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**Take Action to Support Legislation that Funds Affordable Housing**  
*Cities Urged to Send Letters on SB 2 and SB 3*

Two pending Senate bills create much-needed funds for affordable housing and cities are encouraged to submit support letters in advance of committee hearings in early March. *For more, see Page 2.*



**Register Today for the Municipal Law Symposium**  
*March 3 Conference at UC Irvine Focuses on Housing*

Registration is now open for the Municipal Law Symposium, [2017: The Year of Housing? Affordable Housing and Beyond](#). Scheduled for March 3 at the UC Irvine School of Law, the one-day event will explore the legal challenges facing housing strategies, including lessons from other states and the status of recently adopted and potential state legislation to come. The symposium is co-sponsored by the Municipal Law Institute of the League of California Cities®. *For more, see Page 3.*



**Two Park Bond Proposals Introduced, AB 18 Hearing Next Week**

Two measures propose park bonds for the June 2018 ballot. Voters passed Proposition 40, the last true park bond, 15 years ago and since then parks have suffered through the Great Recession as cities struggled to shore up shrinking budgets. Many parks departments have not recovered and are still weighed down by deferred maintenance. Assembly Member Eduardo Garcia (D-Coachella) and Senate President pro Tempore Kevin de León (D-Los Angeles) proposed new funding for parks to address this need. Although there are differences between the measures, both authors have indicated their willingness to work together. *For more, see Page 3.*

[SB 2 \(Atkins\)](#) establishes a permanent source of funding. [SB 3 \(Beall\)](#) is a \$3 billion general obligation bond for affordable housing programs and infill infrastructure projects. The League has prepared sample letters on both measures that cities can use to tailor using their local examples.

Cities are eager to help spur the development of new affordable housing units but lack resources. Few sources remain to fund affordable housing in California with redevelopment eliminated and state housing bonds exhausted. Gov. Jerry Brown in his proposed FY 2017-18 budget did not include money for affordable housing. The Senate through these bills is looking to help fill the gap. While funds generated through SB 2 and SB 3 would not make up for the \$1 billion annually generated for affordable housing through redevelopment agencies, these bills do provide the first meaningful source of funding since the state ended redevelopment in 2011.

## **SB 2**

The Building Homes and Jobs Act establishes a permanent source of funding for affordable rental or ownership housing, supportive housing, emergency shelters, transitional housing and other housing needs through a \$75 recordation fee on real estate documents. The fee is estimated to generate hundreds of millions of dollars each year. Similar to Sen. Toni Atkins' (D-San Diego) 2015 bill, AB 1335, SB 2 adds two new uses for the fee-generated funds: local community plan updates and fiscal incentives for local governments to approve new housing for low-income families.

SB 2 allocates 50 percent of the proceeds from the fee to local governments to be used to address housing needs at the local level. It will also help leverage additional federal, local and private investment in affordable housing, including nontraditional funding sources such as tax increment and innovative preventive services.

## **SB 3**

The Affordable Housing Bond Act of 2018 authorizes a \$3 billion general obligation bond to fund existing and highly successful affordable housing programs and infrastructure projects.

Sen. Jim Beall's (D-San Jose) measure is similar to Proposition 1C (2006) and allocates funds to the same programs as the now-exhausted housing bond did, including:

- The Multifamily Housing Program;
- Transit oriented development;
- Infill infrastructure financing;
- Building Equity and Growth in Neighborhoods (BEGIN);
- Local Housing Trust matching grant;
- CalHome; and
- Joe Serna Farmworker Housing.

Bond proceeds will help with housing for the homeless and those at risk of becoming homeless, low-income workers and create homeownership opportunities for California's low- and moderate-income earners.

## **Next Steps**

Neither SB 2 nor SB 3 have been given a hearing date yet, but both will go before the Senate Transportation and Housing Committee in early March. Cities are encouraged to submit support letters on both measures to members of the Senate Transportation and Housing Committee as well as their own legislators.

[Committee members](#) are listed online.

