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Governor Brown Signs League-Supported Economic Development Measures; Vetoes Bill to Restore Funds to Recently Incorporated Cities

Earlier this week Gov. Jerry Brown took action on several bills important to cities. The good news is that he signed AB 2492 (Alejo and E. Garcia) and AB 806 (Dodd and Frazier), which strengthen local economic development tools. Regrettably, the Governor vetoed SB 817 (Roth), the latest effort to restore funding to recently incorporated cities. *For more, see Page 2.*



Voting Rights Legislative Package Aimed at Curbing Frivolous Litigation Signed by Governor

Gov. Jerry Brown on Sept. 28 signed a series of California Voting Rights Act (CVRA) measures that streamline cities' conversion to district-based elections while simultaneously curbing a rash of serial and costly litigation. Since the enactment of CVRA, dozens of cities and additional local government entities have been sued for alleged violations. *For more, see Page 3.*



Governor Brown Signs SB 807, Granting Immunity to Cities for Damage or Destruction of Drones Interfering with Emergency Operations

SB 807 (Gaines) was signed by Gov. Jerry Brown on Sept. 29, which provides local agency first responders with immunity should they damage or destroy a drone that is interfering with their emergency operations. The bill, co-sponsored by the League of California Cities® and the California Police Chiefs Association, is the only measure on drone regulation that the Governor has signed this year. He vetoed the others. *For more, see Page 4.*

AB 2492 makes several additional improvements to last year's AB 2 (Alejo and E. Garcia), which authorized the creation of Community Revitalization and Investment Authorities (CRIA), and restored redevelopment authority to local agencies to assist poor and deteriorated areas within a community.

AB 2492 makes the following improvements to CRIA law:

- Clarifies the ways to calculate employment and crime data, based on input from the Employment Development Department and Department of Justice;
- Authorizes CRIA's to access several additional forms of financing that are available to Enhanced Infrastructure Financing Districts;
- Allows countywide and citywide income data to be used when designating areas, in addition to statewide income data; and
- Allows census tracts and blocks within disadvantaged community identified by the state Cal Enviro Screen to use the tool.

AB 806 (Dodd and Frazier) provides additional flexibility to local communities seeking to expand economic development.

The measure:

- Clarifies that loan, lease and sale agreements and property acquisition are included in the range of options a community may employ to advance economic development.
- Clarifies that cities and counties may make loans to rehabilitate commercial buildings and structures when financial assistance is found to be necessary for the economically feasibility of a project, and clarifies that such decisions must be approved after a public hearing with appropriate loan repayment terms and other safeguards.
- Expands a provision that has operated well for the disposal of city/county-acquired property from former redevelopment properties for "fair reuse value," so that all other communities can use these options to acquire and dispose of other properties to create economic opportunities.

The League thanks Assembly Members Luis Alejo, Eduardo Garcia, Bill Dodd, Jim Frazier and Governor Brown for their support of these measures that will provide needed support to local governments undertaking economic development projects.

Governor Vetoes Latest Effort to Assist Recently Incorporated Cities

Governor Brown vetoed SB 817 (Roth), a repeated effort to restore funding stability to recently incorporated cities, citing concern for long-term general fund commitments. The veto continues the funding challenges for these cities created by SB 89 (2011), which diverted critical Vehicle License Fee (VLF) revenues away from newly incorporated cities-compounding the challenges facing new and future incorporations.

SB 817 sought to resolve this problem with a statutory formula that provides cities that incorporated between 2004 and 2012 with shares of property tax to offset the amount of VLF revenue they would have received.

Unresolved Policy Issues Affecting Future Incorporations

The issues raised by SB 817 also touch on larger policy issues for the state. When SB 89 was adopted as part of the response to the budget crisis in 2011, it also undermined the economic viability of incorporations in California.

The typical pattern of city formation in California has been for pockets of growth to begin in unincorporated areas, then — at some point — the residents explore city formation to better manage their community.

Neglecting this issue can have growth and climate impacts as well, because city formation has been a way to further compact growth. Once cities are established, their future growth tends to be

compact and is regulated by local agency formation commission (LAFCO) policies. In contrast, unincorporated development patterns are typically less dense and not regulated by LAFCO.

The League looks forward to establishing a dialogue with the Administration where the role of new city formation in the state's future, and their contributions to sustainable development patterns and local quality of life can be further explored.

'CVRA' Continued from Page 1...

CVRA provides generous recovery for attorney's fees. Consequently, cities have incurred extremely high legal costs — some as high as \$7 million. The League worked diligently this year to mitigate the out of control costs associated with CVRA litigation. Local agencies in recent years have paid an estimated \$20 million in legal fees to plaintiffs' attorneys. This estimate does not include internal costs expended by the agency during CVRA litigation.

