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Senate Attempts to Move RDA Trailer Bill, AB 113, Monday
League Remains Opposed Due to Provisions Harmful to Cities

The Senate on Thursday waived rules to enable [AB 113 \(Committee on Budget\)](#) to be heard Monday in the Senate Budget Committee. Despite the fact that Gov. Jerry Brown signed the FY 2015-16 budget several weeks ago, disputes have lingered over a 100-page bill drafted by the Department of Finance (DOF) that contains significant revisions to the redevelopment dissolution process, some of which seek to reverse recent court decisions benefitting affected cities. There may also be an attempt to move it quickly off the Senate Floor on the same day. *For more, see Page 2.*



Bills in Committee: July 13-17

The last full week of policy committees will commence next week, with the Legislature adjourning for summer break on July 17. Both houses return on Aug. 17 for the final weeks of the 2015 legislative session that ends on Sept. 11. The League will continue to be engaged on several more bills, with many of them flagged as Hot, during the week of July 13-17. Cities are encouraged to weigh in on these bills. *For more, see Page 3.*



**Unrealistic Housing Parking Measure, AB 744, Passes Senate
Transportation and Housing Committee**

*League Opposition Compels Amendments as Bill Moves
to Senate Governance and Finance for Hearing on July 15*

“One-size-doesn’t fit all” is the often-heard refrain from local officials reflecting the diversity of circumstances throughout 482 cities. However, AB 744, a measure that attempts to apply unrealistically-low housing parking criteria under state Density Bonus (DB) Law that may barely work for the few, let alone the many, is getting closer to Gov. Jerry Brown’s desk. The Senate Transportation and Housing Committee passed the measure on July 7 and it will next be heard by the Senate Governance and Finance Committee on Wednesday, July 15. *For more, see Page 4.*

Because of the many League member cities that would be harmfully impacted by AB 113 in its current form, the League remains opposed unless the harmful provisions are removed. Since January, cities' main concern with the proposal has been its effort to reverse and revise key provisions of dissolution laws offered to local agencies as incentives for resolving DOF issues and obtaining a "finding of completion."

These were promises that were made to cities in AB 1484 of 2012. Agencies that settled with DOF would be rewarded with the ability to have previous city-RDA loans repaid at interest rates benchmarked against a conservative fund managed by the State Treasurer. Now that many agencies have made the concessions to DOF necessary to obtain these findings, it is frustrating for affected agencies to have to spend the last six months combating an effort to move the goal posts.

AB 113 contains many provisions, but it is important to not be distracted from the major issues. The dissolution statute gave DOF staff wide latitude with no process for oversight or review other than the courts. With the original proposal's introduction in January, one of DOF's key objective focuses on undoing court decisions that have interpreted existing law in three areas — re-entered agreements, definition of "loans," and calculation of interest rates. In these three instances the courts have overruled DOF's interpretations to the benefit of the affected local agencies.

While the effort to reverse appellate court decisions affecting re-entered agreements was thankfully withdrawn by DOF in the May Revise, AB 113 continues to attempt to moot the effect of two other cases: *City of Watsonville v. California Department of Finance* (relating to the definition of loans) and *City of Glendale v. California Department of Finance* (relating to calculation of interest). If local agencies are expected to respect court decisions that have gone against them, then cities believe DOF should as well.

Beyond the efforts to reverse Court decisions, this measure contains several provisions that would tip the balance on matters of interpretation of dissolution laws even further by exempting DOF from the Administrative Procedures Act and eliminating language in the law (*that was previously agreed to by DOF and the Legislature in 2012*) that enabled successor agencies to fund legal representation in the only due process forum where DOF staff decisions could be reviewed: Sacramento County Superior Court.

So while efforts to reverse aspects of AB 1484 and related court decisions can be purported by DOF to be "streamlining," negatively affected cities characterize them as "unfair and harmful." Many individual cities have directly reported to their legislators that such a change in law would collectively cost them hundreds of millions in lost loan repayments.

