



March 3, 2017
Issue #15

IN THIS ISSUE:

- Page 3: League-Sponsored Bond Agency Issues \$12 Million in Tax-Exempt Bonds for Affordable Housing in Bell
Page 5: Submit Session Ideas for the 2017 Municipal Finance Institute
California Financing Coordinating Committee Offers Free 2017 Infrastructure Funding Fairs Statewide

California Supreme Court Finds City Employee Communications on Personal Electronic Devices and Accounts May be Subject to Disclosure under California Public Records Act where Communications Pertain to Public Business

Court Further Clarifies that Cities May Reasonably Rely on City Employees to Search Personal Accounts and Devices for Communications Regarding Public Business

The California Supreme Court issued a unanimous decision Thursday, March 2 in [City of San Jose v. Superior Court \(Smith\)](#), holding that city employee communications pertaining to public business may be subject to disclosure under the California Public Records Act (CPRA) even if stored on a personal electronic device or in a personal account inaccessible by the city. *For more, see Page 2.*



Affordable Housing Funding Bills Passes out of Senate Transportation and Housing Committee

Measures Move to the Senate Governance and Finance Committee

The Senate Transportation and Housing Committee on Feb. 28 approved two major pieces of the "[California Rebuild](#)" package — Sen. Toni Atkins' (D-San Diego) SB 2 and Sen. Jim Beall's (D-San Jose) SB 3. The League supports both measures because they help begin to create a fund for much needed affordable housing in California. *For more, see Page 2.*



Bills in Committee and Legislative Hearings of Interest March 6 – 15

The legislative committee hearings are beginning to ramp up now that the Feb. 17 bill introduction deadline has past. Expect to see the schedule become busier in March and April. *For more, see Page 3.*

'Ruling' Continued from Page 1...

The case arose from a CPRA request local resident Ted Smith filed with the city of San Jose. Smith sought various records, including voicemails, emails, or text messages regarding city business, sent or received on private electronic devices by the mayor, certain members of the San Jose City Council, and their staff. The city disclosed responsive records accessible through city equipment or servers (i.e. a city email account), but did not disclose records accessible only through a private account (i.e. a personal email account).

San Jose took the position that records accessible only through a private account did not meet the definition of public records under the CPRA because they were not “prepared, owned, used, or retained” by the city. The California Supreme Court disagreed. The Court held “that a city employee’s writings about public business are not excluded from CPRA simply because they have been sent, received, or stored in a personal account.”

Nonetheless, the Court noted that an agency’s search for public records “need only be reasonably calculated to locate responsive documents” and affirmed that agencies “may develop their own internal policies for conducting searches.”

The Court also addressed employee privacy concerns raised by local government associations, including the League, in friend-of-the-court briefs, by clarifying that cities may reasonably rely on city employees to search their own personal accounts and devices for communications regarding public business.

The Court offered guidance to cities on how to administer such searches, noting that other state and federal courts have approved of allowing public employees to conduct their own searches and segregate public records from personal records, so long as they had been trained to distinguish between the two.

The League will be working with its Public Records Act committee to provide additional guidance to our members in light of this decision.

The League wishes to thank Shawn Haggerty and HongDao Nguyen of Best, Best & Krieger for drafting the League’s friend-of-the-court brief in this case.

'Housing' Continued from Page 1...

[SB 2](#) allocates 50 percent of the proceeds to local governments to address housing needs at the local level. This measure will also help leverage additional federal, local and private investment including nontraditional funding sources such as tax increment and innovative preventative services.

As a companion measure, [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 infill infrastructure projects.

The funding in SB 3 is allocated to the housing programs that were funded in Proposition 1C of 2006 in the following amounts:

- \$1.5 billion to the existing Multifamily Housing Program (MHP) to assist in the construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with incomes of up to 60 percent of the area median income.
- \$600 million to the Transit-Oriented Development and Infill Infrastructure Account, which the bill creates within the Fund, and allocates as follows:
 - \$200 million for the Transit-Oriented Development Implementation Program;
 - \$300 million for the Infill Infrastructure Financing Account for infill incentive grants to assist in new construction or rehabilitation of infrastructure that supports high-density affordable and mixed-income housing; and
 - \$100 million for the Building Equity and Growth in Neighborhoods (BEGIN) Program Fund to make grants to cities and counties to assist qualified first-time home buyers with down payments.
- \$600 million to the Special Populations Housing Account, and allocates as follows:

- \$300 million to the existing Joe Serna, Jr. Farmworker Housing Grant Fund; and
- \$300 million to the Local Housing Trust Fund to provide matching grants to local public agencies and nonprofit organizations that raise money for affordable housing.
- \$300 million for the existing CalHome Program to provide direct, forgivable loans for mortgage assistance.

The League testified in support of SB 2 and SB 3. Both move to the Senate Governance and Finance Committee. A hearing date has yet to be announced.