Last year the Governor signed SB 493 (Canella), which allows cities with a population of under 100,000 to convert to by-district elections through the ordinance process — providing cities a faster way to convert and curb litigation costs. This week he signed AB 2220 (Cooper), which simply expands upon SB 493 to allow all cities regardless of population size to convert to district-based elections through the ordinance process.

Assembly Member Luis Alejo (D-Watsonville) worked on a companion measure to AB 2220 bringing together stakeholders from all spectrums. AB 350 (Alejo) achieves a balance of increased civic outreach with cost mitigation for cities attempting to switch from an at-large voting system to a by-district voting system.

Under AB 350, prospective plaintiffs are required to send a written demand letter alleging that the local government has violated provisions of CVRA. Upon receipt of the letter, a local government has an initial 45 days of safe harbor to assess their needs and make a determination if they wish to contest the alleged violation or convert to districts through the ordinance process. Should the city choose to convert to district through the ordinance process, the city is afforded an additional 90 days to comply before a lawsuit can be filed.

Key Provisions of AB 350 include:

- **If a city is complying with the provisions AB 350, it is safe harbored from litigation throughout the public hearing and ordinance process** (up to 135 days if a demand letter was received by the city, 90 days if no demand letter was received).
- **A city can be proactive** and voluntarily switch to district based elections (without receiving a formal demand letter). The city would pass a resolution of intent to switch to districts and from that point have 90 days of safe harbor (free from litigation) to comply with the provisions of AB 350 and go through the ordinance process.
- **Cities still have full local control.** They are not mandated to move to districts, as we have seen in previous bill attempts. If a city receives a demand letter they are given 45 days of protection from litigation to assess their liability (perhaps hire their own demographer to conduct an analysis, meet in closed session, etc.) and make a determination if they choose to contest the demand letter or pass a resolution of intent which buys them an additional 90 days of safe harbor and switch to districts by ordinance.
- **Legal fees capped.** A hard cap of total financial liability will now be set at \$30,000. Currently, a city can be sued by several different plaintiffs. Even if a city is in the process of converting to districts and have entered a pre-litigation settlement agreement with one plaintiff, they can still be sued by another plaintiff (as we have seen in several cities).
 - Moreover, settlements are much higher, typically in the six figure range (even seven figures). Under AB 350, a city is only liable for a *total* cost of up to \$30,000 and the plaintiff must show financial documentation that they in fact incurred those costs. Regardless if more than one plaintiff tried to file suit, if a city takes advantage of the AB 350 process their liability is limited up to \$30,000.
- **A city can avoid any cost** if it proactively switches to districts and utilize the safe harbor.

These measures are critically important to League member cities that have experienced a spike in frivolous and expensive litigation. These companion measures not only create a mechanism for cities to convert to districts quickly, but provide a fiscally responsible way for our cities to convert. Most importantly, these measures still allow cities to retain a degree of local control and make a decision that best suits the needs of their constituents while still complying with CVRA.

The League applauds Governor Brown, Assembly Members Luis Alejo and Jim Cooper, as well as the wide range of stakeholders who came together on these measures — ensuring that cities are protected from serial litigants whose only motive is financial.

'Drone bills' Continued from Page 1...

In 2015, the Governor vetoed a bill similar to SB 807. He also vetoed SB 168 last year, which was also by Sen. Ted Gaines (R-El Dorado Hills). The Governor in his veto measure cited his objection to the fact that it created a new misdemeanor offense, which he did not believe to be necessary.

SB 807 created no new criminal offenses of any kind, and was limited in scope to local agency first responders once objections were raised that stage agencies did not need any greater expression of immunity in statute.

Under the California Constitution, cities are independent sovereign entities independent of the state. While cities have immunity under current law, it is not the same immunity that the state enjoys. Municipal immunity is more limited, and must be affirmatively raised in court as a defense, after cities have already been sued. Courts will recognize that immunity, but only after cities have incurred significant expense in defending themselves in litigation against what in this instance are lawsuits without merit.

SB 807 helps local governments by eliminating the requirement that they incur the expense of legal fees for litigation, in the narrow instance of lawsuits arising for damage to drones that were interfering with first responder operations. The immunity conferred on local government does not extend to any secondary damage that may arise once the drone comes down.

Governor Upholds Local Control of Parking Regulation with AB 2586 Veto

Gov. Jerry Brown on Sept. 30 vetoed AB 2586 (Gatto), a League-opposed measure, which would have limited cities' ability to regulate their own parking regulations.