The heart of the dispute is that AB 113's definition of loan does not reflect the Court's view in *Watsonville* and is an effort to insert into the law a DOF-interpretation the Court said was "improper." The League has proposed a definition of "loans" to reflect the Court's holding, but it has been rejected. While there are other debates about interest rates in the measure, if statutes are allowed to be rewritten in a manner that eliminates valid loans from the possibility of repayment, it does not matter what the interest rate is.

As to the balance of the bill, there are essentially three categories of changes in the measure:

1. Adjustments to various processes that can be represented as true "streamlining."
2. Provisions that address several outstanding dissolution-related issues of benefit to specific agencies, most significantly: San Francisco affordable housing, issuers of 2011 bonds, and clarifications on special levies for pensions.
3. Provisions that have nothing to do with redevelopment dissolution but were added into this proposal at the May Revise. These provisions (negative bailout, San Benito County, Santa Clara city tax equity and a fix to assist recent incorporations) all have individual merit and should proceed separately as did an "excess ERAF" fix that was originally inserted into this proposal then later removed and enacted with the budget.

It is regrettable that the current version of the measure remains so divisive. If the major areas of dispute cannot be appropriately resolved in a manner that accurately reflects the applicable court

decisions, then the cities harmed by this measure are simply asking for existing law to be left as it is and allow the Courts to continue their work of interpreting the law without interference.

Next Steps

The League encourages cities harmed by this measure to contact their senators. If the Senate passes AB 113, it awaits an uncertain fate in the Assembly where the Assembly Democratic Caucus has formed a working group to look closer at the measure's harmful impacts. The Assembly does not appear inclined to take action on AB 113 prior to the month-long legislative summer recess that begins on Friday, July 17.

A copy of the League's opposition letter and a sample oppose letter can be found on the [League's website](#).

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

The policy committee deadline next Friday marks the beginning of the end stretch of the legislative year. Once the Legislature returns, cities will need to remain vigilant as we enter the time period of increased gut and amends and final negotiations. In addition, the Legislature will be working on the extraordinary session on transportation. The League will be releasing an updated Hot Bills list and sending out updates as frequently as is necessary over the summer break.

To access any bill on this list, the League's position letter and sample letters, please go to www.cacities.org/billsearch and plug in the bill number into the search box.

[A full listing](#) of Senate and Assembly hearings is available online. Hearing times are subject to change. Bill language and any available position letters on legislation can be found through the bill search function on the [League's website](#).

Monday, July 13

Senate Appropriations, 10 a.m., State Capitol, Room 4203

- **HOT AB 36 (Campos) Local government: federal surplus property.** *League position: Oppose.*
- **AB 74 (Calderon) Care facilities: regulatory visits.** *League position: Support.*
- **AB 90 (Chau) Federal Housing Trust Fund.** *League position: Support.*
- **AB 428 (Nazarian) Income taxes: credit: seismic retrofits.** *League position: Support.*
- **AB 870 (Cooley) Homelessness: rapid rehousing.** *League position: Support.*
- **AB 1056 (Atkins) Second Chance Program.** *League position: Support.*

Senate Budget and Fiscal Review, 11 a.m., State Capitol, Room 112

- **HOT AB 113 (Committee on Budget) Local government.** *League position: Oppose.*

Assembly Revenue and Taxation, 1:30 p.m., State Capitol, Room 126

- **HOT ACA 4 (Frazier) Local government transportation projects: special taxes: voter approval.** *League position: Support.*
- **HOT SB 321 (Beall) Motor vehicle fuel taxes: rates: adjustments.** *League position: Support.*
- **SB 533 (Pan) Cities and counties: sales and use tax agreements.** *League position: Support.*

Tuesday, July 14

Senate Governmental Organization, 9:30 a.m., State Capitol, Room 4203

- **AB 22 (Rodriguez) Office of Emergency Services: oil-by-rail spills: firefighters.** *League position: Support.*

Senate Natural Resources and Water, 9:30 a.m., State Capitol, Room 112

- **AB 988 (Stone, Mark) Outdoor Environmental Education and Recreation Grants Program.** *League position: Support.*

Senate Judiciary, 1:30 p.m., State Capitol, Room 112

- **AB 552 (O'Donnell) Public works contracts: damages.** *League position: Oppose.*