Action alerts for SB 2 and SB 3 are available on the [League's Take Action Center](#). Cities can submit letters directly through this tool.

Sample letters are also available to use on the League's website.

- [SB 2](#)
- [SB 3](#)

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'Muni Law Symposium' Continued from Page 1...

### Conference Details

California's housing crisis continues to worsen as more than 30 percent of homeowners and nearly half of all renters spend more than one-third of their household income on housing. Populations critical to thriving cities — teachers, service workers and first responders — are at the forefront of the struggle and the state's rate of homelessness remains higher than the national average.

Ben Metcalf, director of the California Department of Housing and Community Development will be the keynote speaker. The League's Legislative Representative Jason Rhine will also present. Other speakers include:

- Celeste Stahl Brady, Stradling Yocca Carlson & Rauth;
- Juliet Brodie, Stanford Law School;
- Jeree Glasser-Hedrick California, Debt Limit Allocation Committee;
- Shasta Greene, city of San Jose;
- Kathleen Head, Keyser Marston Associates, Inc.;
- Barbara Kautz, Goldfarb Lipman;
- Stephen Lewis, Santa Monica Rent Control Board;
- Steve Lefler, Modular Lifestyles, Inc.;
- Vanessa S. Locklin, Stradling Yocca Carlson & Rauth;
- Nick Marantz, UC Irvine School of Social Ecology;
- Daniel Saver Housing Program, Community Legal Services East Palo Alto;
- Tony Sertich, California Housing Finance Agency; and
- Mark Stivers, California Tax Credit Allocation Committee.

The full [program schedule](#) is available online.

### Registration

[Register online.](#)

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'Park Bonds' Continued from Page 1...

### AB 18

[AB 18](#) (E. Garcia), the California Clean Water, Climate, and Coastal Protection and Outdoor Access For All Act authorizes \$3.005 billion in General Obligation bonds to finance parks, water, climate adaptation, coastal protection and outdoor access programs. This League-supported bill is up for its first hearing next week on Feb. 7 in the Assembly Water, Parks, and Wildlife Committee.

Direct funding for local governments and grants for park-poor neighborhoods are among the funding allocations of interest to cities. AB 18 includes \$425 million for park rehabilitation and improvement grants to cities and counties, which would go out on a per capita basis. Cities are slated to directly receive 60 percent of the \$425 million, with each city receiving a minimum of \$200,000. In addition, it includes \$900 million for safe neighborhood parks in park-poor areas, as well as a range of additional grant programs through which cities may receive awards.

### SB 5

[SB 5](#) (de León), the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 proposes \$3 billion in General Obligation bonds to be directed to both parks and water projects.

Of the \$3 billion, \$1.5 would be dedicated to parks. Park-poor neighborhoods would be eligible for \$600 million for safe neighborhood parks. Local governments would also receive \$15 million for local park rehabilitation and improvement grants, which would be distributed on a per capita basis. An additional \$15 million would be reserved for grants for cities and parks districts in urbanized counties with populations of fewer than 200,000. The League has met with the Senate President pro Tem's staff and will continue discussions on this proposal.

The additional \$1.5 billion is designated for drinking water and drought preparedness. Priorities include improving drinking water quality, safe and reliable drinking water, improving regional water self-reliance security, water recycling and advanced treatment technology projects, and preventing or cleaning up contaminated groundwater.

This bill has been referred to the Senate Natural Resources and Water Committee, as well as the Governance and Finance Committee.

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## **Department of Toxic Substances Control Proposes Stricter Toxicity and Site Cleanup Regulations**

### *League Submits Comments on Need for Site-Specific Flexibility for Environmental Remediation Projects*

The Department of Toxic Substances Control (DTSC) has issued a pre-draft of its proposed regulations to strengthen criteria for acceptable human health risk-based screening levels. DTSC is seeking to codify the authority to apply the strictest of three available criteria to determine the cleanup requirements for hazardous waste sites. The agency wants to have the discretion to ensure that it can apply the strictest environmental standards. However, these regulations may cause significant issues for cities that seek to rehabilitate and develop contaminated sites. The League has [submitted comments](#) outlining the concern that the proposed regulations will reduce the flexibility of cities to redevelop brownfield sites.