If the bill had been signed, it would have:

- Required cities to make parking promptly available once street sweeping and other maintenance activities have been provided, creating confusion for city officials and residents alike in when drivers can actually park in a given space;
- Prohibited cities from contracting with so-called "bounty hunters" when contracting out for parking enforcement by prohibiting cities from providing incentives for parking enforcement to simply fulfill their end of the bargain of enforcing city parking laws; and
- Permanently prohibited cities from ticketing cars at broken meters, even in cases of suspected vandalism, despite city efforts to adopt such policies voluntarily and a lack of evidence to demonstrate cities ticketing cars at broken meters is a widespread problem.

City streets are an essential part of overall infrastructure and provide much more than parking for residents. Urban forestry, undergrounded utilities, stormwater ways, and other essential infrastructure are inextricably linked to city streets. While cities do their best to accommodate their residents parking needs, residents also expect their cities to deliver other essential services, such as tree trimming, garbage collection, and debris removal.

The Governor's Veto of AB 2586 helps return local control over parking regulations to where it belongs, with local government.

Governor Upholds Local Control of Taxi Regulation with AB 650 Veto

Gov. Jerry Brown on Sept. 28 vetoed AB 650 (Low), a League-opposed measure that would have limited city and county ability to impose taxicab regulations, and instead shift authority over taxi regulation to an unknown state agency. The Governor's veto of AB 650 provides an opportunity for affected stakeholders to take a more thorough and thoughtful approach to addressing the issues facing the for-hire transportation industry.

The Legislature approved AB 650 in the final hours of the legislative session without any meaningful input from the public and affected stakeholders in a veiled attempt to level the playing field between the taxicab and transportation network company industries. Instead of taking concrete measures to actually bring both industries under a similar regulatory structure, the final version of the bill simply froze a city or county's ability to properly administer taxicab regulations.

If the bill had been signed, cities and counties would have no longer been able to:

- Impose any new service charges, fees, or assessments on taxicab transportation services even if taxicab companies are newly introduced into those jurisdictions;
- Impose fees for taxi driver permits in excess of \$75 in perpetuity, regardless of inflation, with no consideration of existing constitutional restrictions on permit fees or the real cost for taxi program administration; and
- Impose any additional regulations to help ensure adequate levels of service to all areas within the jurisdiction for individuals covered under the Americans with Disabilities Act of 1990, such as expansion or adoption of an ordinance similar to Los Angeles' requirement that 10 percent of its taxi fleet must be wheelchair accessible.

Cities throughout the state have been responsive to the challenges of the taxi industry by easing restrictions or creating uniform regulations. From waiving registration fees, to consolidating taxicab regulation to a regional entity, cities have been proactively trying to assist in addressing those challenges, while upholding proper safety measures.

League of California Cities[®] Health Benefits MarketplaceSM Booth at Annual Conference

Be sure to stop by the League's Health Benefits Marketplace (HBM) booth number 629 during the 2016 Annual Conference & Expo, Oct. 5–7, to discover the health care and OPEB solutions available to cities for their active employees and retirees coverage.

Launched on Aug. 1, 2016, the HBM is the League's health care platform designed to help cities address escalating OPEB liabilities while at the same time offer a greater flexibility in health care coverage to active employees and retirees. In addition to medical insurance coverage, valuable Affordable Care Act (ACA) compliance services, a wellness program along with ID Protection, life, dental, disability and pet insurance are through the HBM.

Visit booth number 629 during the annual conference to meet the League's HBM consultant Barry Eyre with Diversified Benefit Strategies. He will be joined by representatives from Connecture, Willis Towers Watson, Accord Systems and WellRight, which are partnering with the League to provide the active employee, retiree, ACA compliance and wellness program solutions respectively. This is a convenient opportunity to discover how the HBM's flexible solutions can offer solutions to meet your city's particular needs.

About the League's Health Benefits Marketplace

This League-sponsored marketplace is a consumer-driven platform that gives options to active employees and retirees, letting them select healthcare coverage that best suits 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 (along with implied subsidies to retirees), cities can transition their retirees to the individual market.

Eligible retirees also are able to maximize their coverage under the federal Medicare program, helping lower costs for their former employer and themselves.

For additional information on the Health Benefits Marketplace visit www.cacities.org/HBM or contact [Norman Coppinger](#) with the League at (916) 658-8277. To obtain a quote or receive an analysis on OPEB liability reduction, cities or their broker should contact [Barry Eyer](#) with Diversified Benefit Strategies.

Submit Proposals Now for the 2017 Mayors & Council Members Executive Forum

Deadline to Submit is Oct. 31

The League of California Cities[®] is now accepting session proposals for the 2017 Mayors & Council Members Executive Forum taking place June 28–29 in Monterey.

This two-day conference is for California mayors and council members of all tenures and focuses on current issues and timely topics that will assist officials in their daily roles and operations within their city.

Submit proposals through the [online proposal form](#) by Monday, Oct. 31 to be considered by the Executive Forum Program Planning Committee. There are a limit to the amount of words allowed within the title and description of each proposal. It is recommended that proposals are written in a word-processing program first, then paste the final version into the online form.

