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June 8, 2011

TO: Members: Housing, Community, and Economic Policy Committee

FROM: Barbara Pierce, (Chair), Council Member, Redwood City
Kirstin Kolpitcke, League Staff (916) 658-82

RE: **POLICY COMMITTEE MEETING**

DATE: **Thursday, June 16, 2011**

TIME: **10:00 a.m. – 3:00 p.m.**

PLACE: **Sacramento Convention Center
1400 J Street, Room 204, Sacramento**

Attached are the agenda and background materials for the upcoming policy committee meeting. If you plan to attend and have not yet returned the attendance form, please email Meg Desmond by **June 13, 2011**. Her email address is: mdesmond@cacities.org. Registration for this meeting is not required; however, your response will help us determine the meal count.

TRANSPORTATION, PARKING and DRIVING DIRECTIONS are provided on the back of this letter.

OVERNIGHT ACCOMODATIONS: If you require an overnight stay in Sacramento, the League can recommend three local properties. Please consider booking online for best available rates or checking www.hotels.com for the Sacramento area.

Hotel Recommendations: Hyatt Regency, 1209 L Street, Sacramento (916) 443-1234
Sheraton Grand, 1230 J Street, Sacramento (916) 447-1700
Residence Inn, 1121 15th Street, Sacramento (916) 443-0500

Deadline for Submitting Annual Conference Resolutions

Saturday, July 23, 2011 – Email, regular mail, fax

For more information, visit: www.cacities.org/resolutions or contact: mdesmond@cacities.org

League of California Cities Policy Committee Meetings – June 16 & 17, 2011

Meeting Locations: Sacramento Convention Center: 1400 J Street, Sacramento 95814 **OR**
League of California Cities: 1400 K Street, Sacramento 95814 (*EQ & ER committees*)
(*The League office is located directly behind the Convention Center*)

AIR TRANSPORTATION:

Low, refundable airfares are available through the Enhanced Local Government Airfare Program. The program requires that a city be pre-registered; check with your city's travel coordinator. This program is ticketless and includes Southwest, United and United Express. For city pairs, rates, or if your city has not yet registered, please check the League Web site at <http://www.cacities.org/travel> for details.

TRANSPORTATION FROM AIRPORT:

YOLOBUS information - <http://www.yolobus.com/m3.html> - (530) 666-BUSS (2877)

Cost: \$2.00 each way; seniors (62+) /Disabled, \$1.00

Travel time: The bus ride is approximately 20-30 minutes.

From the Airport. (Bus 42A)

Buses run every hour (at approximately 19 minutes past the hour). After departing plane, go to the island outside and locate Public Transit. This is where you will catch YOLOBUS

SUPERSHUTTLE (1-800-BLUE VAN): Upon arrival at the airport, claim your luggage then proceed to the **SuperShuttle** ground transportation booth. A representative will arrange SuperShuttle transportation to your destination. Reservations are not required. **One-way ticket per person: \$14.00 (\$11 each additional). Round trip ticket per person: \$26.00.**

Please note: Downtown hotels do **NOT** provide shuttle service from the airport.

CABS are quoted between **\$30.00 to \$40.00** from airport to downtown.

RETURN TO AIRPORT:

SuperShuttle (1-800-BLUE VAN) makes regular stops every 1/2 hour in front of these hotels, both within easy walking distance of the Convention Center:

Hyatt Sacramento, 1209 L Street, Sacramento - (916) 443-1234

Sheraton Grand, 1230 J Street, Sacramento - (916) 447-1700

YOLOBUS: Back to Airport (Bus 42B) Pickup location: L & 13th Streets

Buses run every hour (at 5 minutes past the hour). The bus ride is approximately 20-30 minutes.

DRIVING DIRECTIONS:

Below are suggested driving directions to the Convention Center and may not be the most efficient route from your starting point. There are many websites which offer assistance with driving directions. Here are two that may be helpful:

www.mapquest.com, and <http://maps.yahoo.com/>

From I-5: Exit "J" Street. The Convention Center is located on "J" Street (one-way) between 13th & 15th St.

From I-80 (West traveling East): Take I-5 North, then follow the above directions.

From I-80 (East traveling West): Take I-80 to Capitol City Freeway (right lanes); Exit 160 Downtown (right lanes). When freeway ends, merge to near left lane. Turn left on "J" Street, go 1 block.

From the South on Highway 99: Take 99 North to Business 80 West (Capitol City Freeway). Exit at 16th Street. Continue on 16th Street, and turn left on "I", then left on 13th Street.

PARKING: (*Allow time for parking; the downtown area is congested*)

There are numerous public parking garages in the vicinity. Those **closest to the Convention Center** are located at 13th and "J" Streets - directly across from the Sheraton Grand Hotel and the Convention Center. From "J" Street (one way), turn left on 13th Street; entrances to the parking lots are on both the left and the right. The Hyatt Hotel has its own parking garage and valet parking. From "J" Street, turn right on 13th Street, then right on "L" Street. The parking garages **closest to the League offices** are on "K" Street next to the Capitol Garage, corner of 15th & "K" Streets (enter from K Street).

Hotel Recommendations: Hyatt Regency, 1209 L Street, Sacramento (916) 443-1234
Sheraton Grand, 1230 J Street, Sacramento (916) 447-1700
Residence Inn, 1121 15th Street, Sacramento (916) 443-0500

HOUSING, COMMUNITY & ECONOMIC DEVELOPMENT POLICY COMMITTEE

Thursday, June 16, 2011

10:00 a.m. – 3:00 p.m.

