

Jan. 5, 2016
Issue #1

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Medical Marijuana Clean-up Legislation Moves Forward

Assembly Member Jim Wood (D- Healdsburg) on Monday, Jan. 4, amended AB 21 to address a provision in his AB 243, one of the three bills Gov. Jerry Brown signed in 2015, that comprise the Medical Marijuana Regulation and Safety Act. The provision in question, if allowed to remain unchanged, will prevent local governments from enacting ordinances or other regulations regarding medical marijuana cultivation. Without this critical clean-up bill, the provision will preempt local governments from enacting any kind of local cultivation regulation if they do not have one in effect as of March 1, 2016. *For more, see Page 2.*



Bipartisan Proposal to Fund Efforts to Combat Homelessness and Assist California's Low Income Residents Launches 2016 Legislative Year

Two news conferences on Monday, one in Los Angeles, and the other in Sacramento, on the bipartisan Senate budget proposal to tackle homelessness dominated the start of the Legislature's New Year. Headlined by Senate President Pro Tem Kevin de León and former Senate President Pro Tem Darrell Steinberg, the press events rolled out a \$2 billion bond proposal to build housing for mentally ill homeless to be funded by Proposition 63 (2004), the 1 percent tax levied on Californians earning more than \$1 million annually to pay for mental health programs. The Senate leader projects that the ["No Place Like Home"](#) Initiative will fund 10,000 or more housing units throughout California. *For more, see Page 2.*



Submit Your Ideas for the League's Annual Conference Sessions

Proposals Due by Jan. 8

The League of California Cities® is inviting members, partners and stakeholders to submit session proposals for the 2016 Annual Conference & Expo. *For more, see Page 3.*

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This effort reflects a commitment that Assembly Member Wood, one of the Assembly's leaders on the issue, made in a Sept. 11, 2015 letter to delete this provision from law. He issued the letter after being alerted to the harm that the pre-emption provision would cause local governments, many of whom may be working to craft regulatory ordinances but need more time than that allotted by the March 1 deadline. Other cities are in the process of researching the issue to determine whether there is sufficient support locally for either some form of local regulation of medical marijuana, or an outright ban on cultivation and sales. Yet another group of cities have expedited the enactment of bans in recent weeks.

The League of California Cities[®] strongly supports AB 21 and the bill will be on the League's 2016 Hot Bill list. The local pre-emption provision must be eliminated from statute, as it directly contradicts local control. It also conflicts with a critical component of AB 266 (the key measure among the trio of last year's bills enacting medical marijuana regulation), that of dual licensing. Dual licensing requires both state and local governments to authorize medical marijuana business operations in any specific jurisdiction, and is modeled after the regulatory structure in Colorado.

The League intends to spare no effort to get AB 21 to the Governor's desk; however, the bill's outcome is not certain. It would be prudent for local governments that have not already done so to take steps to protect themselves from state pre-emption in the area of medical marijuana cultivation.

In a series of webinars and local informational briefings for city and local law enforcement officials, the League has advised its members that the best way of preserving their local regulatory authority in the area of medical marijuana cultivation is to enact a cultivation ban that is in effect as of March 1, even if only as a placeholder ordinance, and even if it must be done on an urgency basis. This will ensure that after March 1, locals will be free to revisit the issue at their leisure, and craft a different type of regulation if there is local will to do so.

Bans are advised for two additional reasons:

1. A local moratorium may not be sufficient to be considered a bona fide local regulation for purposes of avoiding state pre-emption; and
2. Developing local regulations that have been vetted both by city attorneys and local residents, with an opportunity for input from both groups, may be a time-consuming process that goes well past the March 1 deadline.

Additional information about the Medical Marijuana Regulation and Safety Act is available on the League's website at www.cacities.org/medicalmarijuana.

'Homeless' Continued from Page 1...

The initiative seeks to help the homeless through supportive services and housing as well as at-risk low income Californians. Funding will come from Prop. 63 and \$200 million from the state's General Fund over four years.

There are an estimated 114,000 homeless Californians, approximately 22 percent of the nation's entire homeless population. California's homeless population has swelled as funding for affordable housing, mental health, drug treatment, job training and other services has shrunk with cities on the forefront of this crisis. The League board of directors in November adopted [three strategic priorities](#) for 2016, one of which focuses on improving housing affordability and addressing homelessness.

According to the Senate's news release on Monday, this initiative repurposes Proposition 63, the Mental Health Services Act bond funds in an effort to leverage additional local, state and federal funding. In brief, the proposal would provide:

Housing

- \$2 billion bond to construct permanent supportive housing for chronically homeless persons with mental illness.
- \$200 million, over four years, to provide supportive housing in the shorter-term, rent subsidies, while the permanent housing is constructed or rehabilitated.
- Support for two special housing programs that will assist families:
 - The “Bringing Families Home” pilot project, a county matching grant program to reduce homelessness among families that are part of the child welfare system.
 - The CalWORKs Housing Support Program, which provides housing and support services for CalWORKs families in danger of homelessness.

Income Support and Outreach

- An increase in Supplemental Security Income/State Supplementary Payment (SSI/SSP) program grants which provide income support for the aged, blind, and disabled poor who cannot work. (Rates of homelessness are higher for persons with disabilities who cannot work; SSI/SSP is intended to help them make ends meet, and a large portion of grants usually goes toward rent.) These increases will assist about 1.3 million low-income Californians (72 percent with disabilities and 28 percent who are elderly).
- A one-time investment to incentivize local governments to boost outreach efforts and advocacy to get more eligible poor people enrolled in the SSI/SSP program. (The federal government covers 72 percent of the total costs of the SSI/SSP program, so state and local benefits are multiplied significantly for each newly eligible recipient.)

