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Blueprint for More Housing Legislation Heads to Senate Environmental Quality Committee for Final Policy Hearing

As hundreds of city officials gather at the Sacramento Convention Center next Wednesday for Legislative Action Day, SB 540 (Roth), the League-sponsored Workforce Housing Opportunity Zone bill, will be heard in the Senate Environmental Quality Committee. The bill passed out of the Senate Transportation and Housing and Governance and Finance committees in March with bipartisan support. Triple referred, the April 19 hearing will be the third and final policy hearing before the bill can go to the full Senate for action. *For more, see Page 2.*



Gut-and-Amend Bill May Significantly Impact City Budgets

AB 1250 Set for April 19 Hearing, Cities Urged to Oppose

A recent gut-and-amend bill targeting cities and counties that contract for city services will be heard in the Assembly Public Employees Retirement and Social Security Committee on Wednesday April, 19. As amended, [AB 1250 \(Jones-Sawyer\)](#) a multifaceted attack on local discretion and places substantial burdens on local agencies by adding onerous, over prescriptive and unnecessary requirements that have significant impacts on local governance. Cities are urged to review this bill and take immediate action to oppose and members in Sacramento on April 19 for Legislative Action Day can testify directly in committee in opposition.

For more, see Page 3.



Bills in Committee and Legislative Hearings of Interest April 17 – 26

The legislative policy committee schedule is in full gear and the League is tracking numerous bills affecting cities. 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](#). *For more, see Page 4.*

SB 540 Creates Blueprint for More Housing Construction

Addressing the affordable housing crisis is one of the League's top strategic goals for a second year in a row with cities on the front lines of this crisis. There has been a robust discussion on the need for more housing and finger pointing on why development is not keeping pace with demand. There is no one single California housing market, but many markets with various forces at play. It is a complex issue that reflects California's economy and the realities of the cost of development.

Cities are not housing developers and do not build homes, but cities play a critical role through the permitting and review process that must occur before a single foundation can be laid. Delays and roadblocks in these processes have in some areas made development more challenging. To that end, [the League is working with Sen. Richard Roth](#) (D-Riverside) on his SB 540 to create a path for and streamline housing construction.

SB 540 provides an enhanced up-front planning process for local governments that reduces delays and uncertainty when proposed projects are consistent with those plans. Ensuring local planning requirements and environmental mitigation measures are identified early would streamline the approval process to facilitate more housing construction.

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.
- In order to be eligible:
 - 30 percent of units within the zone must be sold or rented to moderate income households;
 - 15 percent must be sold or rented to lower income households;
 - 5 percent must be sold or rented to very low income households;
 - Market rate projects must contain 10 percent affordable unit; and
 - Funding to support the up-front planning would come from a revolving state loan fund available to local governments. Loans would be repaid when development occurs.

Senate Environmental Quality Committee to Determine Path Forward of Legislative Approach on Housing

The Senate Environmental Quality Committee has a pivotal decision to make with SB 540. The Legislature has identified housing as one of its top priorities and approximately 170 bills this year are housing-related. The Legislature has made considerable progress on identifying the problem and all of the factors that contribute to why California does not have enough affordable housing stock, including the state and local review processes that are central to every project.

However the Legislature faces a fork in the road when it comes to its priorities and what policy direction is best for the state's overall goals on a number of fronts including how to spur developers to invest and build.

Sen. Roth and the League have developed SB 540 as a real and responsible solution to California's housing development problem. It is a solution that protects environmental review, public engagement and streamlines the development process and creates greater certainty for developers considering where to build and how much.

SB 540 makes a modest but important adjustment to CEQA, determined by the local government, for a limited amount of time to advance the goal of creating more housing supply at affordable prices for California's residents. The Legislature wants cities to help address the housing crisis and spur development, the Senate Environmental Quality Committee on April 19 will have to decide if streamlining housing approvals is a priority. The permitting process is one of the hold

ups in development and under SB 540, in these Workforce Housing Opportunity Zones, cities will not be able to deny permits for five years if the project is consistent with the environmental and mitigation measures already identified.

This bill is part of the solution and shows what the state and local governments can do together to help end California's affordable housing crisis.