Cities are encouraged to submit a letter of support for these measures. Sample Letters are available here: [SB 2 \(Atkins\) sample letter](#) and [SB 3 \(Beall\) sample letter](#).

'Hearings' Continued from Page 1...

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:

March 7

Senate Natural Resources and Water Committee, 9:30 a.m., State Capitol, Room 113

- **SB 5 (De Leon)** California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018. League Position: Watch

Senate Transportation and Housing Committee, 1:30 p.m., State Capitol, Room 4203

- **SB 35 (Weiner)** Planning and Zoning: affordable housing: streamlined approval process. *League position: Oppose.*
- Informational Hearing: California's Housing Crisis: Long-Term & Comprehensive Funding and Regulatory Solutions

March 8

Senate Governance and Finance Committee, 9:30 a.m., State Capitol, Room 112

- **HOT SB 1 (Beall)** Transportation funding. *League position: Support.*

March 15

Senate Governance and Finance Committee, 9:30 a.m., State Capitol, Room 112

- **SB 2 (Atkins)** Building Homes and Jobs Act. *League position: Support.*
- **SB 37 (Roth)** Local government finance: property tax revenue allocations: vehicle license fee adjustments. *League position: support.*

League-Sponsored Bond Agency Issues \$12 Million in Tax-Exempt Bonds for Affordable Housing in Bell

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).

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 \$12,000,000 in tax-exempt multi-family affordable housing bonds for The Salvation Army Bell Oasis Apartments in Bell.

About Bell Oasis Apartments:

Bell Oasis Apartments is the new construction of 65 affordable housing units by The Salvation Army.

The benefits of the project for the city of Bell and Los Angeles County include the following:

- 100 percent of the affordable rental housing units will be rent restricted for low-income tenants;
- The project consists of 64 studio units and one manager's unit;
- The project will have an on-site community director and will be LEED Silver certified; and
- The project will provide permanent housing for the homeless community.

CSCDA and The Salvation Army partnered with U.S. Bank and Orrick, Herrington & Sutcliffe, LLP to provide \$12 million in tax-exempt multi-family affordable housing bonds for the project. The financing for the project requires the affordability of units for low-income tenants to be maintained for 55 years.

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.

Submit Session Ideas for the 2017 Municipal Finance Institute

Submissions due by April 12

The League of California Cities[®] is now accepting session ideas for the 2017 Municipal Finance Institute which will be held Dec. 13 – 14 in Newport Beach. This two-day event is geared towards finance officers, city treasurers, city managers and all city staff who assist these professionals in their stewardship of public resources and focuses on current issues and timely topics that will assist officials in their daily roles and operations within their city.

Submission Guidelines

- Submissions, non-commercial in nature, from any individual, group, business or organization, on any topic are welcome;
- The Program Planning Committee will consider the educational value of each proposal and the extent to which it presents new and/or significant information;
- Sessions may not include sales, commercialism or product promotion of any kind; and
- Proposals must be submitted [online](#).

For more information or to request a copy of last year's program, please contact [Katie Sacco](#).

California Financing Coordinating Committee Offers Free 2017 Infrastructure Funding Fairs Statewide

[The California Financing Coordinating Committee](#) (CFCC) will be hosting several free funding fairs throughout the state between April and September.

These events are designed to provide information about currently available infrastructure grant, loan and bond financing programs and options. Attendees will also have an opportunity to speak directly with program staff about specific projects and issues affecting their communities.

Representatives from public works, local governments, and California Native American Tribes are encouraged to attend. This includes city managers and planners, economic development and

engineering professionals, officials from privately owned facilities, water and irrigation district managers, financial advisors and project consultants.

CFCC agencies fund primarily the following types of infrastructure projects:

- Drinking water;
- Wastewater;
- Water quality;
- Water supply;
- Water conservation;
- Water use efficiency;
- Energy efficiency; and
- Flood management.

2017 Funding Fairs Schedule

April 5* Sacramento

California Rural Water Association
1234 North Market Blvd

Register [online](#)

* The Sacramento workshop will be webcast.

May 2 Redding

Redding Library-Community Room
1100 Parkview Ave

Register [online](#)

June 6 Tulare

Southern California Edison Energy Education Center
4175 South Laspina Street

Register [online](#)

July 19 Monterey

Monterey Recreation
Hilltop Park Center

871 Jessie Street

Register [online](#)

Aug. 29 San Bernardino

California State University
San Bernardino Campus
College of Education, Room 105
5500 University Parkway

Free Parking

Register [online](#)

Aug. 30 San Diego

Regional Water Quality Control Boards
2375 Northside Drive. Suite 100

Register [online](#)

Please visit the CFCC's [website](#) for more information or to register for one of the funding fairs.

For questions, please call (916) 447-9832 x1029.