Sacramento Convention Center, 1400 J Street, Room 204, Sacramento

Special Order

Joint Policy Committee State Budget and Redevelopment Update

League Sponsored Services Update (Attachment A)

10:00 a.m., Room 204, Sacramento Convention Center

Individuals who wish to review the full text of bills included in this packet are encouraged to do so by visiting the League's Web site at www.cacities.org/billsearch. Be sure to review the most recent version of the bill.

A G E N D A

- I. Welcome and Introductions**
- II. Public Comment**
- III. AB 46 (J. Perez) Local government: cities (Attachment B) *Action***
*Speakers: Mark Whitworth, City Administrator, City of Vernon
TBD, Office of Speaker John Perez (invited)*
- IV. Legislative Update (Attachment C) *Action***
1. AB 710 (Skinner) Local Planning: infill and transit-oriented development
2. AB 752 (Brownley) Sea level rise action plans
- V. Update of Enterprise Zones Proposals (Handout) *Action***
Speaker: Yolanda Benson, CA Assoc. of Enterprise Zones in Action
- VI. Update from California Housing and Community Development *Information***
Speaker: Cathy Creswell, Acting Director
- VII. Marijuana Regulation Working Group Report (Handout) *Information***
- VIII. Next Meeting (tentative):**
Annual Conference, San Francisco, September 21, 9:00 – 10:30 a.m.

Policy Committee Compliance with State Laws

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:

- 1) Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or*
- 2) A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.*

A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.

NOTE: Policy committee members should be aware that lunch is usually served at these meetings. The state's Fair Political Practices Commission takes the position that the value of the lunch should be reported on city officials' statement of economic interests form. Because of the service you provide at these meetings, the League takes the position that the value of the lunch should be reported as income (in return for your service to the committee) as opposed to a gift (note that this is not income for state or federal income tax purposes—just Political Reform Act reporting purposes). The League has been persistent, but unsuccessful, in attempting to change the FPPC's mind about this interpretation. As such, we feel we need to let you know about the issue so you can determine your course of action.

If you would prefer not to have to report the value of the lunches as income, we will let you know the amount so you may reimburse the League. The lunches tend to run in the \$30 to \$45 range. To review a copy of the FPPC's most recent letter on this issue, please go to www.cacities.org/FPPCletter on the League's Website.



LEAGUE-SPONSORED SERVICES-- VALUE TO CITIES AND TO THE LEAGUE

During its most recent meeting, the League board of directors found information about three League-sponsored services to be very interesting. They encouraged similar briefings for other groups of city officials. The services are provided through three separate organizations that the League helped to form for the value they would bring to cities. The following pages provide introductory information to the three organizations:

California Communities—a joint powers authority that provides local governments and private entities access to low-cost, tax-exempt financing for projects that provide public benefit to their communities.

CalTRUST—a joint powers authority that provides a convenient way for local agencies to pool their assets for investment.

U.S. Communities—a non-profit corporation that allows local agencies to piggyback on competitively bid contracts and take advantage of the enormous collective purchasing power of public agencies nationwide.

The League sponsors these services for the value they provide to cities. As shown in the table following the three flyers, League members derive a second round of benefit from these programs. Fees received by the League allow cities to accomplish through the League what might otherwise be unaffordable, while at the same time reducing League dues. It would require a 55% League dues increase to replace revenue received from California Communities and U.S. Communities.

www.cacommunities.org

www.caltrust.org

www.uscommunities.org

California Communities

A Unique Asset for Local Government



The California Statewide Communities Development Authority (CSCDA or California Communities) is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties.

California Communities' mission is to provide local governments and private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California.

Through the variety of innovative public agency and private activity bond programs offered, California Communities has a track record of ensuring that the diverse interests and broad needs of more than 500 local government members, and their communities, are met. With more than \$47.2 billion in tax-exempt debt issued since inception in 1988, California Communities® has both earned a trusted name and developed the breadth of experience necessary to operate in the California marketplace.

SOME REMARKABLE ACCOMPLISHMENTS

Local Government Projects

California Communities has funded more than \$11.7 billion for 1,456 local agency participants, including:

- Tax and revenue anticipation notes—\$9 billion
- Water/wastewater systems—\$481 million
- CaLease lease obligations—\$123 million
- Pension obligation bonds—\$414 million
- Statewide Community Infrastructure Program—\$149 million
- Vehicle license fee and property tax securitization—\$1.5 billion

Public Benefit Projects

California Communities is known for financing high quality public benefit projects, issuing more than \$36.6 billion for 1,775 local community-approved projects for:

- Affordable housing—over 54,000 very-low and low-income affordable housing units for 464 multifamily and 118 senior housing projects.
- Hospitals/medical facilities—645 projects
- Solid waste disposal and alternative energy—19 projects
- Manufacturing—125 projects creating an estimated 10,000 new manufacturing jobs in California.

View the annual Community Benefit Report at www.cacommunities.org

Investment Trust of California



CalTRUST is an innovative partnership...

The CSAC Finance Corporation and the League of California Cities created CalTRUST to provide a convenient method for local agencies to pool their assets for investment. Recently enacted legislation authorizes local agencies to directly invest in joint investment pools, such as CalTRUST.

CalTRUST makes participation easy...

