

**ENVIRONMENTAL QUALITY POLICY COMMITTEE  
HIGHLIGHTS**

Friday, June 9, 2017

League of California Cities, Sacramento

**ATTENDANCE**

Members: O'Brien, Richard (Chair); Rosenthal, Laura (V.Chair); Berstein, Allan; Butt, Tom; Canavan, Jon; Carlton, Cat; Carney, Kendra; Cavanaugh, Jennifer; Clark, Margatet; Cleveland, Stanley; Downs, Kathryn; Emdee, Laura; Folendorf, Amanda; Grossi, Dana; Holstine, Clay; Jacob, Matthew; Lamson, Lori; Layba, Mina; Lee, Wayne; Leon, Rey; Loren, Jesse; Juhnnow, Lori; Mainez, Lawrence; Masson, John; McIntyre, Alex; Mejia, Anthony; Mendoza, Jennifer; Mohler, Marjorie; Moyer, George; Overholt, June; Pollock, David; Quinto, Gabriel; Rapp, Lisa Ann; Rojas, Joel; Rust, Don; Stallard, Tom; Summers, Matthew; 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 June 2017 Policy Committee meetings began with a general session briefing and an introduction from League Executive Director, Carolyn Coleman.

Dan Carrigg, Deputy Executive Director, Legislative Director provided an update on the known details of the California 2017-18 FY budget. Amongst the most pertinent pieces of the budget for cities is the rollout of \$2.8 billion in transportation dollars from recently improved funding sources. Mr. Carrigg noted that the Governor remains focused on building state reserve funds with additional allocations to the Rainy Day Reserve Fund. While state income tax revenues remain up, state sales tax revenue remains slightly down. The downward trend in overall sales tax revenues reflects the experience of cities and the impact of internet sales and other changes that affect this important city revenue source. Mr. Carrigg also mentioned that state pension liabilities continue to mount and are estimated to increase by \$51 billion over the last year, due to changes in the CalPERS discount rate and other factors.

The budget is on schedule to meet the June 15 legislative deadline for passage as required by the California Constitution. A handful of issues are still pending such as cap and trade reauthorization and potential reforms to the state recycling program ("Bottle Bill").

Rony Berdugo, Legislative Representative, briefed members on the League's ongoing efforts to help implement SB 1 (Beall), the landmark transportation deal passed by the Legislature and signed by the Governor. He outlined the historic nature of this transportation deal by highlighting how local governments should see a 100% increase in transportation funding over the next two years.

Mr. Berdugo then discussed SB 649 (Hueso), which would restrict local authority and lease revenue associated with small cell telecommunications installations. SB 649 seeks to eliminate public input, full local environmental and design review, mandating the leasing of publicly owned infrastructure and eliminating the ability for local governments to negotiate leases or any public benefit for the installation of "small cell" equipment on taxpayer funded property. He urged members to continue to send in letters of opposition and to call their Assembly Members to voice their opposition.

Jason Rhine, Legislative Representative, briefed members on the issues surrounding the continuing housing crisis. Specifically, Mr. Rhine discussed SB 540 (Roth) and SB 35 (Wiener). SB 540 is a League sponsored bill, which seeks to streamline housing construction by improving planning and environmental review processes that protect public engagement and environmental analyses. Next, Mr. Rhine discussed SB 35 (Wiener), which would preempt local discretionary land use authority by making approvals of multifamily developments that meets inadequate criteria, “ministerial” actions. He stated that this measure would rely on often outdated community plans and would compromise critical project level environmental review, public input, and community integrity. Mr. Rhine urged members to support SB 540 and other measures, which provide support and financial assistance to cities and developers to lift California out of the housing crisis.

Dane Hutchings, Legislative Representative, provided a much-anticipated update to members on AB 1250 (Jones-Sawyer), which would institute a de-facto ban on contracting for many local governments through a series of costly and unachievable mandates. At the time of this presentation, the author of the measure had committed to remove cities from its provisions.

Erin Evans-Fudem, Legislative Representative, briefed members on several different environmental quality issues, including stormwater, Cap-and-Trade, and the Bottle Bill. She talked about the League’s continuing discussion over SB 231 (Hertzberg), which would add the word “stormwater” to the definition of “sewer.” The Environmental Quality and Transportation, Communication, and Public Works committee’s will be holding a joint policy meeting to further discuss this issue. Ms. Evans-Fudem also discussed the ever-changing potential plans surrounding both Cap-and-Trade and the Bottle Bill. While there has been no formal deal on either, as of yet, she assured members that the League will be closely monitoring the situation.

