

## UPDATES

### **Supreme Court Upholds City of Riverside’s Medical Marijuana Dispensary Ordinance**

*League’s Friend-of-the-Court Brief Influences Court’s View of Local Land Use Control*

This morning the California Supreme Court, in a long-awaited opinion ([www.courts.ca.gov/opinions/documents/S198638.PDF](http://www.courts.ca.gov/opinions/documents/S198638.PDF)), rejected a challenge to the city of Riverside’s ordinance banning medical marijuana dispensaries. The Court held that neither the state’s Compassionate Use Act nor the Medical Marijuana Program limit a city or county from regulating the use of land, and cities and counties retained the authority to provide that medical marijuana dispensaries are not permitted to operate within their borders.



### **Bills in Committee: May 6–May 10**

All eyes will be on the budget this week as the Governor’s May Revise will be released by May 14. Meanwhile Senate and Assembly policy committees face a Friday deadline to hear and report non-fiscal bills to the floor in their house of origin. *For more, see Page 2.*



### **The Bloom is on the Rose in Pasadena, Thanks to State and Local Incentives**

*Note: With job creation and affordable housing on the minds of public officials across California, the power of state-local partnerships in creating good paying construction and other private sector jobs merits attention. This is part of a series of special papers on some successful partnerships. For more, see Page 3.*

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The Court found support in the League's friend-of-the-court brief to conclude that neither the voters nor the Legislature in adopting the medical marijuana statutes intended to impose a "one size fits all" policy on cities and counties with respect to local land use.

The League congratulates the city of Riverside for its victory, which represents an important reaffirmation of local land use control. The League thanks Thomas B. Brown and Stephen A. McEwen with Burke Williams & Sorensen for drafting the League's friend-of-the-court brief.

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'Bills in Committee' Continued from Page 1...

A full listing (<http://www.leginfo.ca.gov/dayfile.html>) of all Senate and Assembly hearings is available online. Hearing times are subject to change. The League will report any actions of significance.

Bill language and any available position letters can be found on the League's website at [www.cacities.com/billsearch](http://www.cacities.com/billsearch) by typing the bill number into the search box.

**Monday, May 6**

Senate Appropriations Committee, State Capitol, Room 112, 10 a.m.

- **HOT BILL SB 64 (Corbett) Proposition 39: implementation.** *League position: Support.*
- **HOT BILL SB 391 (DeSaulnier) California Homes and Jobs Act of 2013.** *League position: Support.*
- **HOT BILL SB 673 (DeSaulnier) Land use; development project review.** *League position: Oppose. (Note: this bill is being sent to the Senate Floor)*

**Tuesday, May 7**

Assembly Business, Professions and Consumer Protection Committee, State Capitol, Room 447, 9 a.m.

- **AB 1147 (Gomez) Massage therapy.** *League position: Oppose unless amended*

Assembly Judiciary Committee, State Capitol, Room 4202, 8 a.m.

- **AB 436 (Jones-Sawyer) Inverse condemnation: comparative fault.** *League position: Support.*

**Wednesday, May 8**

Assembly Appropriations Committee, State Capitol, Room 4202, 9 a.m.

- **AB 403 (Stone) Solid waste: home-generated sharps.** *League position: Support.*
- **HOT BILL AB 537 (Bonta) Meyers-Milias-Brown Act: impasse procedures.** *League position: Oppose.*
- **HOT BILL AB 616 (Bocanegra) Local public employee organizations: dispute: factfinding panel.** *League position: Oppose.*

Assembly Local Government Committee, State Capitol, Room 127, 1:30 p.m.

- **AB 61 (Gatto) Parking: parking meters.** *League position: Oppose.*
- **AB 265 (Gatto) Local government liability: dog parks.** *League position: Support if amended.*
- **HOT BILL AB 325 (Alejo) Land use and planning: cause of actions: time limitations.** *League position: Oppose.*
- **AB 562 (Williams) Economic development subsidies: review by local agencies.** *League position: Oppose.*
- **AB 583 (Gomez) County free public libraries: withdrawal: use of private contractors.** *League position: Oppose.*

- **HOT BILL AB 1229 (Atkins) Land use: zoning regulations.** *League position: Support.*
- **AB 1253 (Blumenfield) Vehicle: mobile advertising displays.** *League position: Support.*
- **AB 1333 (Hernandez) Local government. Contracts.** *League position: Oppose.*
- **AB 1359 (Hernandez) Quinby Act.** *League position: Notice of concerns.*

Senate Governance and Finance Committee, State Capitol, Room 112, 9:30 a.m.

- **AB 450 (Galgiani) Unattended collection boxes.** *League position: Concerns.*

'Pasadena' Continued from Page 1...

This city's image blossomed with the Rose Bowl football game, the Tournament of Roses Parade and no small measure of a certain California mystique.

But at street level, in some sections of Pasadena where unemployment can range as high as 10 percent, cultivating business growth and creating jobs can be daunting. It also often requires special resources.

Luckily for job seekers, businesses and cities there is a way to provide just such help — the creation of Enterprise Zones. Since 1986 Enterprise Zones have forged state and local partnerships providing tax breaks and other incentives to businesses when they locate within certain geographic boundaries, successfully stimulating growth and business investments in economically disadvantaged areas most in need of new jobs and private investment.

Pasadena's Enterprise Zone's offerings convinced businessman Gary Thompson to open a business in the city two years ago.

The Enterprise Zone made it possible for him to rehabilitate a derelict building on North Fair Oaks Avenue, buy new equipment and hire six employees. Now he's hoping to replicate his success in Hollywood, which also has an Enterprise Zone.

