly,
05/29/18	Read second time. Ordered to third reading.
05/25/18	Read second time and amended, Ordered to second reading,
05/25/18	From committee: Do pass as amended. (Ayes 5. Noes 2. Page 4310.) (May 25).
05/18/18	Set for hearing May 25.
05/14/18	May 14 hearing: Placed on APPR. suspense file.
05/08/18	Set for hearing May 14.
05/07/18	May 7 set for first hearing canceled at the request of author.
04/27/18	Set for hearing May 7,
04/25/18	From committee: Do pass and re-refer to Com, on APPR, (Ayes 6, Noes 1, Page 4820.) (April 24), Re-referred to Com, on APPR,
04/06/18	Set for hearing April 24.
03/08/18	Referred to Com. on PUB. S.
02/20/18	From printer. May be acted upon on or after March 22.
02/16/18	Introduced, Read first time, To Com. on RLS, for assignment, To print,





Capitol Alert

The go-to source for news on California policy and politics

CAPITOL ALERT

Jerry Brown signs bill eliminating money bail in California

BY ALEXEI KOSEFF akoseff@sacbee.com

August 28, 2018 12:46 PM Updated August 29, 2018 01:20 PM



Gov. Jerry Brown on Tuesday signed sweeping legislation to eliminate cash bail in California. The change, which will take effect in October 2019, goes further than any other state in the country to remove money from pretrial detention.

"Today, California reforms its bail system so that rich and poor alike are treated fairly," Brown said in a statement.

Under Senate Bill 10, California will replace bail with "risk assessments" of individuals and non-monetary conditions of release. Counties will establish local agencies to evaluate any individual arrested on felony charges for their likelihood of returning for court hearings and their chances of re-arrest.

A person whose risk to public safety and risk of failure to appear is determined to be "low" would be released with the least restrictive non-monetary conditions possible. "Medium-risk" individuals could be released or held depending on local standards. "High-risk" individuals would remain in custody until their arraignment, as would anyone who has committed certain sex crimes or violent felonies, is arrested for driving under the influence for the third time in less than 10 years, is already under supervision by the courts or has violated any conditions of pretrial release in the previous five years.

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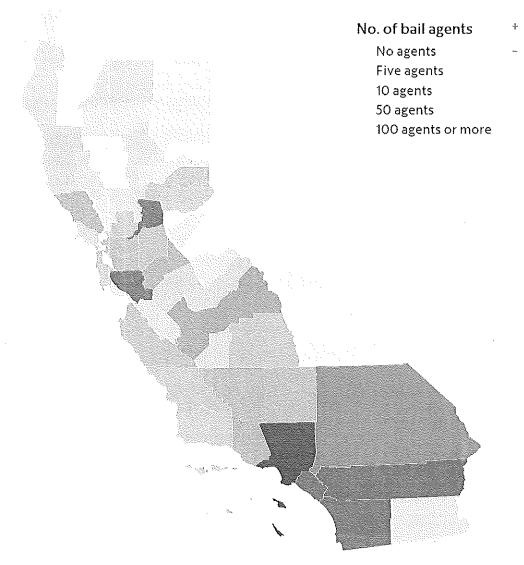
Advocates of abolishing bail contend that too many defendants remain stuck in custody because they cannot afford to bail out, effectively creating unequal justice based on wealth. Nearly two-thirds of inmates in California jails are being held awaiting trial.

California is at the forefront of a national campaign to end money bail that has also recently seen states like New Jersey and New Mexico adopt polices to circumvent the for-profit bail industry, though none had yet eliminated bail completely.



HOW MANY BAIL AGENTS ARE IN YOUR COUNTY?

California has 122 different bail agencies, and more than 2,200 individual bail agents licensed in its 58 counties, who stand to be affected by a new law that eliminates the system of cash bail for criminal suspects starting in 2020. Click on a county to see details.



Map denotes numbers of individual bail agents licensed in each California county through June 2019.