While DTSC certainly has the responsibility to ensure cleanup standards are sufficiently protective of human health and the environment, these proposed regulations would remove the ability for site-specific considerations. Higher toxicity standards would make an already strict regulatory standard even more difficult to meet and could have serious impacts on cities trying to redevelop brownfield sites. These could lead to increased costs, further delays, decreased property values for the site and surrounding area.

The League's position states that the level of cleanup for a project should be based on the specific proposal. For example, a parking garage project does not need the same level of environmental scrutiny as a residential development site. If standards are too stringent, it could stifle community revitalization efforts and economic development.

DTSC has solicited comments from the public and stakeholders and is now in the process of formally issuing a draft regulation. The League will continue to monitor this issue and provide feedback on proposed regulations.

If your city has questions, please contact [Nicholas Romo](#).

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## **Upcoming Legislative Hearings of Interest to Cities**

The Legislature will host a number of oversight and informational hearings on a variety of policy areas of interest to cities in the coming weeks. After the fast-approaching Feb. 17 bill introduction deadline, expect the number of legislative hearings to ramp up.

Some hearings, if not all, will be televised. The [Senate](#) and [Assembly](#) publish weekly television schedules, but audio is always available online. In addition, many hearings are also webcast via the [California Channel](#).

Here are a number of upcoming hearings of interest to cities:

#### **Feb. 7**

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

- AB 28 (Frazier), Department of Transportation: Environmental Review Process: Federal Pilot Program. *League position: Support.*

**Joint Informational Hearing of the Assembly Business and Professions and Health and Agriculture committees**, 9-11 a.m., State Capitol, Room 4202

- Cannabis Regulation: The Path Forward After Proposition 65

**Assembly Water, Parks, and Wildlife Committee**, 2 p.m., State Capitol, Room 437

- AB 18 (E. Garcia), the California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2018. *League position: Support.*

#### **Feb. 10**

**Assembly Housing and Community Development Committee**, 1-3 p.m., Indio City Hall

- Informational Hearing: California's Housing Affordability Crisis: Challenges and Solutions in the Coachella and Imperial Valleys

#### **Feb. 14**

**Senate Transportation and Housing Committee** (*tentative*), State Capitol, time and room TBD

- SB 1 (Beall) — Transportation Funding. *League position: Support.*

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### **California City Solutions: Palmdale Partners with Youth Build Students to Develop Community Housing**

*This story is part of an ongoing series featuring Helen Putnam Award entries. The 2016 entries are available on the League's website as a resource for cities in a searchable database called [California City Solutions](#). Palmdale's Dream Center was submitted in 2016 for the Housing Programs and Innovations award category.*

As part of the city of Palmdale's Strategic Plan, the Neighborhood Services Department works with various community partners to help the city's young adult homelessness population. Each year a number of local young adults "age out" of foster care and many become homeless, potential victims of human trafficking or wind up on a path of criminal activity or drug addiction. The city joined forces with Antelope Valley Youth Build to transform a property into housing for up to 16 young adult residents.

In 2007 the city of Palmdale partnered with Antelope Valley Youth Build Charter High School to provide its student body with onsite work experience through real-world community projects. AV Youth Build provides an opportunity for young adults, 16 to 24 years old, to complete their high school education and receive training and certification in a variety of careers such as construction, health care and firefighting. This ongoing partnership has helped create Focus Neighborhood Houses and affordable housing units as part of the city's commitment to revitalize its most economically challenged neighborhoods.

While working with AV Youth Build students, city staff learned about the impact of homelessness on local youth. Participating students explained that their biggest challenges included finding stable housing, education, work opportunities and career development. They shared the reality of having to move out of their homes on their 18th birthday, couch surfing and even sleeping in cars.

