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Governor's Proposal Seeks to Limit Public Engagement, Design and Environmental Review over Affordable Housing Projects

League's Initial Analysis Now Available

As a component of his recently released budget May Revise, Gov. Jerry Brown proposed to reduce perceived additional costs and delays associated with the approval of housing developments containing specified percentages of affordable housing by eliminating public input and project level environmental analysis, restricting design review, and making approvals non-discretionary or "ministerial." *For more, see Page 2.*



Bills in Committee: May 23-27

Budget committee hearings are in full swing as the Legislature debates Gov. Jerry Brown's [May Budget Revision](#) and begins to put together the final budget for FY 2016-17. In addition, the legislative year is closing in on its half-way point: May 27 is the last day for legislative fiscal committees to hear and report on bills introduced in their houses and June 3 is the last day for each house to pass bills out of the house of origin. As such, the Bills in Committee list this week includes fiscal committees and bills that are pending on the Assembly and Senate Floors. Please note that the Assembly Appropriations Committee Suspense Calendar hearing has not been scheduled but is expected Thursday or Friday. [A full listing](#) of Senate and Assembly hearings is available online. Hearing times are subject to change. *For more, see Page 2.*



League-Sponsored Bond Agency Issues \$19.57 Million in Tax-Exempt Bonds for Stonehaven Apartments at UC Riverside

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 recently issued a total of \$19,570,000 in tax-exempt bonds for Stonehaven Apartments at the University of California, Riverside. *For more, see Page 2.*

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In brief, the [proposal](#) allows developers to get their projects approved by city staff in an expedited timeframe based on whatever general plan and "objective" zoning criteria are in effect, and even authorizes staff to approve zoning changes, zoning variances and conditional use permits without public review.

The League voiced significant concerns over these proposals at separate hearings held last Wednesday by both the Assembly and [Senate Budget Subcommittees #4](#), and conveyed that removing opportunities for public input undermined transparency and public trust in the actions of local government, and could inspire residents to pursue local ballot measures in response. Labor and environmental groups testified in opposition to the removal of environmental review, and housing advocates questioned the minimal levels of affordability proposed for these developments.

Purported Savings May Be Pennywise

According to the Administration's information, the potential savings for shutting out public review appears minimal. Despite a lengthy description of the alleged problems created by community input, the May Revise ([page 49](#)) calculates a savings of only 5 percent in project costs. Such a low number actually supports a counter argument that the concern may be overblown.

Moreover, excluding the public from decisions that affect them undermines the principles of the Brown Act, which states in its preamble: "*The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created. (Sec. 54950 Gov. Code)*

Changes caused by design review were assigned 7 percent of project costs, yet having good design (as opposed to taking short cuts on quality) has long been maintained by affordable housing developers as the key to community acceptance of higher density and affordable housing projects. [Myths and Facts About Affordable & High Density Housing](#), co-authored by the state Department of Housing and Community Development states: "*Architectural standards and adequate maintenance also strongly influence property values, particularly as they apply to affordable rental properties. Properly maintained affordable housing developments, designed and built with sensitivity to the architectural and aesthetic standards desired by the community, may even increase property values.*"

League's Preliminary Analysis Available

On Friday afternoon, the League sent city officials [an analysis](#) of the proposals on Friday, May 20.

Next Steps

Several legislators raised concerns about the policy implications of this proposal while it was being reviewed in the Budget subcommittees last week. While it was unveiled as part of the budget, it has major policy implications deserving of careful Legislative consideration. City officials should contact their legislators and urge that this proposal not be fast-tracked with the budget, but given the careful analysis and consideration it deserves.

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

Additional information about the important bills the League is tracking is available in the 2016 Hot and Priority Bill List. Published on April 15, this list will continually be updated throughout the remainder of the Legislative Session. Bill language and any available position letters on legislation can be found through the bill search function on the [League's website](#).

Monday, May 23

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

- **SB 879 (Beall) Affordable Housing Bond Act of 2016.** *League position: Support.*
- **SB 1170 (Wieckowski) Public contracts: water pollution prevention plans: delegation.** *League position: Oppose.*
- **HOT SB 1318 (Wolk) Local government: drinking water infrastructure or services: wastewater infrastructure or services.** *League position: Oppose.*

Wednesday, May 25

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

- **AB 1562 (Kim) Sales and use taxes: exemption: disaster preparedness products.** *League position: Oppose Unless Amended.*
- **AB 2040 (Melendez) Outdoor Water Efficiency Act of 2016: personal income tax credits: outdoor water efficiency.** *League position: Support.*
- **AB 2647 (Garcia) Insurance taxes: income taxes: credits: community development financial institution investments.** *League position: Support.*
- **HOT AB 2817 (Chiu) Taxes: credits: low-income housing: allocation increase.** *League position: Support.*