Map: Tim Sheehan / The Fresno Bee • Source: California Department of Insurance • Get the data

SB 10 was approved by the Legislature last week, after a nearly two-year push, with largely Democratic support. But it faced heavy opposition from the bail industry and some former supporters of the bill, who said significant amendments to the final version would unjustly expand the number of suspects in pretrial detention.

The American Civil Liberties Union of California, an original co-sponsor of the measure, and other organizations pointed to provisions giving judges greater discretion during the arraignment hearing to decide whether to release an



individual and on what conditions. SB 10 also introduces a process for the prosecution to file for "preventive detention," blocking the defendant's release pending a trial, if they believe there are no conditions that would ensure public safety or their appearance in court.

Margaret Dooley-Sammuli, a senior strategist with the ACLU's Campaign for Smart Justice, said California's approach was not an improvement on the old system and sent a signal to advocates across the country to move ahead cautiously. The organization is involved with bail overhaul efforts in more than 30 other states.

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Bail bondsmen ask voters to kill California law that puts them out of business



How will no cash bail work in California? Here are answers to common questions



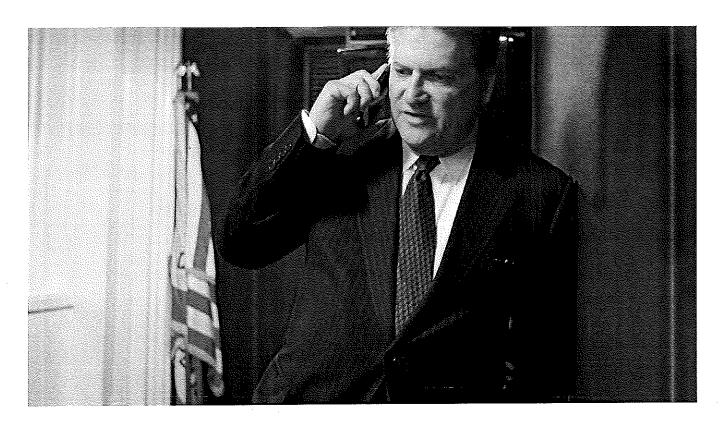
California has the bail industry on the run. Don't give up on bail reform now, Jerry Brown



This is not the way to reform California's bail system

This is not the bail reform California needs





VIEWPOINTS

This is not the way to reform California's bail system

BY ERWIN CHEMERINSKY Special to The Sacramento Bee

August 20, 2018 12:00 PM

The important effort to eliminate money bail in California has reached a huge snag: The revised version of Senate Bill 10, which passed the state Assembly on Monday and the Senate on Tuesday, risks making a bad system even worse.

Although I strongly support eliminating money bail and urged passage of SB 10, the recent amendments to the bill could lead to the detention of more people, and likely will exacerbate racial injustices. Gov. Jerry Brown should veto it.



Opinion

California's current cash bail system jails tens of thousands of people each year simply because they are poor and do not have the personal wealth to post bail before trial. There also is a racially discriminatory impact: African-American men are less likely to be released on their own recognizance and their bail amounts are 35 percent higher than for white men.

Nor can it be assumed that those who are detained are guilty or dangerous. Onethird of felony arrests do not result in a conviction and only 14 percent of felony convictions in California result in a prison sentence.



Erwin Chemerinsky

The need to eliminate money bail is not new. Forty years ago, then-Gov. Jerry Brown said that bail is a "tax on poor people in California. Thousands and thousands of people languish in the jails of this state even though they have been convicted of no crime. Their only crime is that they cannot make the bail that our present law requires."

But there is a particularly urgent need for reform now because in January 2018, the California Court of Appeal declared the state's bail system unconstitutional and concluded that "legislation is desperately needed."