Next Steps

The Senate initiative comes just days before Gov. Jerry Brown is set to release his proposed FY 2016-17 state budget proposal. The League will be thoroughly analyzing the details of No Place Like Home and Governor Brown’s budget. Budget analysis will be released late on Thursday. The No Place Like Home initiative will be reviewed by the League’s policy committees and board of directors. As additional information on this bipartisan proposal become available, the League will continue to keep members updated.

‘AC Proposals’ Continued from Page 1...

The event will be held Oct. 5-7 at the Long Beach Convention Center. This is a great opportunity to engage city officials and local government stakeholders on important ideas and issues.

Session Proposal Submission Information

Submissions, non-commercial in nature, from any individual, group, business or organization, on any topic are welcome. Ideas from 2015 may be re-submitted for review by the 2016 Planning Committee. The committee will consider the educational value of each proposal and the extent to which it presents new and/or significant information. Please avoid submitting product and vendor commercialization sessions.

Session proposals are due Jan. 8.

The League only accepts session proposals [submitted through the League website](#). The submission form limits the number of words allowed in the title and description of each proposal. The League recommends that individuals interested in submitting proposals carefully review and edit their descriptions before submitting them through the online form.

Please contact [Katie Sacco](#) with any questions.

League-Sponsored Bond Agency Finances Affordable Housing Projects in Santa Clarita and Long Beach

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). This program provides a variety of public agencies and developers access to low-cost, tax-exempt financing and economic development tools. CSCDA issued \$116.8 million in tax-exempt multifamily bonds that helped finance affordable housing projects in the cities of Long Beach and Santa Clarita.

Long Beach: Springdale West Apartments

Springdale West Apartments is an acquisition and rehabilitation of 406 multifamily affordable housing apartments by Springdale West Preservation, LP. The project sponsor is Preservation Partners Development. Springdale West will continue to be 100 percent affordable and provide 10 one-bedroom, 292 two-bedroom and 104 three-bedroom apartments to low-income residents in Long Beach.

CSCDA and Preservation Partners Development partnered with Citibank to provide tax-exempt multifamily affordable housing bonds for Springdale West. The rehabilitation will include new exterior and interior walls, flooring, roofing, kitchen appliances and heating. The financing of Springdale West will maintain the affordability of units for low-income senior tenants for 55 years.

Santa Clarita: Bouquet Canyon Senior Apartments

Bouquet Canyon Senior Apartments is an acquisition and rehabilitation of 264 multifamily affordable housing apartments by Vintage at Bouquet Canyon, LP. The project sponsor is Vintage Housing. Bouquet Canyon will continue to be 100 percent affordable and provide 183 one-bedroom and 81 two-bedroom apartments to low-income senior residents in Santa Clarita.

CSCDA and Vintage Housing partnered with Citibank to provide tax-exempt multifamily affordable housing bonds for Bouquet Canyon. The rehabilitation will include new interior and exterior lighting, new flooring and carpeting in all units and common areas, new interior and exterior paint in all units and common areas, new energy efficient appliances and water conserving plumbing fixtures in all units, new roof covering, new kitchen cabinets and countertops in all units, new bathroom fixtures in all units, new windows, a new security system and refurbishment of all existing community areas. Additionally a computer room and movie theater room will be added as well as new outdoor furniture and a new sports court. The financing of Bouquet Canyon will maintain the affordability of units for low-income senior tenants for 55 years.

Background

CSCDA is a joint powers authority created in 1988 and is sponsored by the League of California Cities[®] and the California State Association of Counties. It was created by cities and counties for cities and counties. More than 500 cities, counties and special districts are program participants in CSCDA, which serves as their conduit issuer and provides access to efficiently finance locally-approved projects. CSCDA has issued more than \$50 billion in tax exempt bonds for projects that provide a public benefit by creating jobs, affordable housing, healthcare, infrastructure, schools and other fundamental services. Visit <http://cscda.org> for additional information on the ways in which CSCDA can help your city.

Finance Officers Invited to Attend CDIAC Workshops

The California Debt & Investment Advisory Commission (CDIAC) is hosting two educational seminars, the first on advanced investments in late January and the second on disclosure in mid-February, that may be of interest to city finance officers.

[Advanced Public Funds Investing: The Analytics of Investment Selection and Portfolio Decision-Making](#)

Jan. 27-28, The Mission Inn, Riverside

In the summer of 2015, CDIAC produced a series of webinars titled *The Public Fund Investment Portfolio*. The series provided a thorough examination of the types of instruments that are permitted for local government investment under California Government Code 53601. CDIAC is collaborating with the California Municipal Treasurers Association to present this two-day seminar designed to build on the webinar series by providing a more advanced analysis of each instrument's features and risks in the context of a portfolio structure. The January seminar will cover the more advanced concepts underlying sound public portfolio decision-making and include a practicum allowing seminar participants to put concepts into practice through an investment portfolio case-study simulation.

The cost is \$250. [Register](#) online.

[Municipal Market Disclosure and the Importance of Disclosure Policies](#)

Feb. 18, Franklin Templeton Investments Headquarters, San Mateo

Since 2010, the United States Securities and Exchange Commission (SEC) has predicated several enforcement actions at least in part on the failure of issuers to maintain sound disclosure policies. In addition, the SEC's Enforcement Division has repeatedly placed heavy emphasis on issuers maintaining sound disclosure policies. In August 2015, the National Association of Bond Lawyers published guidelines to assist issuers in the development and administration of disclosure policies. This February seminar intends to continue that dialogue by providing participants with an understanding of the purpose, structure, and content of disclosure policies, as well as practices that help issuers implement and maintain them.

The cost is \$150 for public officials and \$250 for private. [Register](#) online.

For questions or comments regarding these two seminars, please call (916) 653-3269.