Friday, May 27

Senate Committee on Appropriations, Suspense Calendar, upon adjournment of session, State Capitol, Room 4203

- **SB 817 (Roth) Local government finance: property tax revenue allocations: vehicle license fee adjustments.** *League position: Support.*
- **SB 868 (Jackson) State Remote Piloted Aircraft Act.** *League position: Support.*
- **HOT SB 873 (Beall) Income taxes: insurance taxes: credits: low-income housing: sale of credit.** *League position: Support.*
- **SB 898 (Nguyen) Sales and use taxes: exemption: animal blood.** *League position: Oppose Unless Amended.*
- **SB 987 (McGuire) Taxation: medical marijuana: Marijuana Value Tax Act.** *League position: Oppose Unless Amended.*
- **SB 1000 (Leyva) Land use: general plans: environmental justice.** *League position: Oppose.*
- **SB 1013 (Beall) Mentally ill parolees: housing.** *League position: Support.*
- **SB 1046 (Hill) Driving under the influence: ignition interlock device.** *League position: Support.*
- **HOT SB 1102 (McGuire) Transient occupancy taxes: hosting platforms.** *League position: Oppose.*
- **SB 1166 (Jackson) Unlawful employment practice: parental leave.** *League position: Oppose.*
- **SB 1279 (Hancock) California Transportation Commission: funding prohibition: coal shipment.** *League position: Oppose.*
- **SB 1286 (Leno) Peace officers: records of misconduct.** *League position: Oppose.*
- **SB 1383 (Lara) Short-lived climate pollutants.** *League position: Concerns.*
- **SB 1387 (De León) Nonvehicular air pollution: market-based incentive programs: South Coast Air Quality Management District board.** *League position: Oppose.*
- **SB 1462 (Huff) Vehicles: driving under the influence: drug testing.** *League position: Support.*

Assembly Floor

- **AB 2502 (Mullin) Land use: zoning regulations.** *League position: Support.*
- **AB 2220 (Cooper) Elections in cities: by or from district.** *League position: Sponsor.*
- **AB 2492 (Alejo) Community revitalization.** *League position: Support.*
- **AB 2693 (Dababneh) Financing requirements: property improvements.** *League position: Oppose.*

- **AB 1934 (Santiago) Planning and zoning: density bonuses: mixed-use projects.** *League position: Oppose.*
- **AB 2208 (Santiago) Local planning: housing element: inventory of land for residential development.** *League position: Support.*
- **AB 2299 (Bloom) Land use: housing: 2nd units.** *League position: Oppose.*
- **HOT AB 2501 (Bloom) Housing: density bonuses.** *League position: Oppose.*
- **AB 2261 (Hernández, Roger) Division of Labor Standards Enforcement: duties.** *League position: Oppose.*

Senate Floor

- **SB 1288 (Leno) Elections: local voting methods.** *League position: Support.*
- **HOT SB 885 (Wolk) Construction contracts: indemnity.** *League position: Oppose.*
- **SB 1262 (Pavley) Water supply planning.** *League position: Concerns.*
- **SB 897 (Roth) Workers' compensation.** *League position: Oppose.*
- **SB 1317 (Wolk) Groundwater extraction permit.** *League position: Oppose.*

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About Stonehaven Apartments

Stonehaven Apartments is limited to occupancy by qualifying students at the University of California, Riverside. The project consists of eight two-story buildings, includes 200 units (up to 600 beds), and was originally developed in 1999. Stonehaven Student Housing, Inc., a 501(c)(3) nonprofit corporation (Stonehaven), is an affiliate of EAH Inc., a nonprofit housing development corporation located in San Rafael, California. Established in 1968, EAH Inc., EAH develops low-income housing, manages over 100 properties in California and Hawaii.

CSCDA partnered with Deutsche Bank which purchased the \$19,570,000 in tax-exempt bonds for Stonehaven. The bonds will be used to refinance CSCDA's previously issued 2002 Bonds, allowing Stonehaven to reduce its bond debt service and interest cost.

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 CSCDA's [website](#) for additional information on the ways in which CSCDA can help your city.

San Mateo Daily Journal Reports on San Bruno Police Department's Participation in Training on Illicit Massage Parlors

The San Bruno Police Department took part in a California Massage Therapy Council (CMTC) training designed on how to both eliminate and prevent illicit activity at massage parlors. The *San Mateo Daily Journal* article covered the training, which is part of an effort of CMTC to provide education on the Massage Therapy Act. The article also discussed San Bruno Police Department's recent work in shutting down massage parlors where illegal activities occur, including prostitution. For more, please read "[Cops train to eliminate illicit massage parlors.](#)" *San Mateo Daily Journal*, May 19, 2016.
