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League Continues Advocating for Affordable Housing Funding and Streamlined Planning; Opposes By-Right Proposals

The 2017 legislative session is at full steam with over 2,000 measures introduced in the first year of the two-year session. Of those, nearly 200 measures are focused on the housing supply and affordability crisis gripping many communities across the state. The League of California Cities® has been a proactive advocate in the Legislature’s deliberations of the available solutions to the housing crisis. *For more, see Page 2.*



League Sponsors AB 636 to Help Cities Improve Annual Transportation Reporting Timelines

Bill up for First Hearing on March 20 in the Assembly Transportation Committee

The League is sponsoring Assembly Member Jacqui Irwin’s [AB 636](#) to help improve the quality and integrity of data reported by cities and counties to the State Controller’s Office. Scheduled for its first hearing on March 20 in the Assembly Transportation Committee, the measure allows local governments to submit their annual expenditure reports for streets and roads within seven months of the end of their fiscal year. *For more, see Page 3.*



Bills in Committee and Legislative Hearings of Interest March 20 – April 5

The legislative policy committee schedule is ramping up and the League is tracking numerous bills affecting cities. The League is working on its legislative bills of interest to cities, which will be published once available. *For more, see Page 3.*

Continuing to support increased state financial support and additional incentives and local financial tools to address the affordability of workforce housing and increase the availability of affordable housing, the League is advocating for the following measures:

SB 540 (Roth) Workforce Housing Opportunity Zone

League-sponsored [SB 540 \(Roth\)](#) aims to streamline housing approvals and construction. One challenge local developers face is complying with the California Environmental Quality Act (CEQA), which can be a lengthy process that creates delays and uncertainty.

Under SB 540, cities and counties could identify priority housing areas within a community where enhanced planning, necessary environmental reviews and public engagement would occur at the front end. By focusing on workforce and affordable housing in areas close to jobs and transit, the additional streamlined process would encourage developers to propose projects that address affordable housing needs and climate protection goals. SB 540 is awaiting a hearing date.

For more information on SB 540, please see ["Senator Roth's SB 540 Creates Blueprint for More Housing Construction."](#) *CA Cities Advocate*, March 14, 2017.

SB 2 (Atkins) Building Homes and Jobs Act

[SB 2 \(Atkins\)](#) creates a new source of funding for affordable homes through a recording fee on certain types of real estate documents, excluding sales of residential and commercial property. The fee will generate hundreds of millions of dollars annually and 50 percent of the proceeds will be allocated to local governments to address housing needs at the local level.

The Senate Governance and Finance Committee on March 15 voted 5-2 in favor of SB 2, which now awaits its Appropriations Committee hearing date.

Mill Valley Mayor Jessica Sloan testified in support of SB 2. "Housing for all of our residents improves our communities, our safety, and our local economies," said Mayor Sloan. In her remarks, Mayor Sloan focused the committee's attention to the loss of state and federal monies for affordable housing over the past decade and highlighted SB 2 as a "critical measure that will assist the construction of affordable housing and help provide for the housing needs of this generation and the next."

SB 3 (Beall) Affordable Housing Bond Act of 2018

[SB 3 \(Beall\)](#) authorizes a \$3 billion general obligation bond to fund affordable housing programs and infill infrastructure projects. Proceeds from the last state housing bond, passed a decade ago, have been expended, and other state and federal funding sources, except for modest amounts of tax credits, have slowly eroded or have been discontinued. SB 3 is set for its second hearing on March 22 in the Senate Governance and Finance Committee.

For more on SB 2 and SB 3, please see ["Affordable Housing Bills Pass out of Senate Transportation and Housing Committee,"](#) *CA Cities Advocate*, March 3, 2017.

All That Glitters is Not Gold

While the League is focused on supporting measures that assist cities with creating supportive climates for the construction of affordable and workforce housing, other measures are seeking to remove local discretionary land use authority and strip residents of their right to participate.

