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**League of California Cities Launches Health Benefits Marketplace**  
*Aug. 11 Informative Webinar Scheduled*

The League this week announced a new tool available for its member cities — the League of California Cities Health Benefits Marketplace™ (HBM). The HBM is designed to help cities address rising OPEB liabilities and healthcare costs by offering a variety of health benefit solutions for active employees and retirees on a user-friendly platform. This tool provides cities with a flexibility lacking in traditional group coverage medical plans by decoupling and unbundling active employee from retiree costs, which is key to reducing OPEB liabilities. Mark your calendars for a free informational webinar on Aug. 11. *For more, see Page 2.*



**Prospects Uncertain for By Right Housing Proposal**  
*League Shares Alternative Concepts with Housing Committee Leadership*

Since Gov. Jerry Brown unveiled his by right housing proposal, which would pre-empt local discretionary land use approvals of specified housing developments by having all such approvals be considered “ministerial” actions, the [League has been a vocal opponent](#) because it would eliminate opportunities for public input and project-level environmental review and restrict design review which are necessary to ensure public transparency, accountability and achieve quality development.

[A coalition](#) of over 60 environmental, labor, tenants-rights and social justice groups have also opposed this proposal for similar reasons. *For more, see Page 2.*



**California APA Offers Free Planning Assistance to Cities**

The California Chapter of the American Planning Association (APA) has launched a program to provide pro bono professional planning assistance to financially constrained municipalities and community groups throughout California and Baja California. Known as CPAT (Community Planning Assistance Team), the program pairs expert planning professionals from throughout California with residents and other stakeholders from communities with limited resources to solve specific local planning problems. It is an intensive one to three day effort. The volunteers receive no compensation, but the community is expected to cover direct costs for transportation, meals and overnight accommodations (if required). *For more, see Page 4.*

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After extensive studies by the City Managers Department about the growing unfunded OPEB liabilities of cities, the League board of directors acted decisively and approved the issuance of an RFP in 2015 for health insurance technology platform providers to host a new health benefits marketplace. After a competitive RFP process and guided by the city officials on a Health Insurance Exchange Advisory Committee, the League selected Connecture and Willis Towers Watson to provide and operate the League's new Health Benefits Marketplace.

The HBM is a consumer-driven platform that gives options to active employees and retirees, letting them select the best coverage to meet their needs. Cities can choose from a variety of plan options from the best carriers in the state to offer their active employees, including HMO, PPO and consumer-directed plans. To reduce OPEB liabilities, cities can transition their retirees to the individual market through Willis Towers Watson's OneExchange. The platform guides users through the process to select coverage that best suits their individual needs from more than 90 of the nation's leading health insurance carriers. Eligible retirees also are able to maximize their coverage under the federal Medicare program, helping lower costs for their former employer and themselves.

### Informational Webinar Details

To help cities understand the HBM and how to take advantage of the active employee and retiree solutions the League, Connecture and Willis Towers Watson will host a free webinar on Thursday, Aug. 11 at 10a.m.

During this hour long webinar cities can learn how to:

- Reduce OPEB liabilities for your city;
- Choose the benefits that work best for your city's needs;
- Provide active employees and retirees more flexibility with their benefit options; and
- Reduce administrative burden for internal benefits staff.

A question and answer session will follow the overview of the HBM.

Please register [online](#).

To learn more about the League's Health Benefits Marketplace visit [www.cacitiesmarketplace.org](http://www.cacitiesmarketplace.org).

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### Recent Legislative Developments

Prior to the passage of the budget, the Governor offered legislators \$400 million one-time for affordable housing conditioned upon adoption of his by right proposal. When the budget was adopted, the funding was folded into a reserve account, but no agreement was reached on the by right proposal and legislators left for a one-month summer break.

During the break the Governor's office met with labor, environmental and other groups, but has yet to propose any major modifications to the proposal. With many significant issues outstanding for key stakeholders including housing advocates, labor groups, developers, environmentalists and local governments, prospects for agreement in the final few weeks of the legislative session remain uncertain. The [last revised version](#) of the proposal was a draft issued June 10.

### Major Policy Concerns

Taking shortcuts with public input may not be a good long-term strategy. A public hearing allows interested community members to inform the decision-makers of their support or opposition to a 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 additional ballot measures dealing with growth management.