Assembly Health, 1:30 p.m., State Capitol, Room 4202

- **SB 643 (McGuire) Medical Marijuana.** *League position: Support if Amended.*

Senate Transportation and Housing, 1:30 p.m., State Capitol, Room 4203

- **HOT AB 2 (Alejo) Community revitalization authority.** *League position: Support.*
- **HOT AB 35 (Chiu) Income taxes: credits: low-income housing: allocation increase.** *League position: Support.*
- **AB 313 (Atkins) Enhanced infrastructure financing districts.** *League position: Support.*

Wednesday, July 15

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

- **AB 57 (Quirk) Telecommunications: Wireless telecommunication facilities.** *League position: Oppose.*
- **HOT AB 266 (Bonta) Medical Cannabis.** *League position: Support.*
- **HOT AB 744 (Chau) Planning and Zoning: density bonuses.** *League position: Oppose.*
- **AB 1157 (Nazarian) Property Taxation: certificated aircraft assessment.** *League position: Support.*

Assembly Local Government, 1:30 p.m., State Capitol, Room 447

- **HOT SB 25 (Roth) Local government finance: property tax revenue allocation: vehicle license fee adjustments.** *League position: Support.*
- **HOT SB 239 (Hertzberg) Local services: contracts: fire protection services.** *League position: Oppose.*
- **SB 272 (Hertzberg) The California Public Records Act: local agencies: inventory.** *League position: Oppose Unless Amended.*
- **SB 485 (Hernandez) County of Los Angeles: sanitation districts.** *League position: Support.*
- **HOT SB 493 (Canella) Elections in cities: by or from districts.** *League position: Support.*

Senate Health Committee, 1:30 p.m., Room 4203

- **HOT AB 266 (Bonta) Medical Cannabis.** *League position: Support.*

'AB 744' Continued from Page 1...

Progress was at least made when the author and infill-developer sponsors had to accept amendments to alter the bill's previous language that allowed developers to avoid complying with any minimum local parking criteria if they were building one of three types of affordable projects. Even with pending amendments, the League argued that such criteria remains too low and will result in parking spillover. Cities should judge this proposed statewide parking criteria for themselves:

- 100 percent affordable multi-bedroom housing near transit (0.5 parking spaces per unit);
- Senior housing *not near transit* (0.5 parking spaces per unit, no guest or service parking); and
- Special needs housing *not near transit* (0.3 spaces per unit, no guest or service parking).

Under a separate provision under DB Law, AB 744 would establish a maximum of 0.5 spaces per bedroom for market-rate projects near transit that have as little as 5 percent affordable housing.

There are two tiers of arguments advanced by the author and sponsor for this measure:

- **Parking Requirements Often Exceed Demand:** Cities are requiring too much parking, resulting in developers having to build spaces that are never occupied. Demographics are changing consumer preferences and certain groups either cannot afford cars or opt to go without, and parking costs \$25,000-\$35,000 per space and increase development costs.
- **People Should be Paying the True Cost of Parking:** Even if less parking than needed is provided, residents will adjust by either getting rid of their cars and using different transportation modes, or paying a market price for nearby parking.

The League has been AB 744's leading opponent since its introduction in February, basically making the following arguments:

- **Parking Needs to Match Reality.** Developments should be required to have sufficient parking to match the realistic needs of their occupants; otherwise spillover will occur to neighboring properties and residential neighborhoods.
- **Security, Flexibility and Choice Remain Important:** While nearby transit may reduce some automotive use, most transit systems are inadequate and additional safety, flexibility and employment concerns will cause people to hold onto their cars.
- **Forcing Those With Fewer Options to Get Rid of Cars?** Policies that attempt to compel seniors, those with special needs and affordable housing residents to give up their cars raise broader equity issues because the affluent will always retain their options.
- **Careful What is Wished For.** If the state gets this wrong and inappropriately handcuffs local agencies in their ability to ensure new development is balanced and appropriately planned, then community opposition to such projects will only increase and work against broader state policy objectives which seek to encourage infill and greater densities. Don't forget, local residents can also resort to the ballot box.