SB 10, if enacted, would eliminate money bail in California and replace it with individual risk assessments. A person whose danger to public safety and flight risk is determined to be low would be released with the least restrictive conditions possible. Local standards would determine whether "medium-risk" individuals are detained or released. Judges would be required to keep "high-risk" individuals in custody until their arraignment. But as defined in SB 10, this includes anyone under supervision by the courts or who has violated any conditions of pretrial release in the previous five years.

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California could lead the way on criminal justice reform. First the Legislature must do away with cash bail

The key problem is that the current version of SB 10 has no criteria for how risk is to be determined. The bill leaves this to each locality and ultimately gives judges total discretion to decide whether to release an individual and on what conditions. SB 10 also provides a process for prosecutors to file for "preventive detention," blocking the defendant's release pending a trial.



Allowing pretrial detention without any criteria creates a serious risk that more, not fewer, people will be detained. Experience shows that judges often will over-predict dangerousness. If a judge releases a person who then commits a serious crime, the judge will be subjected to great criticism and perhaps even recall or defeat at the polls. But keeping a person in custody never risks such consequences for a judge.

Moreover, SB 10 creates a presumption in favor of detention – including for certain misdemeanors – which could mean that more people are subject to pretrial detention. Putting the presumption against release requires that a defendant prove a negative – that he or she is not a flight risk or a danger to the community.

The presumption must be the opposite: A person should be released unless the prosecutor proves that the person is a flight risk or a significant danger to the community.

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Bill to eliminate bail advances despite ACLU defection

The broad discretion given to judges in assessing risk likely will lead to racially biased decisions. Everything we know about the criminal justice system is that when there is substantial discretion, it is exercised in a racially biased manner. As President Barack Obama explained: "A large body of research finds that, for similar offenses, members of the African American and Hispanic communities are more likely to be stopped, searched, arrested, convicted, and sentenced to harsher penalties."

The revised version of SB 10 gives judges unfettered discretion in deciding whether to keep a person in jail and has no mechanisms for monitoring the racial impact of these decisions.

Money bail should be eliminated. But not with something that could be even worse.



FILE NO. 180545 LOCAL

Charles Amendment

Measure B

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REVISED LEGISLATIVE DIGEST

(7/9/2018, Amended in Committee) ARTHERT OF ELECTIONS

[Charter Amendment - Privacy First Policy]

Describing and setting forth a proposal to the voters at an election to be held November 6, 2018, to amend the Charter of the City and County of San Francisco to adopt a Privacy First Policy.

Existing Law

While federal, state, and City law provide some protections for privacy in the collection, storage, sharing, and use of Personal Information, there is no overarching set of privacy-protective principles in City law.

Amendments to Current Law

The Charter amendment establishes a Privacy First Policy to provide guidance to the City when considering the adoption of privacy-protective laws, regulations, policies, and practices for the City; the City's contractors, lessees, and grantees; third parties receiving permits, licenses, or other entitlements from the City; and persons (including businesses and other entities) within the regulatory authority of the City.

These principles constitute the Privacy First Policy:

- 1. Engage with and inform those likely to be impacted by the collection, storage, sharing, or use of their Personal Information prior to authorizing and prior to any change regarding the collection, storage, sharing, or use of their Personal Information.
- 2. Ensure that Personal Information that is collected, stored, shared, or used is done so pursuant to a lawful and authorized purpose.
- Allow individuals to access Personal Information about themselves that has been collected, and provide access and tools to correct any inaccurate Personal Information.
- 4. Solicit informed consent to the collection, storage, sharing, or use of Personal Information, and provide alternative and equal access to goods and services for those who deny or revoke consent.
- 5. Discourage the collection, storage, sharing, or use of Personal Information, including potentially sensitive demographic information, unless necessary to accomplish a lawful, authorized purpose.