"Rundown is an understatement," Thompson says of the Pasadena location. "You didn't feel safe."

According to Thompson, without the incentives and savings offered by the city and state he would not have been able to afford to undertake the project, which began when he gutted the former "greasy, dark" laundry business that occupied the site.

Starting with only the four original walls, he installed high-efficiency "green" washing machines and dryers, cut skylights in the roof for natural lighting and additional savings in electricity, added free Wi-Fi so patrons could log on to the Internet while doing their laundry, and created a website ([www.fairoakslaundry.com](http://www.fairoakslaundry.com)) promoting his business and sustainable laundry methods.

"It looked beautiful" when completed, Thompson says. So beautiful, in fact that the business next door painted the building and put up new signs. The new sense of pride continued to spread.

Thompson is now planning to open a second laundry in Hollywood, which also has an enterprise zone.

"It's extremely expensive doing business in California," he says. "I really don't see myself doing it without these incentives."

In certain census tracts within this city (population 149,475), unemployment, a lack of work, fewer businesses, and higher crime rates are interlocking puzzle pieces held in place by the simple law of cause and effect.

And in the same neighborhoods small businesses are often forced to scramble for new strategies just to survive.

But with Enterprise Zones, businesses and pools of qualified workers within such neighborhoods can qualify for certain combinations of federal, state and local incentives.

Each city with an Enterprise Zone has census tracts (there are six in Pasadena) in which at least 51 percent of the residents have low to moderate income levels. Businesses receive tax credits from the state when they hire individuals within these Targeted Employment Areas.

If a business hires a military veteran or an ex-felon from such an area, for example, and trains and retains that person for at least 5 years, it can be worth up to \$37,000 per employee in state tax credits to the company. The same company may also get certain permit fees and business license fees waived by the city, as well as reduced rates on county utility fees.

Enterprise zone hiring programs can be particularly effective in providing work to individuals who face hurdles getting hired — ex-offenders, for example.

Since April 10, 2007 the Pasadena program has placed 468 Individuals convicted of a felony or misdemeanor in jobs. Of those, 34 were placed in new jobs and 434 were employed in existing positions. The average wage paid: \$13.95 an hour.

For a small business the money adds up to a significant sum. And it's often plunged back into equipment or business growth, which leads to the hiring of still more workers from the local community.

It's clear why the program is such a hit with cities statewide.

Pasadena Economic Development Manager Eric Duyshart says the hiring of those who face a barrier to employment is but one of many benefits to enterprise zones. Employment within the zones can help lower crime rates. It can also keep commercial properties on ad valorem tax rolls.

Mainly, it is an economic development tool that sets the city apart. "There are 50 other cities in Los Angeles County," he explains. "This gives us a leg up."

California's Enterprise Zone program has existed since 1986 and falls under the auspices of the California Department of Housing and Community Development (HCD). It is the state's largest economic growth program — and in the view of many local governments also the most successful, with 42 zones statewide.

The 27-year-old state and local government partnership offers businesses investing in enterprise zones, in addition to the hiring tax credits worth as much as \$37,000 per employee, sales tax and use credits for certain kinds of manufacturing and processing equipment, as well as interest deductions to lenders.

Cities and counties may apply for their own designated enterprise zones, or seek designations together of a single area in common. The state bases its selection of successful applications on such criteria as the localities' use of appropriate, innovative and comprehensive regulatory tax programs and other incentives to stimulate private sector investments.

Eligible areas, among other criteria, must be affected by a plant closure within the last two years affecting more than 100 workers, chalk up unemployment rates of not less than 3 percent above the statewide average, and show that median household incomes for families of 4 do not exceed 80 percent of the statewide median income.

Under state law, city Enterprise Zone designations last 15 years. Pasadena established its current zone in April 2007. The designation is set to expire in April 2022.

There are 11,587 workers in the area that qualified under the state hiring credit program. Businesses benefiting from the program have created 2,320 new jobs while Enterprise Zone-eligible workers have filled an additional 9,267 existing jobs.

Most of the workers (58 percent) were hired to fill clerical or sales jobs or to do production and manufacturing work (18 percent). Others work in restaurants (11 percent), for technical and

medical supplies companies (7 percent), or as professionals (3 percent) or managers (3 percent).

What's more, the Enterprise Zone is credited with aiding the expansion of 13 properties and retaining at least seven businesses.

Pasadena's Enterprise Zone played a decisive role in Michael Yagjian's decision to set up his pasta business in the city in 1996. He initially hired 20 workers for Gourmet Fresh Pasta, which makes a full line of pasta products that are used in foods prepared and packaged by other businesses.

Thanks to the money he has netted through Enterprise Zone savings Yagjian has been able to buy more equipment and expand. Today he employs 50 people, the majority of whom are from the designated pool within the city's, or nearby Los Angeles County's, Enterprise Zone.

"I don't want to overstate the case," Yagjian says. "It's not like I'm going to pick up and leave if the program ended. However, if you're a business seeking to relocate it is attractive. And it remains attractive to a business on an annual basis because it helps us all expand."

Sean Stellar, the owner of a company that produces custom-made prosthetics and orthotics, also credits the Enterprise Zone with his ability to invest in his company's future.

Stellar moved his business to the city in 2007 and for the first two years knew nothing about the program. Becoming a participant made a world of difference for his business.

The \$100,000 he estimates he has saved through the state tax credit program has allowed him to invest in new technology, such as the \$30,000 laser machine that he uses to create 3-D images of corrections being made with orthotics to the shape of an infant's head.

"Us little guys," he says, "it really helps us."

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