One provision of AB 744 would allow local governments to commission an area-wide or jurisdiction-wide parking study, and based upon that study impose a higher parking requirement on these projects. While such language at least provides options, many local agencies may feel compelled to hire consultants immediately to complete these costly studies rather than face development projects with insufficient parking levels.

Next Steps

AB 744 will next be heard on Wednesday, July 15 in the Senate Governance and Finance Committee. The League encourages cities to review the legislation immediately and weigh in with concerns. To date, only a handful of cities have communicated their opposition. The League's letter and a sample letter that cities can use to tailor to their own communities are available on the League website at www.cacities.org/billsearch by typing AB 744 into the search box.

If AB 744 is passed by the Senate Governance and Finance Committee, the measure will then move to the Senate Appropriations Committee. Only a handful of cities have taken oppose positions on this measure. Since it could move to the Governor by late August, if a city has concerns, then it is time to weigh in with legislators.

Effective Financing of Community-Based Public Benefit Projects through CSCDA

Some of the most significant benefits of League membership for cities since 1988 have flowed from the League's co-sponsorship of the California Statewide Communities Development Authority (CSCDA). With 525 local government members, which include 337 cities, CSCDA is the premiere joint powers authority (JPA) in California providing access to low cost, tax-exempt financing and economic development tools. CSCDA is a resource for cities, their strategic partners and developers that are looking for an efficient financing tool to build infrastructure, provide affordable housing, create jobs, or help residential and commercial property owners finance clean energy.

CSCDA supports cities beyond its mission to provide a low cost vehicle for financing and managing bond issuance activities, especially for cities that find stand-alone financings too costly or lack the necessary resources or experience. This program also strengthens the League's

ability to provide other membership services to cities. As a CSCDA sponsor, the League receives royalty and administrative fees. These fees keep member cities' dues lower and stable. Without these revenues, along with those from U.S. Communities and CalTRUST, League dues in the last three years would have had to be an average of 48 percent higher to finance the same level of member services.

The governing board of CSCDA comprises current and former city and county administrators who understand and respect the needs of local governments. Some of the respected former city managers and finance professionals who serve as commissioners include Kevin O'Rourke (Fairfield), Irwin Bornstein (Mission Viejo), Brian Moura (San Carlos) and Dan Harrison (League).

Throughout its history CSCDA has provided unique and innovative programs and will continue to serve cities, strategic partners and developers under new leadership. Following an extensive year-long RFP and vetting process, Bridge Strategic Partners (Bridge) was selected to work with CSCDA's executive director, commissioners, CSAC and the League to continue the JPA's long tradition of meeting local needs. John Penkower and James Hamill, the principals at Bridge, have extensive experience and expertise in conduit financing and helped launch many of CSCDA's existing programs. This exceptional management team is equally committed to developing new tools and programs to meet future needs of communities throughout California.

The League is confident about CSCDA's management team and the benefits this invaluable program brings to the League and the well over 500 California local agencies that rely on its services. The League encourages cities and their partners to use CSCDA.

Please contact League Director of Administrative Services [Norman Coppinger](#) with any questions at (916) 658-8277.

California City Solutions: Elk Grove Creates Multicultural Event and Awareness in the Community

This story is part of an ongoing series featuring Helen Putnam Award entries. The 2014 entries are available on the League's website as a resource for cities in a searchable database called [California City Solutions](#). Elk Grove's Multicultural Awareness Program and Annual Festival was submitted in 2014 for the Economic Development through the Arts award category.

The city of Elk Grove is increasingly diverse with a mix of cultures and ethnicities. The Elk Grove City Council made it a priority to support and promote the community's social and cultural interests. A recently-formed Multicultural Committee helps accomplish this goal with a diversity awareness program and citywide Diversity Pledge, and an annual Multicultural Festival that attracts more than 7,000 and features ethnic entertainment, food, and exhibits representing the city's diverse community.

Incorporated in July 2000, the city of Elk Grove is Sacramento County's second largest city. Due in large part to the city's rapid growth between 2003 and 2005, the population is now just over 159,000 — more than double its total in 2000. According to the Census Bureau, Elk Grove in 2006 was designated the nation's fastest growing city.