Measure B

- 6. De-identify data sets, when collected for research and other analytical purposes, to remove the ability to connect personal characteristics with specific individuals, and implement technical safeguards to prevent re-identification of information.
- 7. Adopt and make public or cause to be made public policies and practices to respond to requests or demands for Personal Information from governmental entities.
- 8. Allow individuals to move and organize in the City without being tracked or located in a manner that subjects them to unconsented collection of their Personal Information.
- 9. Evaluate, anticipate, and mitigate actual or potential bias or inaccuracy in the collection, storage, sharing, or use of Personal Information.
- 10. Retain Personal Information for only as long as necessary to accomplish a lawful and authorized purpose.
- 11. Secure Personal Information against unauthorized or unlawful processing or disclosure; unwarranted access, manipulation or misuse; and accidental loss, destruction, or damage.

For purposes of the Privacy First Policy, Personal Information is "any information that identifies, relates to, describes, or is capable of being associated with, a particular individual. Personal Information includes, but is not limited to, an individual's name, signature, social security number, physical characteristics or description, address, geolocation data, IP address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, genetic and biometric data, or health insurance information."

The Charter amendment authorizes all parts of City government (such as boards, commissions, departments, other entities, and officials) to implement the Privacy First Policy. It further authorizes the Board of Supervisors to impose requirements implementing the Privacy First Policy on all parts of City government.

The Privacy First Policy is not in itself binding or self-executing. But the Charter amendment requires the City Administrator, by May 29, 2019, to propose an ordinance establishing criteria and rules to implement the Privacy First Policy. The City Administrator's proposed ordinance would neither limit the legislative authority of the Board of Supervisors nor require the Board to adopt legislation. The Charter amendment also requires the City Administrator, no less frequently than every three years following submission of the proposed ordinance, to submit a report describing the City's implementation of the Privacy First Policy and new dimensions of collecting, storing, sharing, and using Personal Information that may present a threat to

Measure B

privacy, and making recommendations as appropriate, including regarding adoption or amendment of ordinances in furtherance of the Privacy First Policy.

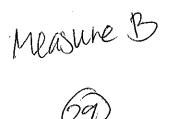
The Charter amendment may not be implemented in a manner that is inconsistent with voterapproved ordinances regarding privacy, open meetings, or public records. It permits the Board of Supervisors by ordinance to amend such voter-approved ordinances if such amendment is not inconsistent with the purpose or intent of the voter-approved ordinances.

The Charter amendment does not apply to the extent, if any, its application would be preempted by federal or state law.

Background Information

This Legislative Digest accompanies the Second Draft of the Charter amendment, as presented in committee on July 9, 2018.

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ADDITIONAL TAX ON GROSS RECEIPTS OF BUSINESSES TO FUND HOMELESS SERVICES

The City collects a gross receipts tax on businesses. That tax is generally based on the total gross amount a business receives in San Francisco. The maximum rates for the City's gross receipts tax range from 0.16% to 0.65%, depending on the business' activities. Certain businesses with more than \$1 billion in total gross receipts, 1,000 employees nationwide, and administrative offices in San Francisco pay the tax based on the amount of their payroll instead of gross receipts. For these businesses, the tax rate is 1.4% of their payroll expense. Some businesses, including certain non-profit organizations, banks, and insurance companies, are exempt from the tax.

This measure would impose an additional tax on businesses' gross receipts. The additional tax would apply only to gross receipts above \$50 million. For most businesses, the rate of the additional tax would vary between 0.175% and 0.69% depending on the business' activities. For businesses that pay the tax based on their payroll, the measure would impose an additional tax of 1.5% on those businesses' payroll expense.

The additional tax generally would not apply to:

• businesses exempt from the City's existing gross receipts tax, and

• gross receipts that a business receives from commercial rents if a ballot measure adopted in June 2018 requires the business to pay tax on those gross receipts.