Local agencies can invest with CalTRUST directly, without the need for a city council action to join the JPA. Any California local agency may participate in CalTRUST.

CalTRUST is governed by local treasurers and investment officers...

As a joint powers authority, CalTRUST is governed by a Board of Trustees made up of local treasurers, finance directors and investment officers.

The Board of Trustees sets overall policy for CalTRUST, and selects and supervises the activities of the Investment Manager and other agents. The CSAC Finance Corporation serves as the Administrator for CalTRUST and Wells Capital Management serves as the Investment Advisor for the Program.

CalTRUST offers account options...

Local agencies have three account options:

- Money Market,
- Short-Term, or
- Medium-Term accounts.

Local agencies may select account options that match their investment time horizon and cash flow needs. Then they can easily reallocate among accounts as those needs change.

Each of the accounts seeks to attain as high a level of current income as is consistent with the preservation of principal by investing only in high-quality, fixed-income securities. All CalTRUST accounts comply with the limits and restrictions placed on local investments by California statutes; no leverage is permitted in any of the CalTRUST accounts.

For more information visit www.caltrust.org

U.S.COMMUNITIES

League-Sponsored Joint Purchasing Program



U.S. Communities is the leading national government purchasing cooperative, providing world class government procurement resources and solutions to local and state government agencies, school districts (K-12), higher education institutes, and nonprofits looking for the best overall supplier government pricing.

U.S. Communities allows local agencies to piggyback on competitively bid contracts and take advantage of the enormous collective purchasing power of public agencies nationwide.

The program offers:

- **No User Fees**—no costs or fees to participate.
- **Best Overall Supplier Government Pricing**—by combining the potential cooperative purchasing power of up to 90,000 public agencies, California cities are able to access the best overall supplier government pricing.
- **Quality Brands**—thousands of the best brands in a wide variety of categories, services and solutions.
- **Integrity and Experience**—unlike other government cooperative purchasing organizations, U.S. Communities national government purchasing cooperative is founded by 5 national sponsors and over 70 state, city and regional organizations.
- **Oversight by Public Purchasing Professionals**—third-party audits on contracts ensure that program pricing commitments are met, with benchmark analyses against other suppliers and retailers to guarantee participants the best overall value.

A majority of California cities already use one or more of the U.S. Communities contracts. However, there is more money to be saved on the products and services cities use every day!

Registering to participate with U.S. Communities government purchasing cooperative is quick, easy and completely free.

*Learn more about this one-of-a-kind joint purchasing program
at www.uscommunities.org*

Added Benefits to League Members from California Communities and U.S. Communities

Year	Total League Revenue	Dues Revenue	Revenue from CSCDA*	CSCDA % of Total	Dues Increase to Offset CSCDA	Revenue from U.S. Comm	U.S. Comm % of Total	Dues Increase to Offset U.S. Comm
2010	17,109,963	6,217,140	2,077,701	12%	33%	1,491,842	9%	24%
2009	17,040,581	6,403,654	1,658,023	10%	26%	1,378,219	8%	22%
2008	19,183,570	6,485,064	2,318,355	12%	36%	1,455,705	8%	22%
2007	19,515,990	6,034,872	2,355,151	12%	39%	1,367,515	7%	23%
2006	18,520,339	5,962,030	1,849,401	10%	31%	1,173,109	6%	20%
Average	18,274,089	6,220,552	2,051,726	11%	33%	1,373,278	8%	22%

Cities benefit twice from the programs provided by California Communities and U.S. Communities:

First, when they take advantage of the convenient and efficient financing programs or discounted purchasing opportunities.

Second, by avoiding League dues increases.

CalTRUST has the potential to produce revenue for the League in the future. It is still a young and small program.

* The full name of California Communities is California Statewide Communities Development Authority.

**HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT
POLICY COMMITTEE
June 2011**

AB 46 (Perez). Local government: city disincorporation (As amended April 4, 2011)

**The League's Board discussed this measure and requests that the Administrative Services and Housing, Community and Economic Development policy committees review AB 46, taking into account League principles (articulated in an expanded manner in the board's motion on page 2)which support both local control and open government.*

League Staff: Dan Carrigg, Meghan McKelvey

Bill Summary:

This bill would disincorporate cities with a population less than 150, as of January 2010, into the respective county within 91 days of becoming law, subject to the following additional conditions:

1. The affected city will be disincorporated unless the county board of supervisors determines, with a majority vote within the 90 day period that there is substantial evidence on record that the city *is in an isolated, rural location* and it is impractical for the residents to organize another form of local government.
2. The population will be determined by the official records of the Department of Finance.
3. The local agency formation commission in the affected county is required to oversee the terms and conditions of the disincorporation of the city pursuant to the provisions in the Cortese-Knox-Hertzberg Act. The commission's authority shall include, but not be limited to, the power to enforce a writ of mandate.

Background:

AB 46 would amend the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act), which enacts procedures for incorporations and changes of organization of cities including procedures for disincorporation and reorganization. The Act also established a local agency formation commission (LAFCO) in each county to oversee proposed changes of organization. LAFCOs provide a guiding hand to the development of local agencies, including special districts.

Under the Act, to incorporate a new city with corporate powers, the area needs to have at least 500 registered voters residing within the defined city limits. Since 2000, only nine cities have been incorporated. Cities implement and oversee services that are decided and voted upon by the residents of that city.

