

**ENVIRONMENTAL QUALITY POLICY COMMITTEE
HIGHLIGHTS**

Friday, March 31, 2017
Doubletree Hotel, Ontario

ATTENDANCE

Members: O'Brien, Richard (Chair); Rosenthal, Laura (V.Chair); Berstein, Allan; Butt, Tom; Canavan, Jon; Carlton, Cat; Carney, Kendra; Cavanaugh, Jennifer; Clark, Margaret; Cleveland, Stanley; Cole, John; Downs, Kathryn; Eklund, Pat; Emdee, Laura; Folendorf, Amanda; Gabel-Luddy, Emily; Genis, Sandra; Grossi, Dana; Holstine, Clay; Jacob, Matthew; Layba, Mina; Loren, Jess; Lyman, Greg; Mainez, Lawrence; Masson, John; McIntyre, Alex; Mejia, Anthony; Mendoza, Jennifer; Mohler, Marjorie; Moyer, George; Overholt, June; Pirnejad, Peter; Pollock, David; Quinto, Gabriel; Rapp, Lisa Ann; Rojas, Joel; Stallard, Tom; Su, Mary; Summers, Matthew; Terwilliger, Jon; Toms, Maureen; Turner, Mireya; Villenas, Fabian; Wright, Bonnie

League Partner: France, Emily; Kindelberger, Mark

Staff: Erin Evans-Fudem

I. State Budget and Issues Briefing

The March 2017 Policy Committee meetings began with a general session briefing. Dan Carrigg, Deputy Executive Director, Legislative Director provided a much anticipated update on the looming transportation deal.

Dan Carrigg provided an overview of the comprehensive transportation-funding package, SB 1 (Beall), and constitutional transportation funding protection, ACA 5 (Frazier). He said that the League is a strong supporter of the measures that would generate and constitutionally protect \$5.2 billion dollars in new annual transportation revenues. The League, along with a broad coalition of local government, business, and labor has been strongly advocating for the passage of this package. Mr. Carrigg stressed the need for all cities to contact their legislators and send in letters of support in order to get the bill over the finish line. The League is working with the Administration and Legislature closely to pass a transportation-funding package by the imposed deadline of April 6, 2017.

Jason Rhine, Legislative Representative, briefed members on the large volume of housing bills introduced in the 2017 legislative session, sharing that many threaten removal of local land use authority in response to the housing crisis. In response to the housing crisis gripping many communities, the League is sponsoring multiple pieces of legislation. The sponsored and supported housing measures are presented as the League's Blueprint for More Housing. The Blueprint is headlined by SB 540, authored by Senator Richard Roth. SB 540 seeks to streamline housing construction by improving planning and environmental review processes that protect public engagement and environmental analyses. Mr. Rhine urged members to support the Blueprint and other measures, which provide support and financial assistance to cities and developers to lift California out of the housing crisis.

Tim Cromartie, Legislative Representative, briefed members on the issues surrounding the implementation of Propositions 57 and 64—both earned passage on the November 2016 ballot. Proposition 57, which expanded parole and good behavior credit opportunities for felons convicted of nonviolent crimes, has consequently triggered a litany of bills aimed at expanding the definition of a “violent” crime—which at present is narrowly defined. The League is

supporting measures that expand this definition in order to ensure appropriate oversight of serious and violent offenders.

Mr. Cromartie also discussed the range of bills introduced that attempt to establish a regulatory framework for implementing the legalization of recreational marijuana under Proposition 64. The League is supporting bills that aim to safeguard public safety and health, including bills that aim to establish labeling and concentration standards. The Governor has indicated that there needs to be a unified regulatory framework for both recreational and medical marijuana. The League, along with the Police Chiefs Association, will be keeping a close eye on any such consolidated plan and the universe of Marijuana bills

Dan Carrigg provided a short briefing on the Trump Administration's "Skinny Budget" proposal. On March 16, 2017, President Trump released his "Skinny Budget" outlining his blueprint for federal spending. Among the proposed spending cuts, the budget eliminates the Community Development Block Grants (CDBG), and HOME Investment Partnerships Program. In 2016, California cities received over \$253 million dollars from CDBG and just over \$70 million from the HOME program. The proposal also eliminates the State Criminal Alien Assistance Grants, Clean Power Plan, and the Economic Development Administration (EDA), and Minority Business Development Agency. The Budget includes a proposed 10 percent increase to defense spending, significant increases for Overseas Contingency Operations spending and a 6.8 percent increase to Homeland Security and Immigration enforcement, roughly \$690 billion overall. The League will continue to monitor state and federal budget activity as we approach Governor Brown's May Revise and future action on the federal budget

II. Welcome and Introductions

Chair Richard O'Brien welcomed committee members. The Committee voted unanimously to add to the agenda consideration of SCA 9 and SB 558 (Glazer).

