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Issue #47

Conceptual State Budget Agreement Outlined Thursday

Discussions to Continue over “By Right” Development Proposal; Governor Offers \$400 Million in Exchange

On Thursday, June 9, the Budget Conference Committee met for a final hearing to close out the remaining items for the 2016-17 State Budget. The hearing followed several days of closed-door meetings between Gov. Jerry Brown, Senate President pro Tem Kevin de León (D-Los Angeles), and Assembly Speaker Anthony Rendon (D-Lakewood). While the agreement includes priorities of the Governor and Legislature, it also delays action on some big items. *For more, see Page 2.*



Cities for Workforce Health Wellness Talk Series Continues on June 16

City officials are invited to participate in the second of four wellness talks offered by [Cities for Workforce Health](#), a League Partner-sponsored program designed to provide practical resources for cities on how to enhance their employees' health and wellbeing. The second Wellness Talk is scheduled for June 16 and will address best practices for using data to plan a program that supports the health and well-being of city employees. *For more, see Page 3.*

The tone overall was positive. The Governor achieved his objectives in planning for the next economic downturn with a \$2 billion boost for the state's rainy day reserve and other agreements limiting new and ongoing spending. Speaker Rendon secured an additional \$100 million for childcare and preschool programs; Senate pro Tem de León's succeeded in his priority to build housing for the homeless (a proposal strongly supported by the League) by allowing some Proposition 63 mental health funds to be used to secure a \$2 billion revenue bond; and the Legislative Women's Caucus won a repeal of the monetary limit on welfare payments for people who have more children while collecting welfare.

Overall, the budget agreement holds good news for cities. However, several of the items on which the Legislature delayed action will require continued vigilance.

Housing

The Governor's "by right" housing proposal, which would limit public engagement, design and environmental review over affordable housing projects, was not approved. The Governor has offered \$400 million in one-time funds for affordable housing in exchange for the Legislature approving the "by right" proposal. The Budget Conference Committee approved placeholder language that sets aside the \$400 million while discussions continue.

Sacrificing public input, environmental analysis and local control on important development projects statewide is bad policy, but trading it for a one-time \$400 million appropriation would be ridiculous.

Several years ago the state eliminated redevelopment agencies, and with that over \$1 billion annually for affordable housing. That money is gone. Also gone are the proceeds of the last state housing bond which passed ten years ago. The federal government has been backing out of funding affordable housing since the 1980s. This massive withdraw of resources has contributed to our current challenges, yet no significant source of ongoing affordable housing funding is on the horizon. Also, while the state budget has flourished in recent years due to infusions of income tax, local agencies have not experienced similar revenue growth. Many local general plans are out of date because communities simply do not have the funds to complete such reviews.

Eliminating opportunities for public review of these major development projects goes against the principles of local democracy and public engagement. A public hearing allows interested members of the community to inform the decision-makers of their support or opposition to the project and guarantees that property rights will not be impacted without due process. Good design enables a new structure to match a community's character. While it may be frustrating for some developers to address neighborhood concerns about traffic, parking and other development impacts, those directly affected by such projects have a right to be heard. Public engagement can also lead to better projects. Not having such outlets will increase public distrust in government and more ballot measures.

Furthermore, the Administration's proposal to undermine state environmental policies and laws in such an aggressive manner is both surprising and ill considered. While the Coastal Act, California Environmental Quality Act and other laws have their critics, most would acknowledge that they have also made positive contributions to California's prized quality of life that has attracted nearly 39 million people. If there are issues with such laws then they should be addressed in a straightforward fashion as opposed to structuring proposals that pretend they do not exist.

Many laws related to housing planning and approvals are also on the books. Local governments are already required to approve housing if the project is consistent with the general plan and zoning ordinance. Exceptions to this rule are very limited, but what we can't skip are public transparency and environmental laws.