After the creation of LAFCOs in 1963 only two California cities have disincorporated – Cabazon in 1972 and Hornitos in 1973. Cabazon's disincorporation went through the process prescribed in the Act and Hornitos was disincorporated by statute.

Vernon is located in Los Angeles County, which includes 88 cities and has the largest population of any county in the nation. Currently, the City of Vernon (population 95) will be the only

California city affected by this measure. Vernon was founded in 1905 as an industrial city several miles southeast of Downtown Los Angeles. According to the City of Vernon, it has more than 1,800 businesses that employ approximately 50,000 people in industries including food and agriculture, apparel, steel, plastics, logistics and home furnishings. Vernon became a charter city in 1988.

Under the provisions of AB 46, Vernon would automatically be disincorporated because it is not in *an isolated, rural area*. Thus, there would be no option for the county board of supervisors to vote to maintain cityhood.

League’s Board Referral at May 19-20 Board Meeting:

“Move that the board request that the Administrative Services Policy Committee and the Housing, Community and Economic Development Policy Committee review and advise the board on a possible League position on AB 46 (Perez) in light of the following factors:

- The League’s mission to “expand and protect local control for cities...”

- The following League core values that we believe:
 - “in conducting the business of government with openness, transparency, respect, and civility.”
 - “the spirit of honest public service is what builds communities.”
 - “open decision-making that is of the highest ethical standards honors the public trust.”
 - “ethical and well-informed city officials are essential for the responsive, visionary leadership and effective and efficient city operations.”

- The League’s overall strategic interests and the status of other League priorities, as described by League staff.

Comments:

- 1) Supporter’s arguments: The author and supporters of AB 46 argue that the City of Vernon has a long history of corruption allegations, indictments and convictions for offenses including voter fraud. The burden of monitoring the government activities of a small populated city falls on a few individuals and therefore there are very few checks and balances in place to protect the residents. One example often cited is that many residents of the city may also work for the city and/or live in city-owned housing, which may make them less-inclined to be critical of city government. According to Speaker Perez, “AB 46 not only remedies the corruption that currently exists (in Vernon), but permanently eliminates the structural mechanisms that have allowed this corruption to flourish unchecked for more than half a century.”

In December 2009, Vernon Mayor Leonis Malburg, who had served as an elected official for 50 years and his wife were found guilty of fraudulent voting in Vernon while residing in another city. Former Vernon City Administrator Bruce Malkenhorst, Sr., recently

pleaded guilty to misappropriation of public funds and was ordered to repay \$60,000 to the city and was fined \$10,000.

- 2) Opponents contend: According to the opponents of AB 46, the City of Vernon was exclusively founded as an industrial city. Vernon's low taxes, inexpensive utility rates, appropriate zoning and efficient municipal services are the major reason for the large amounts of jobs and industry in the city. The city is able to deliver high-quality services to the affected businesses. For instance, the city has four fire stations trained to handle hazardous material and respond to calls within minutes.

Affected businesses operating within the city limits are concerned that being governed by Los Angeles County would increase the cost of utilities, increase response times from the fire department, and drive businesses out of California.

The City also contends that the involuntary disincorporation of Vernon would violate the state constitution in a number of respects.

In the wake of AB 46, the City of Vernon has created a campaign, SaveVernonJobs.com, to highlight and save industrial jobs in this area.

- 3) Issues and Comments:

- *Establishing a dangerous precedent?* According to the Los Angeles County Division of the League of California Cities, AB 46 sets a dangerous precedent by expanding the Legislature's authority to pick and choose which municipalities can legally exist. This legislation will seriously contravene basic principles of local control and decision making authority.
- *Is it legal to disincorporate a charter city?* Vernon is one of the 120 charter cities in California. The California Constitution affords special home-rule powers to charter cities and allows for greater control over their affairs than general law cities. According to the California Contract Cities Association, AB 46 is not only unconstitutional, but also attempts to take the authority of a city to exercise local control over planning and land use decisions.
- *Is there another motivation?* In a Sacramento Bee editorial, columnist Dan Walters questioned Speaker Perez's motivation. Each year, Vernon generates a quarter billion-dollar stream of revenue from city-owned electric, gas, and water utilities. These revenues would initially flow to county coffers. According to Walters, Los Angeles city officials have already acknowledged they would take action and attempt to annex Vernon if it was disincorporated. [Note: L.A. Council Member Tony Cardenas, a member of the League board, informed the board that the city council would oppose annexation of Vernon.]

