

**June 28, 2016**  
**Issue #53**

## **Senate Approves No Place Like Home**

*Assembly Action is Still Needed; Governor Signs Main Budget Package*

The Senate on Monday, June 27 approved an amended version of the budget trailer bill containing the [No Place Like Home](#) program ([AB 1618](#), Committee on Budget). The Assembly is expected to take action on Thursday before the Legislature breaks for summer recess. *For more, see Page 2.*



## **End of Session Legislative Briefing Scheduled for July 7**

Join the League's legislative team for a briefing on major bills that cities need to advocate for and against after the Legislature's summer recess in the second year of the 2015-16 legislative session. *For more, see Page 3.*



## **League-Sponsored Bond Agency Issues \$327.6 Million in Tax-Exempt Bonds for John Muir Health in Walnut Creek**

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). *For more, see Page 3.*

Unlike most budget-related bills, AB 1618 needs agreement from two-thirds of both houses of the Legislature because it amended the Mental Health Service Act (Proposition 63, 2004), and therefore was more difficult to pass. After about a week of negotiations, an agreement was reached and the bill was approved in the Senate with strong bipartisan support. The agreement called for amendments to strengthen transparency and accountability requirements for the use of Prop. 63 funds. These funds have proven difficult to track and the amendments will ensure that the funds are being used for what they were intended.

The program, which the [League has supported](#) since early this year, will further the development of permanent supportive housing for persons who are in need of mental health services and are homeless, chronically homeless, or at risk of homelessness. The Department of Housing and Community Development (HCD) will administer the program. It will provide \$2 billion from a revenue bond supported by Prop. 63 funds for a competitive program among counties to finance capital costs for permanent supportive housing. Of that amount, \$200 million will be allocated among all counties of the state based on the number of homeless in the county and minimum funding levels needed for a permanent supportive housing development.

The remaining \$1.8 billion will be awarded as deferred payment loans to counties, as the sole or joint applicant, for projects that integrate the homeless population with the general public. The county must agree to provide mental health supportive services and referrals to other services for a period of at least 20 years. The county must also have a developed county plan to combat homelessness. For counties with more than 5 percent of the state's homeless population, HCD may establish an alternative process for allocating funds that allows the county to directly administer the loan funds.

The No Place Like Home Program Advisory Committee will be established to assist and advise HCD on the implementation and review of the program. One member of the 14 member committee will be an administrative officer of a city, to be appointed by Gov. Jerry Brown. In addition to advising HCD on the implementation of the program, making recommendations on program guidelines, and reviewing progress in distributing the money, the advisory committee will provide advice and guidance more broadly on statewide homelessness issues.

The new transparency and accountability requirements included in the most recent version of the legislation include:

- Requires the Department of Health Care Services (DHCS) to revise county annual revenue and expenditure reporting requirements, in consultation with county representatives, to ensure timely, accurate, and consistent data;
- Requires counties to certify the accuracy of the data they submit to DHCS;
- Permits DHCS to withhold funds from counties that fail to comply with reporting requirements;
- Requires DHCS to regularly conduct county program reviews (as related to the requirements of the existing performance contracts) and to post on its website findings from these reviews and county plans of corrections when deficiencies are identified;
- Requires DHCS to post and summarize county performance outcomes; and
- Requires that at least one appointee to the Mental Health Services Oversight and Accountability Commission have a background in auditing.

### **Governor Signs Main Budget Package but More Work Yet to be Done**

Also on Monday, Governor Brown signed the main budget bill and trailer bills sent to him on [June 15](#) and [June 16](#). In a departure from the norm, the Governor did not line item veto any appropriations. However, work on the budget is not complete.

There remains to be discussion regarding other trailer bills and budget items. There may be some additional votes this week on trailer bills, including on the No Place Like Home program and a short term fix to the California Beverage Container recycling and Litter Reduction Act (Bottle Bill). However, negotiations on other items, including the Governor's [By Right](#) budget proposal, are likely to extend into August.

'Webinar' Continued from Page 1...

This briefing is intended to help city officials focus in our effort to protect local authority and voice their support and opposition on key bills. Staff will provide a summary of key legislation including Gov. Jerry Brown's "By Right" proposal, revenue and taxation, housing, stormwater and solid waste, marijuana regulation implementation, and mandated employee orientation bills.

The webinar is free for League members and Partners. Non-member cities will be charged \$100.

The registration deadline is Tuesday, July 5 at 5 p.m.

Register online at [www.cacities.org/events](http://www.cacities.org/events). Typically the League allows just one connection per city, but due to the capacity, the League will allow two connections per city to provide easier access for our members.

The log-in information will be sent by end of business on Wednesday, July 6.

For questions about how to register for the webinar, please contact [Megan Dunn](#). For all other questions, please contact [Meg Desmond](#).

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'CSCDA' Continued from Page 1...

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 issued \$327,590,000 in tax-exempt bonds for John Muir Health in Walnut Creek.

### **About John Muir Health**

[John Muir Health](#), a nonprofit organization, includes two of the largest medical centers in Contra Costa County: John Muir Medical Center, Walnut Creek, a 554-licensed bed medical center that serves as Contra Costa County's only designated trauma center; and John Muir Medical Center, Concord, a 245-licensed bed medical center in Concord. Together, they are recognized as pre-eminent centers for neurosciences, orthopedics, cancer care, cardiovascular care and high-risk obstetrics. John Muir Health also offers complete inpatient and outpatient behavioral health programs and services at its Behavioral Health Center, a fully accredited, 73-bed psychiatric hospital located in Concord. Other areas of specialty include general surgery, robotic surgery, weight-loss surgery, rehabilitation and critical care. In addition, John Muir Health provides a number of primary care and outpatient services throughout the community and urgent care centers in Brentwood, Concord, Pleasanton, San Ramon and Walnut Creek.

CSCDA partnered with Bank of America Merrill Lynch, Morgan Stanley, and Wells Fargo Securities to underwrite the \$231,825,000 in Series 2016A bonds. The Series 2016A bonds were issued to refinance CSCDA's existing Series 2006A bonds and to finance certain improvements to John Muir's Walnut Creek and Concord campuses. In addition, \$95,765,000 of Series 2016B and 2016C bonds were issued to refinance CSCDA's existing Series 2008A and 2008C bonds. The refinancing of prior bonds resulted in a significantly reduced interest cost and more attractive terms for John Muir Health.

### **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.