The 2010 U.S. Census reports Elk Grove's racial makeup comprises 46.1 percent White, 18 percent Hispanic or Latino, 26.3 percent Asian, 11.2 percent Black or African American, 1.2 percent Native Hawaiian or Other Pacific Islander, 0.6 percent Native American and Alaska Native, and 7.9 percent from two or more races.

The Elk Grove City Council established a 10-member Multicultural Committee in September 2011 to foster Elk Grove's social and cultural interests and promote the city's rich cultural diversity.

The Multicultural Committee's objectives included:

- Developing and promoting a diversity awareness program that would encourage residents to show support for acceptance of all cultures. The committee wanted to reach more than 1,000 residents with the program in 2013.

- Planning an annual Elk Grove multicultural festival that would bring together the Elk Grove community in a unified appreciation of the city's rich cultural diversity. The success of the event was measured by the number of participants and vendors, sponsorship revenue and media coverage. In 2013, the committee aimed at attracting at least 5,000 participants (1,000 more participants than the inaugural Multicultural Festival in 2012), eight food vendors and ten performances, with a goal of raising \$15,000 in sponsorship revenue from the business community.
- Educating the community about Elk Grove's cultural diversity and providing guidance to the city council on issues impacting multicultural communities.

The Multicultural Committee immediately hit the ground running with the core of the program being a Diversity Pledge. This call to action encourages residents to show support for acceptance of all cultures. Community members can take the pledge online at www.ElkGroveDiversityPledge.org.

The website also features a Diversity Face Jumble, allowing visitors to upload a headshot photo that is then mixed with photos of other Elk Grove faces. The awareness program is promoted through multiple channels and platforms to ensure maximum visibility throughout the community. The program's starting budget was \$10,000 to develop and produce all materials, including the awareness program website.

The Multicultural Committee and city communications team planned and implemented all aspects of a multifaceted festival, including logistics, sponsorship outreach to the business community, entertainment recruitment and auditions, food vendor outreach and outreach to community nonprofits.

The festival was widely promoted, including local newspaper advertisements, the city's newsletter and website, a freeway readerboard billboard, 62 city buses and flyers that were sent home with more than 62,000 students in the Elk Grove Unified School District. In addition, the Elk Grove City Council and Multicultural Committee established Aug. 24-30 as Cultural Awareness Week to recognize the many cultures that make up Elk Grove's population.

More than 7,000 participants attended the second annual Multicultural Festival in August 2013, which was double the 2012 inaugural festival. The event featured a wide variety of ethnic foods, music, entertainment, fashion shows and activities for kids. The event also had more than 23 demonstrations from Hmong, Mexican, Indian, Serbian, Sikh, West African and Afro-Caribbean, Azteca, Filipino, Brazilian, Hawaiian, Vietnamese, and Punjabi performers, square dancers, a Chinese orchestra and martial artists.

The interactive activities for children included face painting and art projects that promoted diversity. Additionally, more than a dozen food vendors offered a variety of ethnic cuisines, with local artists showcasing cultural artwork, and at least 60 nonprofits, churches, local artists and community groups had booths to educate the community about their culture or organization. The event was sponsored by several prominent local businesses, resulting in more than \$22,000 sponsorship donations, which was \$5,000 more than the previous year. U.S. Representative Ami Bera and Assembly Member Richard Pan also joined the Elk Grove City Council and Multicultural Committee at the event.

The event benefited from extensive media coverage. Coverage included: multiple articles in the *Sacramento Bee* and *Elk Grove Citizen* and *Elk Grove Patch*, as well as a special section in the *Elk Grove Citizen* and additional articles in the *Glenbrook News*, *Elk Grove News*, and *Laguna Citizen*. The *Sacramento Bee's* coverage included a prominent, front page article with photos on the front page of the Our Region section in a Sunday edition — the most highly read edition of the week. Television news coverage included *Good Day Sacramento*, *KCRA*, and *Fox 40*. Print advertisements reached more than 900,000 viewers.

At the festival, more than 900 participants signed the city's Diversity Pledge poster. Hundreds had their photos taken in a photo booth, which were then included on the interactive face jumble on the Diversity Pledge website.

