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Assembly Bill that Re-Establishes RDA Tool for Disadvantaged Communities Clears Key Legislative Hurdle

AB 2 Passes Assembly, Moves to Senate

The Assembly on Monday passed [AB 2 \(Alejo and Garcia\)](#) on a 63-13 vote. This League-supported legislation would create a new tool for economic development and affordable housing for California's poorest and disadvantaged communities. Its passage on the Assembly Floor by a significant margin reflects legislative realization that California's most struggling communities need additional tools that can spur much-needed revitalization. *For more, see Page 2.*



San Bernardino Can Now Make Payments to CalPERS

Bankruptcy Judge Rejects Challenge to Stop City from Making Pension Payments

The city of San Bernardino on Thursday is expected to present its bankruptcy exit plan to the San Bernardino City Council. This action will come on the heels of U.S. Bankruptcy Judge Meredith Jury dismissal of a lawsuit that sought to block the city from making its full pension payments to CalPERS. May 30 is the deadline for the city to file its plan with Judge Jury. *For more, see Page 2.*



League-Sponsored Legislation Moving to Improve Financial Reporting Process for Local Governments

The Assembly Local Government Committee on Wednesday afternoon unanimously approved legislation that would improve the accuracy of local data by adjusting the reporting deadlines for local agencies. *For more, see Page 2.*

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The League thanks Assembly Members Luis Alejo (D-Salinas), Eduardo Garcia (D-Coachella) and other legislators who have helped champion and support this important legislation. A video link to the Assembly Floor discussion on AB 2 is available [online](#).

Assembly Member Luis Alejo (D-Salinas), the bill's first author, has worked on earlier versions of this legislation in the previous two legislative sessions. Last year AB 2280 (Alejo) went to Gov. Jerry Brown's desk; while the Governor vetoed it, he communicated he would support the policy if it was redrafted outside the former redevelopment law. AB 2 has been redrafted to accomplish that request.

AB 2 would authorize the creation of a Community Revitalization Investment Authority (CRIA) at the local level. This agency would be empowered to invest the property tax increment of consenting local agencies (other than schools) and use other available funding to improve conditions leading to increased employment opportunities, including reducing high crime rates, repairing deteriorated and inadequate infrastructure, and developing affordable housing.

Its powers and responsibilities would mirror those of former redevelopment agencies, but have been tightened in several ways including adding rigorous accountability criteria and increasing the traditional affordable housing set-aside to 25 percent.

Many California communities continue to rebound after the effects of the last recession. However, not all do, especially the state's most challenged areas. It is these communities that need more options that provide investments to address aging infrastructure, lack of affordable housing and remediate environmental conditions. AB 2 embodies the core of what led to redevelopment — a tool to assist poor areas and dilapidated urban cores that will not be improved without such a policy.

Next Steps

AB 2 is in the Senate Rules Committee where it will be assigned to its first Senate legislative policy committee hearing. The League will provide notice on upcoming hearings as soon as information becomes available.

The bill's language, the League's support letters as well as a sample support letter for cities to use are all available on the [League's website](#).

'CalPERS' Continued from Page 1...

A May 12 [Sacramento Bee](#) article included the following statement from the pension agency: "The judge in this case has ruled appropriately," said the California Public Employees' Retirement System in a prepared statement. "Now the city can turn its attention to the more pressing matter of completing its plan of adjustment for exiting bankruptcy."

The city of San Bernardino [filed for federal bankruptcy protection](#) in 2012. The fall 2014 announcement by the city that it would make its full payments to CalPERS sparked litigation by two creditors — Ambac Assurance Corp. and EEPK, a bank based in Luxembourg — which the city owes a total of \$59 million. The creditors charged that the city's debt to bondholders should be treated the same as its debt to CalPERS. That argument was rejected in a similar action in the Stockton bankruptcy case. Federal Bankruptcy Judge Christopher Klein ruled in October 2014 that Stockton could make full payments to CalPERS.

'AB 341' Continued from Page 1...

Sponsored by the League, [AB 341](#) by Assembly Member Katcho Achadjian (R-San Luis Obispo) reduces local administrative burdens while ensuring the public has access to improved information by adjusting timelines to allow local agencies to complete applicable audits of financial data and provide compensation information in a timelier manner.

The measure is the result of several months of stakeholder meetings involving representatives of local governments, and the offices of Assembly Member Achadjian and Controller Betty Yee.