This measure would require the City to deposit all the revenue from the additional tax into a new special fund ("Fund"). The City could use up to 3% per year of the tax revenue to administer the tax, and could use the remaining money in the Fund only for the following purposes:

• Up to 50% for programs that help homeless people secure permanent housing, including rental subsidies lasting up to five years; construction, rehabilitation, acquisition, and operation of permanent housing with supportive services; and acquisition and operation of single-room occupancy buildings;

• Up to 10% for programs that help homeless people secure short-term shelter:

• Up to 15% for programs serving people who have recently become homeless or are at risk of becoming homeless; and

• Up to 25% to provide mental health services to homeless people with severe behavioral health impairments, such as mental illness or drug or alcohol addiction.

The Board of Supervisors would determine each year how to distribute tax revenues in the Fund between these categories. The measure would also create an advisory committee to make recommendations to the Board of Supervisors and the Mayor on the uses of the tax revenues.

The measure would state the voters' intent that revenue from the additional tax will supplement existing City funding for programs serving homeless people and preventing homelessness, instead of replacing or reducing that funding.

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FILE NO. 180765



LEGISLATIVE DIGEST

(Amended in Committee - Second Draft - 7/19/18)

[Initiative Ordinance - Business and Tax Regulations Code - Additional Gross Receipts Tax on Cannabis; Additional Conditions Subjecting Persons to Business Taxes]

Motion ordering submitted to the voters, at an election to be held on November 6, 2018, an ordinance amending the Business and Tax Regulations Code to impose an additional gross receipts tax, starting January 1, 2021, on gross receipts from cannabis business activities, but exempting the first \$500,000 of gross receipts and exempting retail sales of medicinal cannabis; said tax to be between 1% and 5% depending on the type of cannabis business activity and amount of gross receipts, but may be adjusted at any time within a range of 0% to 7% by an ordinance adopted by a two-thirds vote of the Board of Supervisors for any increase (which is limited to 1% annually) or an ordinance adopted by a majority vote of the Board of Supervisors for any decrease; and, starting January 1, 2019, to expand the conditions that subject a person to certain business taxes by including persons with more than \$500,000 in annual gross receipts in the City; and increasing the City's appropriations limit by the increase in the amount of those business taxes collected compared to the prior year and by the amount collected under the new Cannabis Business Tax, for four years from November 6, 2018.

Existing Law

Businesses engaged in cannabis business activities currently pay a gross receipts tax under Article 12-A-1 of the Business and Tax Regulations Code. The rates vary based on the type of cannabis business activity and the amount of each business's gross receipts, and range from 0.075% to 0.65%. Businesses with \$1,000,000 or less in total gross receipts within the City (whether from cannabis business activities or any other line of business), adjusted for inflation, are generally exempt from the gross receipts tax in Article 12-A-1. Certain other businesses (e.g., certain non-profits, banks, insurance companies, etc.) are also exempt.

Persons are subject to certain business taxes, including but not limited to business registration, payroll expense, and gross receipts taxes, if they are engaging in business within the City. Persons are considered to be engaging in business in the City if they meet at least one of ten conditions, including maintaining a fixed place of business within the City or soliciting business or providing services in the City for all or part of any seven days during the tax year.

Amendments to Current Law

Beginning on January 1, 2021, this ordinance would impose an additional gross receipts tax on businesses engaging in cannabis business activities in the City (the "Cannabis Business Tax"). Cannabis business activities means any business activities directly related to cannabis or cannabis products, including but not limited to cultivation, possession, manufacture,

Measure D

processing, storing, labeling, distribution, or sale of cannabis or cannabis products for consideration. Cannabis business activities does not include: (1) business activities indirectly related to cannabis or cannabis products, such as the sale of items that do not themselves contain cannabis: (2) laboratory testing of cannabis; and (3) transportation of cannabis or cannabis products where the person transporting cannabis or cannabis products never takes title to or sells cannabis or cannabis products. Businesses liable for the Cannabis Business Tax would also remain liable for the existing gross receipts tax.