The Elk Grove diversity awareness program has achieved the following:

- More than 2,600 posters featuring the pledge were displayed in every classroom in the Elk Grove Unified School District;
- 200 posters were displayed in community centers, fire departments, public buildings, libraries and teen centers;
- Extensive media coverage in local news outlets, including *KCRA*, *News 10*, *Fox 40*, *KFBK*, the *Sacramento Bee's* news and editorial sections, the *Elk Grove Citizen* and a variety online forums and blogs;
- The *Sacramento Bee* published an editorial titled “Elk Grove is smart to honor its rainbow” that applauded the city’s commitment to recognizing and celebrating cultural diversity;
- More than 10,000 bracelets promoting the program were distributed at community events and classroom presentations; and
- A readerboard ad on busy Highway 99, reached up to 100,000 motorists daily.

Since 2012, more than 3,400 have signed the diversity pledge. Framed pictures featuring signed names are proudly displayed at City Hall. In addition, the city has received more than 12 calls from communities throughout the nation to learn from our multicultural awareness program.

Register for July 29 City Attorney Webinar on Workplace Investigations

The League of California Cities® City Attorneys Department will offer a 90-minute webinar on July 29 entitled Workplace Investigations — A Practical Approach for City Attorneys. Management and human resources staff, as well as city attorneys, will find the webinar informative.

Details

Allegations of city employee misconduct present serious liability risks for cities. If not handled properly, such allegations may have significant financial and political impacts for the agency and also harm operational morale. A prompt and thorough workplace investigation is critical. This webinar will provide an overview of the best practice approach for the investigation.

The city attorney plays a key role in ensuring workplace investigations are done properly, meet legal requirements, and comply with the unique substantive and procedural issues that arise when investigating public employees or elected officials. Using real-world hypotheticals, the webinar will provide guidance on the attorney’s role at each stage of the investigation process, including: the decision to conduct the investigation; selection of the investigator; scope of the investigation and presentation of findings; protection of employee/official freedom of speech and privacy rights; elements of effective oversight for a compliant investigation; review of the resulting report; the response to findings; and requests for disclosure of the report.

A full question and answer session will be included and a practical resource guide will be provided to all webinar attendees.

Presenter

Daphne Anneet, a partner with Burke, Williams & Sorensen, LLP, will present the webinar. She is the vice chair of the firm’s Labor and Employment Practice Group, where she represents cities and other public agencies on labor and employee matters and has extensive expertise in conducting workplace investigations for public employees.

Registration

[Register online](#) by Monday, July 27.

Special summer pricing for the webinar is as follows:

- Member city: \$25
- League Partner firm: \$50

- Non-member city/non-League Partner: \$175
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Get Ready for NLC's 2015 Congress of Cities Conference in Nashville

The National League of Cities (NLC) will be holding its annual Congress of Cities conference in Nashville this November. The conference is Nov. 4-7 and will bring together city officials from throughout the United States.

This year, Nashville has topped these lists:

- *10 Best Places to Live Now (Men's Journal);*
- *Where to Go in 2015 (AFAR, Budget Travel);*
- *Best Options for Travelers in 2015 (Orbitz);*
- *Hottest American Cities for 2015 (Business Insider); and*
- *Most Popular Cities for Millennials (Forbes)*

Why is Nashville attracting so many visitors and young professionals right now? Their secret is the way they've capitalized on their identity as "Music City." Nashville has successfully taken its legacy as a global music center, and used it as a foundation for their culture, economy, and social fabric.

What's special about your city? Like Nashville, your community has a history or identity that you can capitalize on to attract visitors and young professionals. Whether it's breathtaking scenery, distinctive architecture, your favorite annual tradition, or a thriving Main Street, your city has something unique that makes it internationally-known or your region's best kept secret.

Come to Nashville this November for the annual [Congress of Cities conference](#), and see for yourself how they embraced their historic identity as a music center to develop a thriving economy that is now attracting tourists and creative professionals alike. Learn about the ways that you can develop your city's economy by capitalizing on what makes it unique.

Join 2,000 mayors, council members, and city staff members for four days of expert-led workshops, inspiring keynote addresses, and field trips around Nashville. Get to know leaders from across the country in the heart of downtown Music City. [Register now!](#)