SB 35 (Wiener) Planning and Zoning: Affordable Housing: Streamlined Approval Process

[SB 35 \(Wiener\)](#) pre-empts local discretionary land use approvals of multi-family housing developments and accessory dwelling units by having all such approvals be considered "ministerial." Under SB 35, a ministerial permit approval eliminates opportunities for public review, excludes project-level environmental review, and removes local parking requirements. Eliminating

opportunities for public review of these major development projects goes against the principles of local democracy and public engagement.

Although it may frustrate some developers to hear concerns about traffic, parking and other development impacts, those affected by such projects have a right to be heard in the Senate Governance and Finance Committee. Not having such outlets will increase public distrust in government. SB 35 awaits a hearing date after clearing the Senate Transportation and Housing Committee on March 2.

The League remains committed to developing and supporting realistic solutions to the housing crises.

Next Steps

Members are encouraged to submit position letters on housing bills.

The League's position letter along with sample position letters for each bill can be found at www.cacities.org/billsearch by plugging the bill number into the search function for SB 2, SB 3, SB 540 and SB 35.

'AB 636' Continued from Page 1...

Cities will save time and cut costs under AB 636 through the improvement of the quality of final data submitted to the Controller. Under existing law local agencies are required to submit street and road expenditure reports to the Controller within 90 days of the close of the agency's fiscal year.

Most agencies operate on the fiscal year that runs July 1 – June 30 and the Controller requires that this information is submitted by October. Most audits can take up to six months to complete, which means that local agencies on this schedule may not have complete data by October. The issue is more complicated for local agencies that operate on the federal fiscal year calendar (Jan. 1 – Dec. 31) often do not have correct data in October. This results in local agencies submitting potentially incomplete information in October which can cause confusion to the public and additional work for local agency staff. AB 636 aligns the reporting deadlines to fit each city's needs by giving all cities seven months to submit their reports after the end of their fiscal year.

AB 636 builds upon the successful approach taken by AB 341 (Achadjian, 2015), which received bipartisan support.

Next Steps

The League encourages all cities support this simple time and cost saving fix to reporting timelines. To find a copy of the bill language, the League's support letter and a sample support letter go to www.cacities.org/billsearch and plug in AB 636 into the search function.

'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](#).

Bill language and the League's position letters and sample letters can be found at www.cacities.org/billsearch by plugging the bill number into the search function.

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

March 20

Assembly Transportation Committee, 2:30 p.m., State Capitol, Room 4202

- **AB 636 (Irwin)** Local streets and roads: expenditure reports. *League position: Sponsor.*

March 21

Assembly Health Committee, 1:30 p.m., State Capitol, Room 4202

- **AB 285 (Melendez)** Drug and alcohol free residencies. *League position: Support.*

March 22

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

- **HOT SB 3 (Beall)** Affordable Housing Bond Act of 2018. *League position: Support.*

Senate Labor and Industrial Relations Committee, 9:30 a.m., State Capitol, Room 2040

- **SB 63 (Jackson)** Unlawful employment practice: parental leave. *League position: Oppose.*

March 27

Assembly Revenue and Taxation Committee, 2:30 p.m., State Capitol, Room 126

- **AB 181 (Lackey)** Taxation: renters' credit. *League position: Support.*

March 29

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

- **SB 139 (Wilk)** Harmful substances: local regulation. *League position: Support.*

April 4

Senate Energy, Utilities and Communications, 9 a.m., State Capitol, Room 3191

- **HOT SB 649 (Hueso)** Wireless telecommunications facilities. *League position: Oppose.*

April 5

Assembly Local Government Committee, 1:30 p.m., State Capitol, Room 447

- **AB 852 (Grayson)** Planning and zoning: general plan: report. *League position: Sponsor.*

League Supports AB 1326 to Address Increase in Theft Crimes in the Wake of Proposition 47

Measure Scheduled to be Heard March 28 in the Assembly Public Safety Committee

The League of California Cities[®] on March 9 issued a support letter on AB 1326 by Assembly Member Jim Cooper (D-Elk Grove). This measure addresses the ongoing increase in theft crimes since voters in 2014 approved Proposition 47, which increased the threshold for grand theft, a felony, from \$450 to \$950 per incident.