The Cannabis Business Tax rate would be:

- 2.5% for gross receipts from the retail sale of cannabis or cannabis products up to and including \$1,000,000, and 5% for gross receipts from the retail sale of cannabis or cannabis products above \$1,000,000; and
- 1% for gross receipts from cannabis business activities other than the retail sale of cannabis or cannabis products up to and including \$1,000,000, and 1.5% for gross receipts from cannabis business activities other than the retail sale of cannabis or cannabis products above \$1,000,000.

The ordinance would provide rules for how businesses with gross receipts both from the retail sale of cannabis or cannabis products and from cannabis business activities other than the retail sale of cannabis and cannabis products should calculate their Cannabis Business Tax.

The ordinance would permit the Board of Supervisors, by a vote of at least eight members, to increase any or all of the above tax rates, except that each rate could not exceed 7%. The ordinance would also permit the Board of Supervisors, by a majority vote, to decrease any or all of the above tax rates. Any increase in tax would be limited to 1% annually.

The first \$500,000 of gross receipts from cannabis business activities would be exempt from the Cannabis Business Tax. Businesses with gross receipts both from the retail sale of cannabis or cannabis products and from cannabis business activities other than the retail sale of cannabis and cannabis products would be entitled to only one \$500,000 exemption. Additionally, amounts received from the retail sale of medicinal cannabis would be excluded from the calculation of the Cannabis Business Tax. Certain businesses exempt from the existing gross receipts tax (e.g., certain non-profits, banks, insurance companies, etc.) would also be exempt from the Cannabis Business Tax.

All proceeds from the Cannabis Business Tax would be deposited into the general fund and could be expended for any purposes of the City.

On June 21, 2018, the United States Supreme Court in South Dakota v. Wayfair, Inc. held that a person no longer needs to have physical presence in a taxing jurisdiction to be subject to that jurisdiction's tax. Effective January 1, 2019, this ordinance would expand the conditions

Measure D

under which persons are subject to certain business taxes in the City, by also including persons with annual gross receipts in the City exceeding \$500,000, irrespective of physical presence.

This ordinance would also increase the City's appropriations limit under Article XIII B by the increase in the amount of those business taxes collected each fiscal year compared to the prior fiscal year, and by the amounts collected from the Cannabis Business Tax, for four years from November 6, 2018.

Background -

This digest reflects amendments made at the Budget and Finance Committee on July 12, 2018. The amendments:

- Removed transportation from the definition of Cannabis Business Activities if the
 person transporting cannabis or cannabis products never takes title to or sells cannabis
 or cannabis products;
- For the tax year 2020, reduced the Cannabis Business Tax rate from 2% to 1%;
- For subsequent years, reduced the Cannabis Business Tax Rate from 2% to 1% for gross receipts from cannabis business activities other than the retail sale of cannabis or cannabis products up to and including \$1,000,000, and from 3% to 1.5% for gross receipts from cannabis business activities other than the retail sale of cannabis or cannabis products above \$1,000,000;
- Reduced the voting threshold required to decrease the tax from eight members of the Board of Supervisors to a majority of the members of the Board of Supervisors;
- Reduced the maximum rate up to which the Board of Supervisors could increase the tax from 10% to 7%; and
- Limited any increases to the tax rate to 1% annually.

This digest also reflects amendments made at the Budget and Finance Committee on July 19, 2018. The amendments:

- Effective January 1, 2019, expanded the conditions that will subject persons to certain business taxes by including persons with more than \$500,000 in annual gross receipts in the City; and
- Changed the operative date of the Cannabis Business Tax to January 1, 2021, instead
 of January 1, 2020.

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Measure F (33)

Proposition 2

AB 1827 (Chapter 41, Statutes of 2018). Committee on Budget. No Place Like Home Act of 2018.

Yes/No Statement

A YES vote on this measure means: The state could use existing county mental health funds to pay for housing for those with mental illness who are homeless.