Problems are created for local agencies when the statutory timelines to submit annual financial transaction reports do not allow agencies sufficient time to complete audits on the data, creating the need to correct information later. The bill resolves this issue by adjusting the timelines so that local audits can be completed before data submittal.

The bill also improves the timing for submission of employee compensation data. While the publishing of compensation data by the Controller's Office has been a great contribution for public transparency, challenges were created when agencies had to submit data for the prior calendar year in October, causing information to be out of date. The bill addresses this problem by requiring this information to be submitted annually by April 30 shortly after employee W-2 information is released.

Next Steps

AB 341 will next be heard on the Assembly Floor prior to moving to the Senate. Cities are encouraged to send in letters of support. A sample letter, along with the League's support letter, is available on the [League's website](#).

Assembly Local Government Committee Votes to Remove Local Authority to Regulate People Living in Vehicles

AB 718 (Chu) Passes 7-1 and Moves to Assembly Floor

With a vast majority of legislators having a background in local government, current city officials watch to see how that local government experience bears on legislators decisions in the Capitol. Often that background is on the forefront of the minds of legislators but sometimes they take action without fully analyzing the affect state policies have at the local level. The passage today of AB 718 (Chu) by the Assembly Local Government Committee is an example of well-intended legislation that is passed before there is sufficient review of local impacts.

Before the vote, the Assembly Local Government Committee added amendments to ensure the bill applies to charter cities and to prohibit the impounding of affected vehicles.

The Assembly Local Government Committee voted 7-1 with one abstention. The votes are as follows:

- Assembly Member Marie Waldron (R-Escondido), No
- Assembly Member Luis Alejo (D-Watsonville), Abstention
- Assembly Member Brian Maienschein (R-San Diego), Aye
- Assembly Member Lorena Gonzalez (D-San Diego), Aye
- Assembly Member David Chiu (D-San Francisco), Aye
- Assembly Member Ken Cooley (D-Rancho Cordova), Aye
- Assembly Member Chris Holden (D-Pasadena), Aye
- Assembly Member Richard Gordon (D-Menlo Park), Aye
- Assembly Member Eric Linder (R-Corona), Aye

The League is part of a coalition opposing the measure that includes the American Planning Association, California Chapter, California Business Properties Association, International Council of Shopping Centers, the California Law Enforcement Association of Records Supervisors and the California Police Chiefs Association, California Association of Code Enforcement Officers and California College and University Police Chiefs Association.

Sponsored by housing advocates and other groups, AB 718, would prohibit local agencies from enforcing laws and ordinances, or otherwise subject to civil or criminal penalties, the act of people sleeping or resting in a lawfully parked motor vehicle.

AB 718 is not a measure that balances the needs of all members of the community and legislators should reject this measure. It is simply not appropriate for the Legislature to attempt to remove local

government authority to appropriately protect the public health, safety and welfare of their residents from issues that arise when people live outside of campgrounds in cars and trucks parked on public and private property. These are not easy issues to deal with, but they cannot responsibly be ignored.

Yesterday's *Los Angeles Times* editorial, [Homeless and living in a car: What rules should L.A. apply?](#), outlines the challenges the city of Los Angeles faces in crafting policy that responds to this in an appropriate manner.

City officials hope that legislators, especially those sitting on Local Government Committees, would be careful with legislation that preempts local authority. The League and many other organizations and stakeholders believe that state officials can be most helpful by providing funding for affordable housing and emergency shelters.

There are several major pending measures that can help restore funds for affordable housing and the May Revise is expected to yield additional state revenue. Rather than take actions to remove local authority, the League encourages legislators to support additional funding for affordable housing and homeless solutions.

City officials should take action to oppose this legislation and inform your legislators of the problems created when local government authority is removed. The League's opposition and a sample oppose letter are available on the [League's website](#).

2016 Planning Commissioners Academy Call for Proposals

Do you want to help build the 2016 Planning Commissioners Academy program? Do you have an idea for a new session that will inspire and motivate attendees? Maybe you know of a colleague that would be an excellent speaker?

The League of CA Cities is continuing the search for speakers and session topics for the 2016 Planning Commissioners Academy to be held March 2-4 in San Ramon.

Submissions from any individual, group, business or organization on any topic are welcome. The Program Planning Advisory Committee will consider the educational value of each proposal and the extent to which it presents new and/or significant information.

Submit fully completed ideas, non-commercial in nature through the [online](#) proposal form by Wednesday, July 15 will be considered by the committee.