This proposal is purported to be a response to the state's needs for affordable housing, however it also deflects from the reality that the sources of funding affordable housing have slowed to a trickle. California lost over \$1 billion annually in affordable housing money with the elimination of redevelopment agencies in 2011. Funds from the 2006 state housing bond have been exhausted and federal dollars have been declining for decades. This massive withdraw of resources has contributed to our current challenges, yet no significant source of ongoing affordable housing funding is on the horizon.

The League has supported various legislative efforts to develop and restore affordable housing funding. Proposals have included charging new fees on real estate documents, dedicating some of the state's recent surplus revenues, or enacting a housing bond. All of these, however, face political headwinds. Raising taxes requires a two-thirds vote and is never popular, and the Governor has been resistant to major General Fund expenditures and new debt obligations.

Moreover, many laws related to housing planning and approvals are already on the books. Local governments are required to approve affordable housing and exceptions are very limited, but what locals cannot skip are public transparency and environmental laws. Should the by right proposal be approved, it is highly likely that the public would react strongly to the notion of developers evading public input and environmental laws to which all other projects must comply.

Additional problems with the Governor's proposal include the following:

- Many local general plans are out of date because of the financial difficulties local agencies experienced during the last recession, and that even when such plans have been updated, they have not been developed to the level of parcel-based criteria that address site-specific issues, design and environmental analysis.
- The proposal lacks a solid nexus with SB 375 planning efforts that attempt to support transit-oriented development and reduction of greenhouse gas emissions.
- The levels of affordable housing proposed in the Governor's plan are minimal, below what many local inclusionary ordinances require, plus there is a lack of focus on attempting to address the needs for workforce housing especially in the high-cost coastal areas.
- The proposal does not recognize the challenges many locals face in offsetting the costs of serving residents of new housing, and a one-time allocation of \$400 million is not responsive to the state's ongoing needs for affordable housing resources.

### **League Shares Alternative Concepts with Housing Committee Leadership**

As legislators look for alternative approaches to the Governor's proposal, the League recently shared some concepts with the offices of the chairs of the legislative committees with jurisdiction over housing issues, on some incentive-based ways to expedite affordable housing development, which include the following recommendations:

- Establish a \$50 million revolving pot of state planning grant funds to support the development of up-front specific plans and associated environmental studies on housing sites designated by local agencies that are consistent with local planning under SB 375, which could be called Workforce Housing Opportunity Zones.
- Ensure that the specific plan process within these locally-identified planning areas offer adequate opportunities for public input.
- Encourage housing affordability goals for these planned areas that are more robust than the Governor's, and also contain a significant component for workforce housing for those of moderate and middle income, especially in the state's high-cost areas.
- When the up-front specific plans and environmental documents are complete for these areas, housing projects consistent with those plans can be much more easily approved. State law already precludes local agencies from denying affordable projects consistent with local plans.
- Offer two types of incentives to local agencies that opt to do these additional plans and approve projects containing affordable and workforce housing:

- Provide an additional property tax incentive equivalent to 10 percent of the increased assessed value of the new housing, by reducing the property tax the city or county would otherwise be required to shift to the state's ERAF fund.
- Establish a state affordable housing matching fund program, where local contributions to affordable housing would be matched with equivalent state funds.

### **Next Steps**

The League will continue to monitor any developments associated with the by right proposal during the final weeks of this legislative session. While agreement on a proposal appears uncertain at the time, things can always move quickly. Cities concerned about this proposal should remain in close contact with their legislators and encourage them to oppose the by right proposal and advocate for alternative approaches that do not attempt to exclude the public or environmental reviews and establish a much more significant and ongoing source of funds for affordable housing.

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### **'Planning' Continued from Page 1...**

If you believe that your municipality has such a need, or if you know of a municipality or community group that requires such support, please check out the new program at [www.apacalifornia.org](http://www.apacalifornia.org). The website includes information about the program as well as an application form.

APA California is anxious to empower communities with limited resources to solve pressing planning problems and to gain the confidence necessary to develop and achieve a positive vision for their future.

If you have questions or require additional information, please contact [Robert Paternoster](#), FAICP, at (562) 400-3825.

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