- *Can small cities work?* There are many other states that have cities with a population under 150. According to the 2009 population estimates, the US Census Bureau identified several states with cities that contain less than 150 residents. For example: Iowa has 176 cities out of 947 (19%); Minnesota has 146 out of 854 (17%); and Arkansas has 69 out of 502 (14%).
- *Is disincorporation too aggressive of a solution?* If the concern is a lack of transparency and a history of corruption, are there other ways to address it without attempting to disincorporate a city over 100 years old? As evidenced by the recent example in the City of Bell, criminal acts can be addressed by the courts. Could additional transparency mechanisms and oversight offset the concerns about residents with city jobs or housing not serving as effective civic watchdogs? Furthermore, some solutions may arise from the more than 30 bills which have been introduced in response to the misconduct in the City of Bell. Another potential solution to address the concerns of the City of Vernon would be to reclassifying the city as a special industrial district.
- *City retains former Attorney General to assess Vernon's governance, conflicts and open government policies and practices.* On February 9, 2011 the City of Vernon announced it had retained former Attorney General John Van de Kamp as an independent ethics advisor who, along with other experts, would "...independently review and assess Vernon's governance policies and practices as they relate to local government ethics, conflicts of interest, open government and transparency." Van de Kamp enlisted Robert Tern, co-founder and president of the L.A.-based Center for Governmental Studies and Cynthia Kurtz, former Pasadena City Manager, to assist in the review. Their final recommendations will be delivered to the city council and CAP this month.
- *City recently adopted some reforms:* A May 26, LA Daily News article reported that the City of Vernon has adopted numerous reforms which include: reducing council salaries from \$70,000 to \$25,000, capping the salaries of department heads at \$267,000, establishing a commission to oversee city-owned housing, and placing an amendment on the city ballot to establish council term limits at two five-year terms. http://www.dailynews.com/ci_18144018?IADID=Search-www.dailynews.com-www.dailynews.com
- *City could request intensive review and best practice recommendations from a League City Manager Department Assistance Team.* Under this program, a team of experience city managers and assistant city managers could evaluate the situation in Vernon and make objective recommendations on how to improve the city's governance and transparency. This process would take three-four months and the legislation could be held as a two-year bill pending the outcome of that process and the city's subsequent actions.
- *Let's not forget the politics.* The author, the Assembly Speaker, is extremely motivated on this issue. He has worked to gather 94 co-authors for this bill out of a

total of 119 current legislators. He recently thanked the League's officers for not taking a position on the bill to date, and said that he'd appreciate the League's support, but encouraged, at a minimum, the League's continued neutrality. The legislation recently passed the Assembly floor with a vote of 62-7, with 11 abstentions.

Staff Recommendation:

Discussion, with consideration of factors raised by League Board.

Fiscal Impact:

Immense importance to the affected city.

Existing League Policy:

The League's mission is to restore and protect local control. We strive to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. The vitality of cities is dependent up their stability and local autonomy. We believe that "local self-governance is the cornerstone of democracy."

The League has numerous policies speaking to ethics and transparency. The League believes that open decision-making of the highest ethical standards honors the public trust. Last year, the League formally condemned the identified misconduct in both the City of Bell and the City of Vernon.

In April, the League's policy committees reviewed and adopted additional principles to guide the League's positions on approximately 30 bills introduced this year responding to various issues raised in the City of Bell, covering transparency, governance, meeting and compensation issues. These principles were adopted by the board at its May meeting.

Support-Opposition: *(as of June 3, 2011)*

Support - There are 94 Assembly and Senate Co-Authors
Adult Day Health Care Association
Andy Molina, Council Member, City of Huntington Park
Antonio R. Villaraigosa, Mayor, City of Los Angeles
Ashley Swearengin, Mayor, City of Fresno
Central City Association
City of Huntington Park
City of Los Angeles
City of Maywood
Coalition for Clean Air
Communities for a Better Environment
Dennis P. Zine, Council Member, City of Los Angeles
Ed P. Reyes, Council Member, City of Los Angeles
Elba Guerrero, Council Member, City of Huntington Park
Kern County Board of Supervisors (if amended)
Latino Business Chamber of Greater Los Angeles
Los Angeles County Board of Supervisors

Los Angeles County Sheriff's Department
Miguel Pulido, Mayor, City of Santa Ana
Monica Garcia, Board President, Los Angeles Unified School District
Mujeres de la Tierra
Paul Koretz, Council Member, City of Los Angeles
T. Santora, President, Communication Workers of America- Local 9000
Tony Cardenas, Council Member, City of Los Angeles
William C. Velasquez Institute
Individual letters (3)

Opposition

Los Angeles Division, League of California Cities
California Contract Cities Association
California Labor Federation (Oppose Unless Amended)
California Teamsters Public Affairs Council
City of Vernon
Goldberg and Solovy Foods
Los Angeles County Business Federation
Los Angeles Area Chamber of Commerce
Teamsters Joint Council 42
United Transportation Union
Vernon Chamber of Commerce
Vernon Police Officers' Benefit Association

Scandal-plagued Vernon to hire prominent lawyers for ethics review

Hoping to avoid disincorporation, officials in the industrial city of Vernon are expected to hire John Van de Kamp, a former state attorney general, and Robert Stern, former general counsel for the California Fair Political Practices Commission.

February 09, 2011 | By Sam Allen, Los Angeles Times

The embattled city of Vernon said it will announce today that it is hiring two prominent outside attorneys to conduct an ethics review of its municipal government, which has come under fire from lawmakers who are pushing to have the town disincorporated.

The hiring of former state Atty. Gen. John Van de Kamp and Robert M. Stern, former general counsel of the California Fair Political Practices Commission, is the latest move by Vernon in its battle against legislation that would break up the industrial city south of downtown L.A. Vernon has been mired in several public corruption scandals in recent years, including the indictments of two city administrators and the conviction of the city's longtime mayor.

Vernon officials said Van de Kamp and Stern will be paid \$550 and \$450 an hour, respectively. The city is already spending significant sums on a team of lawyers and lobbyists working to defeat AB 46, a bill that would dissolve Vernon and make it a part of Los Angeles County. The Times reported last month that Vernon had spent over \$42 million on outside attorneys in the last five years, far more than many much larger cities in Southern California.

In an interview, Van de Kamp said he was aware of concerns about Vernon's government dating back to the 1970s, when he served as Los Angeles County district attorney. He said he took the job of independent ethics advisor based on the promise of officials that he would be allowed to produce a thorough and unbiased review.