Although the city had formed a strong partnership with AV Youth Build to help young adults complete their high school education and develop a career path, staff wanted to expand the partnership to address the homeless population of uninhibited youth in the community. Palmdale

faced some large challenges in finding the right property/building, funding the cost of rehabilitation of the property and keeping the program sustainable.

AV Youth Build and the city's housing division in 2011 acquired an older abandoned senior care facility in the heart of a focus neighborhood. This neighborhood had already been adopted by AV Youth Build as a focus area for its service work and seemed like the right fit for the project. The city needed to develop a functional building that to house emancipated youth who were enrolled in AV Youth Build Charter High School or who were homeless but were on the path to completing or advancing their education.

The project construction began with a neighborhood community event where young adults were asked to participate and write on a large billboard located at the project site and complete a sentence that started with, "My Dream Is ..." in the spirit of Dr. Martin Luther King. By the end of the day the billboard was filled with many dreams, which inspired the project name, "The Dream Center."

The city was able to close escrow on the property just prior to the state's elimination of redevelopment agencies, but only had \$150,000 remaining for its rehabilitation. This was not enough to cover the entire cost of the project. AV Youth Build partnered with a local nonprofit entity that had originally helped sponsor the project and applied for and received Federal HOME funds to help finance the majority of the work and completion of the project.

The AV Youth Build students performed a larger portion of the demolition and rehabilitation, saving an estimated \$250,000 in labor costs. Along with the student body, many other volunteers came out to work on the project, including other Youth Build chapters from outside the area. Local vendors such as Home Depot, Sun Power, and local contractors donated materials, labor and funding to the project. Residents from the community stepped forward and donated furniture, bedding and kitchen items to help furnish the complex.

Bike and Build is one notable group that participated on this project from demolition to final completion. These cyclists ride from Boston to Santa Barbara every summer and participate in the construction of affordable housing projects across the nation. As many as 30 college students riding into Palmdale spent two days working on the project. For each year the cyclists participated in the rehabilitation, AV Youth Build received the "Riders Choice" awards, which included a grant for as much as \$10,000 that could be spent to help fund the completion.

The estimated total budget for project was \$1.2 million. By working with AV Youth Build and the many community and national partners, this project was completed for less than \$750,000. This project also assisted AV Youth Build in meeting specific requirements pertaining to their Department of Labor grant by creating jobs for its student body.

Completed in 2015, the Dream Center and can house up to 16 single young adults and three single moms. The single young adult housing portion of the project provides eight bedrooms with dormitory style accommodations with half bath amenities. Fully segregated bathrooms for the men and women along with a fully equipped laundry room, community family room/study area and kitchen area are available for the residents. The single mom area consists of three single bedrooms with full bathrooms; community living room, kitchen and fully equipped laundry area. A dorm mom area in between the single young adult and young adult moms exists with a single bedroom, living space and private bath.

Along with the housing component, the students constructed a detached 1,200 square foot community room and community garden. The community room serves as a meeting and center for neighborhood residents to participate in various activities and programs. Since its completion, the Dream Center community room has hosted press conferences for the city's Season of Service kick off, cultural and art events hosted by the AV Youth Build student body and other focus neighborhood events. The residents that surround the Dream Center know it as a "third place" in their neighborhood where they can come and be better engaged with their community.

The Dream Center gained the attention of Youth Build National and currently serves as a model to other Youth Build chapters across the nation, providing an example of how local government can partner with an organization comprised mainly of young adults to create affordable housing

and together help address a significant issue in our community that provides a life-changing solution for now and the future.

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## **ILG to Host Health and Prosperity Roundtables in the Central Valley**

Local and regional government representatives, business leaders and community organization members are invited to connect with others interested in the health and prosperity of San Joaquin Valley communities at two February events. The Institute for Local Government, in partnership with the American Lung Association in California, will hold roundtables discussions on how valley communities are using state climate change funding to create healthier communities and expand economic opportunities for their residents.

### **Event Information**

- [Feb. 21 workshop in Stockton](#)
- [Feb. 22 workshop in Merced](#)

For additional information or if you have questions, please contact [Julia Lave Johnston](#).

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