Tim Cromartie, Legislative Representative, briefed members on the issues surrounding the implementation of Proposition 64 through the administration’s trailer bill. Mr. Cromartie outlined the 14 different objections the League has with the trailer bill and why each of the objections is detrimental to public safety and local control. He urged members to send in letters of opposition to this trailer bill to put pressure on the administration to listen to the League’s objections. He is cautiously optimistic that the League’s concerns will be addressed in the final trailer bill.

## **II. Joint Discussion with EQ & TCPW**

The committees took the following actions related to stormwater:

### 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. TCPW and EQ met for nearly an hour to discuss SB 231 and the implications of stormwater fees generally.

Several points were key among committee members urging support for SB 231. Committee members articulated long-standing League policy opposing Proposition 218 and supporting additional city tools to raise fees for stormwater clean-up. Supporters expressed the need for funding to comply with state and federal requirements because without such funding, cities must pay for stormwater clean-up with general funds or face huge penalties. With the existing Prop. 218 requirement in place, supporters remain concerned that voters do not understand the technical nature of this issue and therefore do not understand the need for funding.

Among those committee members urging opposition to SB 231, several arguments were made. Committee members said that this bill allows levying of a new tax for stormwater without sending the question to the voters. Further, opponents argued that this bill denies the right to vote and that the ballot measure the League and others considered pursuing failed because the Attorney General summary stated that it denied voters the right to vote. Opponents also articulated a concern that LA County could raise high fees using a simpler process that would have implications for ratepayers in the county.

After extensive debate, both committees had a motion and a substitute motion pending. The following captures the votes of each committee:

TCPW Committee Action: A motion for TCPW to support SB 231 was made and seconded. A substitute motion was made to oppose SB 231. The substitute motion to oppose failed, receiving only 10 votes. The original motion to support SB 231 passed, receiving 22 votes.

EQ Committee Action: A motion to remain neutral on SB 231 was made and seconded. A substitute motion was made to support SB 231 and was seconded. The substitute motion to support SB 231 passed on a 26-12 vote. Therefore the original motion to remain neutral was not voted on.

#### Stormwater Policy Subcommittee

The committees determined that the recommendation on SB 231 should go to the Board alone, without an additional recommendation to change League policy at this time.

### **III. Welcome and Introductions**

Chair Richard O'Brien welcomed committee members.

### **IV. Public Comment**

No public comment.

### **V. Legislative Agenda**

The committee took action on the following bill:

#### 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 \$3.5 billion bonds with funds to be directed to parks, drought and drinking water projects, and flood protection. This was the second time EQ considered SB 5, having first discussed the bill in March and recommending the League continue to watch this bill.

The committee had an extensive discussion about the proposed funding in SB 5 as well as the politics of taking a position. Committee members discussed a number of individual provisions within the bill, including those related to parks funding and water infrastructure. The committee also discussed the idea that having a position on the bill would help ensure cities are present during stakeholder negotiations. Members also expressed the desire to increase the per capita allocation to mirror, as closely as possible, AB 18 (E. Garcia).

An initial motion was made to support this measure. After further discussion a substitute motion was made to support if amended to increase the per capita funding for local parks as high as

possible and set a baseline minimum allocation per city between \$125,000 and \$200,000. The substitute motion passed unanimously by voice vote.

**VI. Community Choice Aggregation (CCA) Subcommittee**

League staff updated the committee on action taken by the Board to return this item back to committee. The committee briefly discussed its previous policy recommendation and supplemental background information that had been proposed and sent to the committee the previous day. The committee decided not to further discuss the substance of a new proposal and instead take additional time to discuss and consider the policy.

**VII. Update on California WaterFix**

Speaker: Nancy Vogel, Deputy Secretary for Communications, Natural Resources Agency

Ms. Vogel provided the committee with an update on the WaterFix plan, explained how the project will modernize infrastructure and provide water for residents in the state. She also explained the remaining procedural steps to be taken, including state and federal permitting, as well as potential litigation.

**VIII. Climate Change Policy in the Legislature**

Speaker: Katie Valenzuela Garcia, Principal Consultant, Joint Committee on Climate Change Policies

Ms. Valenzuela Garcia updated the committee on the newly established Joint Committee on Climate Change Policies in the legislature, introduced the members of the committee, and outlined its policy priorities.

**IX. Legislation of Interest Update**

Committee members discussed two bills: SB 705 (Allen) related to expanded polystyrene food service containers, and SB 252 (Dodd) related to water wells in critically overdrafted basins.

**Next Meeting (tent.): Annual Conference, Sacramento, September 13, 9:00 – 11:00 a.m.**

*Staff will notify committee members after July 21<sup>st</sup> if the policy committee will be meeting in September.*