A **NO** vote on this measure means: The state's ability to use existing county mental health funds to pay for housing for those with mental illness who are homeless would depend on future court decisions.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact

 Allows the state to use up to \$140 million per year of county mental health funds to repay up to \$2 billion in bonds. These bonds would fund housing for those with mental illness who are homeless.

Ballot Label

Fiscal Impact: Allows the state to use up to \$140 million per year of county mental health funds to repay up to \$2 billion in bonds. These bonds would fund housing for those with mental illness who are homeless.

BACKGROUND

Counties Provide Mental Health Services. Counties are primarily responsible for providing mental health care for persons who lack private coverage. Counties provide psychiatric treatment, counseling, hospitalization, and other mental health services. Some counties also arrange other types of help for those with mental illness—such as housing, substance abuse treatment, and employment services.



Mental Health Services Act. In 2004, California voters approved Proposition 63, also known as the Mental Health Services Act. The act provides funding for various county mental health services by increasing the income tax paid by those with income above \$1 million. This income tax increase raises \$1.5 billion to \$2.5 billion per year.

No Place Like Home Program. In 2016, the Legislature created the No Place Like Home program to build and rehabilitate housing for those with mental illness who are homeless or atrisk of becoming homeless. The state plans to pay for this housing by borrowing up to \$2 billion. The state would borrow this money by selling bonds, which would be repaid with interest over about 30 years using revenues from the Mental Health Services Act. This means less funding would be available for other county mental health services. No more than \$140 million of Mental Health Services Act funds could be used for No Place Like Home in any year. The bond payments would be around \$120 million in a typical year.

Court Approval Needed for No Place Like Home. Before these bonds can be sold, the state must ask the courts to approve the state's plan to pay for No Place Like Home. The courts must decide two main issues:

- Whether using Mental Health Services Act dollars to pay for No Place Like Home goes along with what the voters wanted when they approved the Mental Health Services Act.
- Whether voters need to approve the No Place Like Home bonds. (The State Constitution requires voters to approve certain kinds of state borrowing.)

This court decision is pending.



PROPOSAL

The measure allows the state to carry out No Place Like Home. In particular, the measure:

- Approves the Use of Mental Health Services Act Funds for No Place Like Home.
 The measure says that Mental Health Services Act funds can be used for No Place
 Like Home. No more than \$140 million of Mental Health Services Act funds could be used for No Place Like Home in any year.
- Authorizes \$2 Billion in Borrowing. The measure allows the state to sell up to
 \$2 billion in bonds to pay for No Place Like Home. The bonds would be repaid over many years with Mental Health Services Act funds.

With this measure, the state would no longer need court approval on the issues discussed above to carry out No Place Like Home.

FISCAL EFFECTS

Fiscal Effect Depends on the Court Decision. The fiscal effect of the measure depends on whether or not the courts would have approved the state's plan to pay for No Place Like Home. If the courts would have approved the state's plan, the measure would have little effect. This is because the state would have gone forward with No Place Like Home in any case. If the courts would have rejected the state's plan, the state would not have been able to move forward with No Place Like Home. This measure would allow the state to do so.



Proposition 10

Expands Local Governments' Authority to Enact Rent Control on Residential Property. Initiative Statute.

Yes/No Statement

A YES vote on this measure means: State law would not limit the kinds of rent control laws cities and counties could have.

A **NO** vote on this measure means: State law *would continue to* limit the kinds of rent control laws cities and counties could have.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact

 Potential net reduction in state and local revenues of tens of millions of dollars per year in the long term. Depending on actions by local communities, revenue losses could be less or considerably more.

Ballot Label

Fiscal Impact: Potential net reduction in state and local revenues of tens of millions of dollars per year in the long term. Depending on actions by local communities, revenue losses could be less or considerably more.

BACKGROUND

Rental Housing Is Expensive in California. Renters in California typically pay 50 percent more for housing than renters in other states. In some parts of the state, rent costs are more than double the national average. Rent is high in California because the state does not have enough housing for everyone who wants to live here. People who want to live here must compete for housing, which increases rents.