Submissions, non-commercial in nature, from any individual, group, business or organization, on any topic are welcome. The committee will consider the educational value of each proposal and the extent to which it presents new or significant information. Sessions may not include sales, commercialism or product promotion of any kind.

If you have any question about this event, please contact [Caitlin Cole](#), conference program manager at (916) 658-8248.

Visit the [Mayors and Council Members Executive Forum](#) webpage for additional information.

League Submits Comments on Final Workshop on Development of the 2030 Target Scoping Plan Update

The California Air Resources Board (ARB) concluded the comment period for the final workshop to assist with the development of the Draft 2030 Target Scoping Plan Update. The League provided [comments](#) on a wide-range of issues including local land use authority, vehicle miles traveled (VMT), and infill development. City officials are encouraged to review the [Workshop Presentation](#), [Land Use White Paper](#), and the [Potential VMT Measures](#) document. These documents and the final 2030 Target Scoping Plan Update could negatively impact local land use authority.

Under existing law, the Scoping Plan must be updated at least every five years. The most recent update was issued in 2014. ARB initiated the current Scoping Plan Update in order to comply with [Executive Order B-30-15](#), which required the Scoping Plan to be updated to reflect the midterm greenhouse gas (GHG) emissions reduction target of 40 percent below 1990 levels by 2030. Gov. Jerry Brown signed SB 32 (Pavley) earlier this year to codify the executive order.

Important Next Steps

ARB will release the Draft 2030 Target Scoping Plan Update this fall. The public comment period will commence at that time. The League will closely review the document and provide extensive comments. We recommend cities take action as well.

Regional workshops hosted by ARB will begin in winter 2016 and spring 2017. Workshops are being planned for the Bay Area, Los Angeles, and Central Valley.

The final 2030 Target Scoping Plan Updated will be presented to ARB in spring 2017.

The League will continue to provide additional information once the Draft 2030 Target Scoping Plan Update is released and the workshops are scheduled.

Clovis Council Member Harry Armstrong Retires after 46 Years in Office

Former League President and Clovis City Council Member Harry Armstrong will retire on Oct. 17 after 46 years in office. That date will be Council Member Armstrong's last city council meeting, making him one of, if not the, longest serving elected city official in California.

The League last September recognized Council Member Armstrong for his decades of service to California cities during the organization's Annual Conference & Expo. His involvement in the Clovis city government dates back to 1966 when he was appointed to the Clovis Planning Commission. First elected to the Clovis City Council in 1970, he has been re-elected 11 times and has served his city as mayor five times.

Council Member Armstrong stepped down from the League of California Cities board of directors in September 2015, after having served a combined total of 27 years on the board. He has been a member of the League's Transportation, Communications and Public Works Policy Committee since 1984, and active in the South San Joaquin Valley Division.

League Executive Director Chris McKenzie honored Council Member Armstrong for his dedication, leadership and service to the League. "Harry's dedication to the cities of California is unsurpassed. He has brought incredible integrity and focus to his decades of service not only on the Clovis City Council but to the League of California Cities and all the other local government related organizations and agencies he has served," said McKenzie. "The League of California Cities is eternally grateful for Harry's 27 years of service on to our South San Joaquin Valley Division, our Transportation, Communications and Public Works Policy Committee, and countless task forces on important policy issues for cities."

Transportation and water have been his passion. Council Member Armstrong served as chair of the Fresno County Transportation Authority for 22 years, as well as chair of the Fresno County Water Advisory Board for 13 years, and the Association of Metropolitan Water Agencies for 21 years. In addition, he was instrumental in getting Freeways 180 East and 168 built.

Councilmember Armstrong has received numerous awards including the Rose Ann Vuich Ethical Leadership Award, League of California Cities' Award for Service and Contributions to the Board of Directors, 2015 Fresno Council of Governments Regional Forum — Lifetime Achievement Award for Excellence, Leadership & Commitment; he was inducted into the Clovis Hall of Fame in 2010, and was named the Grand Marshal of the Clovis Rodeo Association in 2015. The upcoming City of Clovis transit system hub will be named the William "Harry" Armstrong Transit Center.

Mayor Nathan Magsig stated: "Harry Armstrong has been a guiding force in Clovis for 50 years. No one person has had more of a positive impact on Clovis than Harry Armstrong. Clovis is today, and has been, the safest city in the Central Valley. It is a city of choice for young families. It is a community that is recognized nationally for excellence. Harry Armstrong has been a major part of making Clovis what it is for over 50 years, including serving on the Planning Commission. He has seen the community grow from a small farm town to a community with vast business, educational and recreational opportunities. Harry Armstrong has dedicated most of his life to bringing excellence to Clovis. This is a debt that can never be repaid."