Prop. 47 has had the unintended consequence of incentivizing career criminals to take advantage of criminal justice reforms meant to prevent low-level offenders from receiving lengthy jail sentences. This class of offenders now find it possible to steal up to just under \$950 worth of merchandise with little concern for the limited consequences (misdemeanor convictions carry little, if any, incarceration time), which are greatly outweighed by the potential financial gain of recurring thefts.

AB 1326 allows law enforcement authorities to aggregate the monetary value of property stolen by an individual over the course of a year, and authorize felony prosecution if that monetary value meets the \$950 threshold. This measure addresses increased incidents of both individual shoplifting and organized retail theft operations responsible for the loss of millions of dollars in retail merchandise statewide, which entail a corresponding hit to local sales tax revenues.

According to the California Police Chiefs Association, statewide data collected from over 300 municipal police departments showed that California's property crime rate increased 7.26 percent

in 2015, compared with 2014. The rate change for the rest of the U.S., however, **decreased** 4.77 percent — a difference of over 12 percent. Only nine of 50 states reported property crime rate increases during the time period, with Hawaii being the only state with a higher rate and product loss than California.

According to the California Department of Justice, the value of stolen property in 2015 was just under \$2.5 billion, an increase of \$287.8 million (or 13.2 percent) over 2014. That represents the largest year-over-year increase in at least 10 years. These statistics are further corroborated by similar business trends regarding shoplifting.

Next Steps

AB 1326 is scheduled to be heard in the Assembly Public Safety Committee on Tuesday, March 28. The League encourages all cities to support this critical public safety measure.

The full bill text, the League's support letter and a sample support letter cities can use is available at www.cacities.org/billsearch by plugging AB 1326 into the search function.

League Engages on Public Safety

The League's [Strategic Goal #4](#) for 2017 is to address the public safety impacts of reduced sentencing laws and provide cities the tools and resources needed to respond to these changes in statewide criminal sentencing policies.

In keeping with this goal, the League has taken a support position on three public safety bills. If passed into law, these bills will have a direct benefit to cities.

The League encourages cities to join the League in supporting these measures. Links to each bill will provide the full text and status. Sample letters are also available at www.cacities.org/billsearch by plugging the bill number into the search function.

- [SB 75 \(Bates\)](#) adds to the list of violent felonies defined in the California Penal Code. This measure will address concerns about the universe of non-violent second-strike felons who will be eligible for — but are not guaranteed — parole under Proposition 57.
 - [AB 1326 \(Cooper\)](#) addresses the ongoing uptick in theft crimes since Prop. 47 by allowing law enforcement authorities to aggregate the monetary value of property stolen by an individual over the course of a year, and authorize felony prosecution if that monetary value meets the \$950 threshold. It also addresses increased incidents of both individual shoplifting and organized retail theft operations responsible for the loss of millions of dollars in retail merchandise statewide, which entail a corresponding hit to local sales tax revenues.
 - [AB 27 \(Melendez\)](#) formally classifies a series of sex offenses as violent felonies. It restricts discretion on the part of prosecutors and judges to treat a range of sex crimes less seriously than they may deserve, and ensure more appropriate sentencing.
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No Place Like Home Advisory Committee Schedules First Meeting for March 23

The Department of Housing and Community Development (HCD) has announced it has scheduled the first [No Place Like Home](#) Advisory Committee Meeting. It will be held March 23 in Sacramento.

[Supported by the League](#), the No Place Like Home program will fund the construction and rehabilitation of up to 10,000 units of supportive housing for California's chronically homeless men, women and children. Gov. Jerry Brown's proposed FY 2017-18 budget proposes to allocate an initial \$262 million for this purpose.

Meeting Details

March 23, 9:30 a.m. to noon

HCD

2020 W. El Camino Avenue, 4th Floor, Room 402A/B

Sacramento, CA 95833

HCD has set up a conference line for people to participate remotely. The number is (888) 808-6929 and the participant code is 2637436.

[No Place Like Home webpage](#) features the agenda, background materials and other resources.