"If they are interested in keeping their status as a chartered city, they need to run a city that's in the mainstream," he said. "As I look at it, my role is to call it as I see it. ... If we come up with negative things, we could feed the speaker's bill."

Van de Kamp also acknowledged the city has a reputation for a lack of openness. "There's no harm in trying to help them on a project like this and helping them get their act cleaned up if that's necessary," he said. "I think the idea here is to bring the city of Vernon into conformity with good government practices in California."

Vernon is also the subject of an ongoing investigation by the state attorney general into compensation paid to top officials, including onetime city administrator Eric T. Fresch, who made as much as \$1.65 million in 2008. The city has about 1,800 businesses but less than 100 residents — many of them family or friends of top city officials — and it has long been accused of being a fiefdom run by a small group of powerful individuals.

City Administrator Mark Whitworth said the agreement calls for the attorneys to complete a findings report in six months and a final report next year. He said the results will be made available to the public and any lawmakers who wish to see them.

Whitworth said that the review is not a response to any specific allegation and that it will be broad in scope. He said that some areas of focus are "ethics, conflict of interest, and open government issues" and that how the city retains consultants and authorizes expenses will be examined.

"This will put issues of transparency and accountability to rest," he said.

But critics of the city see it differently and expressed skepticism Tuesday about Vernon's motives in launching the review. The author of the disincorporation bill, Assembly Speaker John Pérez, questioned how sincere Vernon officials are about being open to change, pointing out that the city is announcing the hiring of Van de Kamp and Stern two months after he introduced his bill.

"While I appreciate the engagement of the former attorney general, AB 46 is the only vehicle that will end the corruption and abuse of power in Vernon, and I will continue to move the bill forward through the legislative process," said Pérez, a Democrat who represents Vernon's district.

In August of last year, Vernon announced an internal review after The Times inquired about city administrator Donal O'Callaghan's wife's work as a Vernon contractor. Whitworth tapped then-City Atty. Laurence Wiener to lead the review and touted him as a key part of the city's effort to "move forward and eliminate some practices of the past." But Wiener abruptly resigned weeks later, before the results of the review were made public. Neither he nor Whitworth has commented on the reasons for the departure.

Shortly after that, O'Callaghan resigned under pressure and was indicted on conflict of interest charges. The indictment marked the third corruption scandal in Vernon since 2006, when the city's mayor was charged with voter fraud and its city administrator was charged with misappropriation of public funds.

Van de Kamp, a well-known state official who ran for governor in 1990, is the former president of the California Bar Assn. and currently practices law at Dewey & Leboeuf.

He has previously monitored several organizations, including the Getty Trust and the Los Angeles Police Department's Rampart Division, under the cloud of controversy. He said his discussions with Vernon began in December, when he was approached by the law firm Latham & Watkins, which is helping to coordinate Vernon's effort against AB 46.

He said he would meet with Vernon officials next week after his contract is officially approved by the City Council. He plans to extensively review the city's policies and procedures and to "see if they are real and how they're being managed."

Vernon officials have strongly opposed disincorporation, arguing that it is unconstitutional and that it would threaten the city's businesses and lead to job losses.

"If you close the doors on the opportunities here, businesses are going to move out of the state or shut down altogether," Whitworth said. "We need to resolve this, and we need to move forward. If there are real issues, let's address them. That's why we're bringing in Mr. Van de Kamp."

At a separate hearing Tuesday, a Los Angeles city planning committee voted to ask the City Council to consider supporting AB 46 and to discuss the possibility of attempting to annex Vernon if the bill passes.

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Times staff writer Hector Becerra contributed to this report.

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HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT
Legislative Agenda
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1. AB 710 (Skinner) – Local planning: infill and transit-oriented development

Bill Summary:

For new developments in transit-intensive areas, prohibits a city or county from requiring a minimum parking standard greater than the following:

- one parking space per 1,000 sq. ft. of nonresidential improvements
- one parking space per unit of residential improvements.

Allows a jurisdiction to require higher minimum parking standards if it makes findings based on substantial evidence, including a parking utilization study, which shows the parking spaces in the area have a peak occupancy that exceeds 85 percent at any point during the study period.

Provides the following general exemptions to the bill:

- The proposed project and immediately adjoining properties are restricted to development or redevelopment at a floor area ratio of below 0.75;
- The proposed project is located on a parcel or parcels on which dwelling units whose rents are restricted by recorded covenant or ordinance to levels affordable to persons and families of low or moderate income will be destroyed or removed, unless the project will provide an equal number of affordable units at the same or lower income levels with deed restrictions that will keep them affordable for at least 55 years in the case of rental units, or with equity sharing agreements in the case of ownership units; or
- The proposed project is located in whole or in part on a parcel where the owner withdrew residential rental units from rental or lease, or offering for rental or lease, pursuant to the Ellis Act within five years of application for development of the project.

Defines “transit intensive area” as within one-half mile of a major transit stop or high-quality transit corridor included in a regional transportation plan. Current law defines a “major transit stop” as a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. This bill expands the definition to include a major transit stops included in a Regional Transportation Plan (RTP).

Modifies the definition of “sustainable communities” for purposes of the Strategic Growth Council those communities that incentivize infill development.

Makes findings and declarations on the cost of parking and the impact of increased availability of transit on the need for parking. The findings also state that excessive governmental parking requirements reduce the viability of transit.