Several Cities Have Rent Control Laws. Several California cities—including Los Angeles, San Francisco, and San Jose—have laws that limit how much landlords can increase rents for



housing from one year to the next. These laws often are called rent control. About one-fifth of Californians live in cities with rent control. Local rent boards administer rent control. These boards are funded through fees on landlords.

Court Rulings Limit Local Rent Control. Courts have ruled that rent control laws must allow landlords to receive a "fair rate of return." This means that landlords must be allowed to increase rents enough to receive some profit each year.

State Law Limits Local Rent Control. A state law, known as the Costa-Hawkins Rental Housing Act (Costa-Hawkins), limits local rent control laws. Costa-Hawkins creates three main limitations. First, rent control cannot apply to any single-family homes. Second, rent control can never apply to any newly built housing completed on or after February 1, 1995. Third, rent control laws cannot tell landlords what they can charge a new renter when first moving in.

State and Local Government Tax Revenues. Three taxes are the largest sources of tax revenue for the state and local governments in California. The state collects a personal income tax on income—including rent received by landlords—earned within the state. Local governments levy property taxes on property owners based on the value of their property. The state and local governments collect sales taxes on the retail sale of goods.

PROPOSAL

Repeals Costa-Hawkins. The measure repeals the limits on local rent control laws in Costa-Hawkins. Under the measure, cities and counties can regulate rents for any housing. They also can limit how much a landlord may increase rents when a new renter moves in. The measure itself does not make any changes to local rent control laws. With a few exceptions, cities and counties would have to take separate actions to change their local laws.

Requires Fair Rate of Return. The measure requires that rent control laws allow landlords a fair rate of return. This puts the results of past court rulings into state law.

FISCAL EFFECTS

Economic Effects. If communities respond to this measure by expanding their rent control laws it could lead to several economic effects. The most likely effects are:

- To avoid rent regulation, some landlords would sell their rental housing to new owners who would live there.
- The value of rental housing would decline because potential landlords would not want to pay as much for these properties.
- Some renters would spend less on rent and some landlords would receive less rental income.
- Some renters would move less often.

These effects would depend on how many communities pass new laws, how many properties are covered, and how much rents are limited. Voters in some communities have proposed expanding rent control if this measure passes. If many localities enacted strong rent regulation, other economic effects (such as impacts on housing construction) could occur.

Changes in State and Local Revenues. The measure's economic effects would affect property tax, sales tax, and income tax revenues. The largest and most likely impacts are:

Less Property Taxes Paid by Landlords. A decline in the value of rental properties
would, over several years, lead to a decrease in property tax payments made by
owners of those properties.



- More Sales Taxes Paid by Renters. Renters who pay less in rent would use some of their savings to buy taxable goods.
- Change in Income Taxes Paid by Landlords. Landlords' income tax payments would change in several ways. Some landlords would receive less rental income. This would reduce their income tax payments. On the other hand, over time landlords would pay less to buy rental properties. This would reduce expenses they can claim to lower their income tax payments (such as mortgage interest, property taxes, and depreciation). This would increase their income tax payments. The measure's net effect on income taxes paid by landlords in the long term is not clear.

Overall, the measure likely would reduce state and local revenues in the long term, with the largest effect on property taxes. The amount of revenue loss would depend on many factors, most importantly how communities respond to this measure. If several communities expand moderate rent control to cover most of their rental housing, revenue losses could be in the tens of millions of dollars per year. If few communities make changes, revenue losses would be minor. If many communities pass strong rent control, revenue losses could be in the hundreds of millions of dollars per year.

Increased Local Government Costs. If cities or counties create new rent control laws or expand existing ones, local rent boards would face increased administrative and regulatory costs. Depending on local government choices, these costs could range from very little to tens of millions of dollars per year. These costs likely would be paid by fees on owners of rental housing.