A much better approach to expediting development would be to offer incentives that can actually help local communities struggling to accommodate higher densities and new development, such as:

- Establishing a state revolving fund that can be used to update specific plans and complete up-front environmental reviews on targeted housing sites adjacent to transit, etc. Such a process would allow for community engagement and environmental analysis. Following that, development on those parcels would be expedited via laws already on the books;
- Rewarding local agencies that approve higher density housing in designated areas by helping it “pencil out” against service costs by shifting 10 percent of the increased property tax accruing from the approved development to the approving city or county;
- Developing a state-local matching funding program for infill development-related infrastructure that more adequately fills the gaps in urban renewal tools left by the loss of redevelopment; and
- Establishing a real, substantial and ongoing source of affordable housing funding.

Locking-out community residents from city hall because of concerns of what they may have to say about development in their communities is antithetical to local democracy. While \$400 million may sound to some like significant funding, it would only result in the equivalent of approximately 2,000 housing units statewide. Moreover, many jurisdictions would not even benefit from the allocation, even though they would be required to implement the “by right” proposal.

Concerned city officials should contact their legislators, and make sure their residents are aware as well.

Law Enforcement Grants

The budget will also include \$20 million for local law enforcement grants. This funding was previously thought to be in peril, as legislators raised concerns and apprehension about providing a fifth year of funding for what was supposed to be a three-year appropriation. Last year, raising similar concerns, the Legislature tied the funding to specific uses. Until language is available, it unclear if those same restrictions will be in place for the 2016-17 Fiscal Year.

Cap and Trade

The Legislature raised concerns about the uncertainty of future Cap and Trade funding, as there is a pending court case challenging the funds and the most recent auction resulted in much lower-than-expected revenues. As a result, the budget deal does not include any additional Cap and Trade revenue allocations beyond the already continuously appropriated programs and funding to cover administrative positions. The continuously appropriated programs include:

- 20 percent to the Affordable Housing Sustainable Communities;
- 10 percent to Transit & InterCity Rail Capital;
- 5 percent to Low Carbon Transit Operations; and
- 25 percent to High Speed Rail.

Next Steps

The Legislature has until next Wednesday, June 15, to pass the budget. Final language is expected to be released on Monday and Tuesday in preparation for the final vote. League staff will review the language and release a more detailed update of the budget package next week. Cap and Trade, “by right” and other deferred proposals are expected to be discussed in the coming months. In the meantime, city officials should be on the watch for last minute action alerts from their Regional Public Affairs Manager.

‘Wellness Talk’ Continued from Page 1...

We Have Some Wellness Program Data – Now How Do We Use It?

This one-hour interactive online wellness talk will be held on June 16 from 10-11 a.m. [Online registration](#) is now open.

The discussion will focus on best practices for using data to plan a program that supports the health and well-being of city employees. Wellness Talk attendees are invited to share their experiences, challenges, and successes to address such questions as:

- How do we turn data into a strategic program?
- How can we develop a plan that works?
- What type of resources can I leverage to support my program?

2016 Events

Cities for Workforce Health programming will continue from June through November. These include:

- **June 16, 10-11 a.m.:** Wellness Talk entitled, We Have Some Wellness Program Data — Now How Do We Use It?
- **July 19, 10-11 a.m.:** Wellness Talk entitled, Creating Wellness Program Goals and Measurable Objectives
- **Aug. 11, 10-11 a.m.:** Webinar entitled, Establishing and Implementing Healthy Workplace Policies
- **September, 14, 9-10 a.m.:** Wellness Talk entitled, Making the Most of the City Wellness Committee
- **October, date and time TBD:** League Annual Conference Presentation entitled, Sitting is the New Smoking: How to Get Employees Moving
- **Nov. 10, 10-11 a.m.:** Webinar entitled, Is Your Program in Compliance? An Update on Current Wellness Program Regulations

Background

In partnership with Kaiser Permanente, the Healthy Eating Active Living Cities Campaign (HEAL), and Keenan & Associates, the League of California Cities' Partners Program launched Cities for Workforce Health initiative to support League cities in improving employee wellness.

The Cities for Workforce Health program provides access to online resources and toolkits as well as a yearlong series of educational webinars and interactive wellness talks with workforce health experts. Each year the League Partners Program offers five participating cities a \$5,000 grant to use towards workforce health program implementation. Along with this grant comes a year of consultation from employee wellness experts that will help cities further develop their employee wellness initiatives.