III. Public Comment

John Capoccia, Council Member for the City of Sierra Madre, spoke in opposition to SB 231 (Hertzberg).

Ken Farfasing, City Manager for the City of Carson, spoke in support of SB 231 (Hertzberg).

Ed Spriggs, Council Member for the City of Imperial Beach, spoke to the Committee about issues of interest to coastal cities, including contingency planning for climate change and sea level rise.

Emily Goodwin, Ygrene Energy, spoke to the Committee about the Property Assessed Clean Energy (PACE) financing program.

IV. Adopt 2017 Work Program

The Committee voted to establish its work program by a unanimous voice vote. During the January meeting, the Committee developed a work program including the creation of four subcommittees to review existing policy in the following areas: CEQA, community choice aggregation, stormwater, and the Delta water conveyance. However, the Committee did not vote on its work program at that time.

V. California Air Resources Board Update

Judy Mitchell, Member of the California Air Resources Board (CARB), Council Member for the City of Rolling Hills Estates, and former League of California Cities President (2009) provided an update to the Committee of CARB's ongoing work. Among other things, Ms. Mitchell spoke

about the federal government potentially pulling back on air quality protections, while CARB is not. CARB continues to develop its updated scoping plan to help the state meet its 2030 greenhouse gas emissions reduction goal. CARB is also focused on cap and trade extension efforts, as proposed by Governor Brown.

VI. Legislative Agenda

The Committee took action on the following bills:

SB 5 (De León) California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018

SB 5 (De León), the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 proposes a \$3 billion bonds with funds to be directed to drought and drinking water projects, parks, and flood protection.

Discussion of this measure centered on the attainability of flood management goals and funding in the bill, the level of parks funding proposed in the measure, and the merits of linking parks and water funding in one bond proposal.

A motion was made to watch the progress of SB 5 and reconsider it in June. This motion passed by a voice vote.

SB 231 (Hertzberg) Local Government: Fees and Charges

This measure would add stormwater fees to list of property-related fees that are not subject to Proposition 218 by adding stormwater to the definition of “sewer” in the Proposition 218 Omnibus Implementation Act.

Committee members speaking in opposition to the measure discussed the unfunded mandates facing residents in Los Angeles County, the desire not to change Proposition 218, and to change Proposition 218 by going back to the voters with a constitutional amendment rather than a majority vote bill. Those speaking in support of the measure discussed the need for additional revenues for stormwater cleanup because otherwise cities will pay for this service from their General Funds.

A motion was made to oppose SB 231 and then a substitute motion was made to support. After substantial discussion, the Committee voted on the substitute motion to support SB 231 with a vote of 21-20.

SB 541 (Allen) School Facilities: Water Capture Design Standards

This measure would require the State Water Quality Control Board, the State Department of Education and the Office of the State Architect to develop best practices for water capture design standards for all new school construction and reconstruction, including work being done on school grounds.

Committee members generally agreed that schools have not been urged to design for stormwater capture in the past and that this bill would encourage, but not require, schools that use new school bond funding for school construction and modernization to design to best practices standards. A motion was made to support SB 541, which passed by voice vote.

SCA 9 & SB 558 (Glazer) Property Tax Exemption, Rainwater Capture System

SCA 9, if passed by voters, would exclude a “rain water capture system” from the definition of “newly constructed” for the purpose of property tax assessment under Proposition 13A. SB 558

would define “rain water capture system” to include construction or addition of rainwater capture system incorporated into the initial construction of a new building that the owner-builder does not intend to occupy or use.