Background:

Current law defines a “major transit stop” as a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak

commute periods. This bill expands the definition to include a major transit stops included in a Regional Transportation Plan (RTP).

Staff requested comments from city Community Development Directors, who (as a group) provided mixed reviews of such a law. Several stated that they supported the intent, but it needed some refining.

Several concerns were also raised, including the following bullets below. Staff has made note of possible ways to address some of the issues raised should this become law. These staff comments are not meant to disagree with the Development Directors, only to expand the discussion.

- *Creates problems around the Ferry Terminal that is already significantly short parking.* Reducing parking requirements for any of the uses in the area would only exacerbate the situation. However, staff would note that if parking is already short, the city could require the developer to perform a parking study, and increase the parking ratio based on that study.
- *Will create frustration for the public.* Several Directors cited concerns about the legislation backfiring and resulting in less public support for denser projects. In many communities these projects a politically difficult to begin with and need to be carefully nurtured already.
- *Coastal Communities.* Coastal communities are required to provide coastal access, which includes adequate road systems for vehicles and parking. In coastal communities that have a major transit stop near the beach, both beach users and commercial users would be competing for the same parking spaces.
- *Transit cuts.* Considering the recent cuts in transit operating budgets, many buses operate only every 30 or 60 minutes. It is very possible that someone will be located in a transit intensive area identified in a RTP, but not actually have regular access to transit.
- *Availability of all services should be included.* Transit corridors designated in the RTP are not all of the same quality in terms of a transit rider's actual ability to run errands and obtain all necessities to like by using existing transit. Transit stops and transit corridors where this legislation is applied should be those locations where existing conditions support obtaining life necessities, commuting to work, and going shopping and out for entertainment.
- *Will disproportionately affect under-served populations.* Residents local farther away and outside of areas served by transit will still need to use automobiles. Residents commuting in from areas with no, or poor, transit service would have no option but to pay higher costs associated with commuting to work and obtaining life necessities.

Staff Recommendation:

Discuss whether the League should or should not recommend a position to the Board, and what that position should be.

Some of the issues the committee may want to discuss are:

- Requesting amendments that would base residential parking on the type of unit. As an example, Lafayette requires (for multifamily projects) 1 space for a one-bedroom unit, 1.2 spaces for a two-bedroom unit, and 1.5 spaces for a unit with three or more bedrooms.
- Remove language in Finding and Declarations that state that allowing builders to decide how much parking is needed will address parking issues.
- Requesting an amendment that would address the coastal access issue cited in background above.
- Tie the requirements of the bill to different conditions, such as access to amenities, or frequency of bus routes.
- Limit the areas impacted to “major transit stop” as defined in current law (no expansion).

Committee Recommendation:

Fiscal Impact:

Negligible to major costs, depending on individual needs and requirements of cities.

Existing League Policy:

General Plans. The League supports the use of the general plan as a guide to meeting community planning needs.

Zoning. The League believes local zoning is a primary function of cities and is an essential component of home rule....State policy should leave local siting and use decisions to the city and not interfere with local prerogative beyond providing a constitutionally valid procedure for adopting local regulations.

Comments:

Thoughts on purpose. Several legislative analyses state that this bill was introduced to address one of the many impediments to achieving the goals of SB 375. The Findings and Declarations as well as the sponsors state that the purpose is to lower development costs. The committee may want to consider if the bill is actually address both issues and if there are refinements that can be made that would better meet these goals.

Who pays for the study? According to committee staff, current law allows a jurisdiction to require a developer to pay the cost of preparing the study.

Result in decreased housing costs. In the findings and declarations, the author states that allowing builders and the market to decide how much parking is needed will result in sufficient amounts of parking at all times, significantly reduced development costs (and therefore decreased housing costs), and increased density.

Does not limit the number of parking spaces. Nothing precludes a jurisdiction from allowing additional parking in a transit-intensive area if the developer and the jurisdiction agree additional parking makes sense.

Developers the right party to decide the needs of a city? The Findings and Declarations state that developers and the market are the correct drivers to decide what parking is needed. However, developers do not design communities, cities do. In addition, developers readily admit that parking is one of the cost drivers for a development. Should critical access decisions be driven purely by fiscal issues?

Support-Opposition:

Support: (as of May 4, 2011)

CA Infill Builders Association (sponsor)

A.G. Spanos Companies

City of San Bernardino

Civic Enterprise Development LLC

Codding Enterprises

Creative Housing Associates

Domus Development

JMA Ventures, LLC

Natural Resources Defense Council

Non-Profit Housing Association of Northern CA

Policy in Motion

San Francisco Planning and Urban Research Association
TMG Partners
Township Nine at the River District
Transform

Opposition: *(as of May 4, 2011)*

City of Concord
City of Encinitas
City of Lakewood
City of Moreno Valley

2. AB 752 (Brownley) – Sea level rise action plans

Bill Summary:

AB 752 requires all local trustees of granted public trust lands to prepare a sea level action plan assessing the impact of sea-level rise on granted lands. Specifically, the bill:

- 1) Requires a trustee of granted public trust lands to make sea-level rise planning a management priority and prepare a sea-level action plan (Plan) by July 1, 2013, if its gross public trust revenues exceed \$250,000.
- 2) Requires the Plan to include: a) an assessment of the impact of sea-level rise on granted public trust lands; b) maps showing the areas that may be affected by sea-level rise in the years 2050 and 2100; c) an estimate of the financial cost of the impact of sea-level rise on granted public trust lands; d) strategies to prevent or mitigate damage to existing development and infrastructure, and to protect and enhance undeveloped, vulnerable shoreline areas containing critical habitat and opportunities for habitat creation; e) design standards that would avoid or mitigate impacts to new development and infrastructure; and, f) implementation measures and timetables.
- 3) Requires State Lands Commission to exempt a trustee of granted public trust lands from preparing a Plan, or allow a trustee to submit a modified Plan, if the trustee's lands are not subject to sea level rise or if the cost to provide the Plan substantially outweighs the benefit the Plan would have in preventing the harms associated with sea level rise.
- 4) Requires State Lands Commission to exempt a local trustee of granted public trust lands from preparing a Plan, or grant a deadline extension, if the revenues derived from its granted public trust lands or funding made available from third party sources are not sufficient to pay for the cost of developing the plan.

Background:

According to the author's office, sea level rise is an issue that has far reaching consequences for public trust lands held by local trustees. Sea level rise threatens coastal communities and infrastructure, including transportation facilities, electric utility systems and power plants, storm water systems and wastewater treatment plants and outfalls, vast areas of wetlands, and many other systems.

The purpose of this bill, according to the bill sponsor, State Controller's Office, is to ensure that a local trustee takes reasonable steps to protect granted public trust lands from sea level rise. The local trustee is in the best position to conduct this planning because it has the administrative control over its granted trust land and, in most cases, generates revenues off the land, which must be used for purposes such as managing and preserving the trust assets.

Staff Recommendation: Discussion and potential position on the bill.

Fiscal Impact: Cost pressure, potentially in the millions of dollars to the State Ocean Protection Council, to make grants to local trustees of public lands to complete Plans.

Existing League Policy:

- The League recognizes that climate change is both immediate and long term, with the potential for profound environmental, social and economic impacts to the planet and to California.
- The League encourages local governments to complete an inventory of greenhouse gas emissions, set appropriate reduction targets, and create greenhouse gas emission reduction action plans.
- Coordinated Planning for Regional Impacts. The League supports coordinated planning with neighboring cities, counties, and other governmental entities so that there are agreed upon regional strategies and policies for dealing with the regional impacts of growth on transportation, housing, schools, air, water, wastewater, solid waste, natural resources, agricultural lands and open space.
- The League opposes legislation that would permit the state to impose conditions on Local Coastal Plans developed by cities and counties.

Comments:

- *Who Else is Looking At Sea-Level Rise?* In 2008, then Governor Schwarzenegger signed Executive Order S-13-08 directing state agencies to look at climate change adaptation, and in that context consider a range of sea-level rise scenarios for the years 2050 and 2100 in order to assess project vulnerability and reduce expected risks, and increase resiliency to sea-level rise. In 2009, the State Lands Commission released the *Report on Sea Level Rise Preparedness*, which includes a survey of local trustees and existing sea-level rise planning efforts.

Under the guidance of the Ocean Protection Council, last October, the Coastal and Ocean Working Group of the California Climate Action Team (CO-CAT), a group of 16 state agencies, developed a Sea-Level Rise Interim Guidance Document available as guidance for incorporating sea-level rise projections into planning and decision making projects in California. It is intended that this document will be updated annually for the next three years. In addition to this document, the National Academies of Sciences is also expected to release the findings of their expert panel on sea-level rise in 2012.

The Ocean Protection Commission recently passed a resolution encouraging state agencies and non-state agencies to implement guidance based on the work of the CO-CAT.

- *San Francisco Bay Conservation and Development Commission.* In addition to state agencies already looking at sea-level rise, the San Francisco Bay Conservation and Development Commission is currently considering amendments to the San Francisco Bay

Plan to address sea-level rise.

- *Who Pays For the Required Plans?* Under the current language of the bill, only public trustees that take in more than \$250,000 in gross public trust revenues is required to prepare a Plan. In addition, the bill exempts local trustees of granted public trust lands if the revenues derived from its granted public trust lands and assets available to it from other sources are not sufficient to pay for the cost of developing the plan. It is expected the much of the funding for these plans will come from either public trust revenues or from other state funds. *CSAC and Delta Counties have noted in their opposition letter to AB 752 that even with the bill's exemption for trustees where there is not sufficient funding, that they remain concerned about the State Lands Commission's ability to determine if a local entity has the fiscal wherewithal to develop a plan. They also note that while they support the concept of planning for sea-level rise, further burdening local agencies with unfunded planning requirements cannot be justified at this time.*
- *Too Many Plans?* Under this bill some coastal communities will be required to do Plans. In addition to local plans, there are regional plans for sea-level rise (BCDC) and multiple layers of state and federal guidance. What would happen if a trustee did a plan, submitted it and had it approved by State Lands Commission and then had different guidance given to them by another state agency or entity?

Support/Opposition:

Support

John Chiang, State Controller
California Coastkeeper Alliance
Endangered Habitats League
San Francisco Baykeeper
Save the Bay
State Lands Commission

Opposition

American Council of Engineering Companies of California
Automotive Aftermarket Industry Association
California Automotive Wholesalers' Association
California Chamber of Commerce
California Business Properties Association
California League of Food Processers
California Manufacturing & Technology Association
California State Association of Counties
Delta Counties Coalition
Western States Petroleum Association