Discussion by the Committee focused on the potential loss in revenue because of the loss of property taxes if these measures passed, as well as whether this would be an effective incentive for rain water capture. A motion was made to watch this measure. The motion passed with a vote of 29-9.

VII. Existing Policy Subcommittee Report

The Committee took action on the following subcommittee proposals:

CEQA Subcommittee

Proposal: Replace “Bounty Hunter Limitations” with “Good Faith Settlements” paragraph

Good Faith Settlements. The League supports discouraging lawsuits that have little merit by (1) eliminating the application of a multiplier analysis to the amount of attorneys fees awarded in a lawsuit that is subject to a settlement agreement; and (2) by precluding the adoption of measures or project conditions as part of a settlement agreement that do not mitigate a significant effect on the environment.

~~Bounty Hunter Limitations. The League supports discouraging lawsuits that have little merit by eliminating the availability of section 1094.5 fee recovery to petitioners or by authorizing cities to collect their fees and costs where they prevail.~~

Discussion about this proposal centered on the idea that the proposal could help eliminate multiple CEQA lawsuits and whether the cap on attorney’s fees should contain a dollar figure. A motion was made to approve the proposed new policy language, which passed by a unanimous voice vote.

Community Choice Aggregation (CCA) Subcommittee

Proposal: Add CCA subsection in the Utilities section

Local Energy Autonomy. The League supports programs that increase local control over the purchase and development of renewable energy resources, as an effective means of increasing consumer access to renewable energy at stable, competitive rates, and decreasing statewide greenhouse gas emissions.

The League supports cities’ exercise of the right to form or join existing Community Choice Aggregation (CCA) entities, as an effective method increasing local control over power supply. Accordingly, the League supports legislation and regulatory policies that support CCA autonomy in policymaking and decision-making, and opposes legislation and regulatory policies that unfairly disadvantage CCAs or CCA customers, or reduce or undermine local decision-making autonomy by the CCA or its governing board.

The League supports continuing development of local renewable energy resources and supply, including protection of local autonomy to administer energy efficiency and install and utilize integrated distributed energy resources.

Consumer Protection. The League supports complete transparency of all energy procurement practices, stranded costs, and departing load charges. The League supports

fair competition in statewide energy markets for CCAs and municipal or other publicly-owned utilities. The League supports legislation and regulatory policies that protect CCA customers from improper cost allocation. The League opposes legislation that conflicts with or diminishes CCA procurement autonomy.

Energy Efficiency. The League supports effective leveraging of energy efficiency programs tailored to address local needs and concerns.

There was general agreement among committee members that the League support CCA. Discussion focused on whether the policy only encouraged use of renewable energy, with general consensus that this proposal maintains local control on the mix of energy sources CCAs use. A motion was made to adopt the proposal, which passed by a voice vote.

Stormwater Subcommittee

Proposal: Modify two paragraphs of policy related to stormwater.

The League supports legislation to provide funding for stormwater, water and wastewater programs, including a voter approved constitutional amendment which would place stormwater fees in the category of water and wastewater fees, for the purposes of Proposition 218 compliance.

Any agency that regulates water, wastewater and stormwater with regard to local governments needs to be actively involved in the development of a new revenue source for the local government to appropriate city with regard to how the city will pay for the new regulatory burden imposed by the agency.

Some committee members pointed out that a constitutional amendment must be passed by the voters, and therefore the addition of the words “voter approved” may be duplicative. A motion was made to approve the proposed policy modifications. The motion passed by a vote of 38-0.

Delta Water Conveyance Subcommittee

Proposal: Direct League Staff to provide resources to the committee detailing changes that have taken place since 2010.

Chair O’Brien discussed the subcommittee meeting and the agreement that the full policy committee will continue to monitor the conveyance proposal. If needed, this subcommittee may be reconvened in the future.

VIII. Flood Protection Proposals Update

Erin Evans-Fudem, League Legislative Representative, provided the Committee with an update on flood control funding proposals by the Governor and the Senate in the wake of flooding early in the year as well as the Oroville Dam spillway crisis. This discussion occurred concurrently with consideration of SB 5.

IX. Other Legislative Bills of Interest Update

Due to time constraints, the Committee was unable to discuss other pending legislation.

Next Meeting: Friday, June 9, League Offices, Sacramento