Next Steps

The Senate Environmental Quality Committee needs to hear from cities directly about why SB 540 is a responsible solution that will help create more affordable housing.

If your city has not submitted a support letter on SB 540, now is the time to do so.

The League's support letters and sample letter cities can use is available on the League's website at www.cacities.org/billsearch by plugging SB 540 into the search function.

'Contracting' Continued from Page 1...

Among other things AB 1250 eliminates local agency hiring authority by limiting local agencies' ability to utilize a contract for the sole purpose of cost savings through salaries and benefits. This creates a significant hurdle as agencies are at a near breaking point on their unfunded actuarial liability (UAL) and normal pension costs.

CalPERS last December lowered its assumed rate of return from 7.5 percent to 7 percent. This action alone is projected to increase total pension obligations in some cities to 65–70 percent or higher of total payroll by FY 2022-23. The full impact will hit in FY 2024-25. Temporarily contracting out for services until the pension fund becomes cash positive again thereby resulting in reduced short-term employer liability may be the only option cities have to provide services to the public. For more on CalPERS action, please see ["CalPERS Board Approves Lowering of Discount Rate," CA Cities Advocate](#), Dec. 21, 2016.

While disregarding the need for cost savings for cities AB 1250 significantly increases cost through substantial increased workload. Under this measure, if a city chooses to renew any of its existing contracts or award new contract they will be required to conduct a full economic analysis of the potential impacts of outsourcing, a full environmental impact analysis caused by contracting for the services — and the city must go through the expense of conducting an annual audit of each contract which must then be considered by the city council before work can begin.

AB 1250 also applies joint and several liabilities for employment law violations arising from performance of the contractor as well as torts committed by the contractor or any of its subcontractors in the course of providing services under the contract. This would place overly restrictive requirements on cities and potentially open that agency up to costly and protracted litigation.

Local governments have a long history of addressing service delivery challenges with efficient creativity, self-reliance and innovation. Unique local challenges and limited budgets continue to fuel innovative efforts to obtain expertise and provide high quality services. City employees provide many services, while others such as refuse collection, waste water treatment, traffic signal maintenance and other specialized services are provided on a contract basis. Law enforcement services may also be provided via contract with the sheriff and fire and park services by a special district.

The League remains steadfast in its advocacy for policies that promote and support local governments in their work to maintain sustainable and healthy finances — as good stewards of taxpayer dollars. However all cities should oppose AB 1250 as many local agencies have not achieved the same level of economic prosperity compared to pre-2008 recession levels.

Take Action

With Legislative Action Day in Sacramento on April 19, cities attending the event have an additional opportunity to testify in opposition to AB 1250 in Assembly Public Employees Retirement and Social Security Committee. If you are attending and can testify, please contact League Legislative Representative [Dane Hutchings](#) at (916) 658-8210.

Cities can submit opposition letters AB 1250 through the League's [online action center](#).

In addition, cities can also find the full bill text, the League's opposition letter and a sample letter on the League's website through the bill search function. These materials are available at www.cacities.org/billsearch by plugging SB 1250 into the search function.

'Bills' Continued from Page 1...

Additional information about the important bills the League is tracking is available in the [2017 Bills of Interest and Hot Bills List](#). Published on April 12, this list will continually be updated throughout the remainder of the Legislative Session. 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:

April 17

Assembly Natural Resources Committee, Upon Adjournment of Session, State Capitol, Room 447

- **AB 663 (Bloom)** Coastal resources: housing. *League position: Oppose.*
- **AB 1180 (Holden)** California tire fee: Stormwater Permit Compliance Fund. *League position: Support.*

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

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

April 18

Assembly Public Safety, 8:30 a.m., State Capitol, Room 126

- AB 887 (Cooper) Public safety officers: investigations and interviews. *League position: Preliminary Opposition.*
- **HOT AB 1326 (Cooper)** Petty theft: subsequent convictions. *League position: Support.*

Senate Public Safety, 8:30 a.m. State Capitol, Room 4203

- **HOT SB 75 (Bates) Violent felonies.** *League position: Support.*

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

- **SB 167 (Skinner)** Housing Accountability Act. *League position: Concerns.*

April 19

Senate Environmental Quality Committee, 8:30 a.m., State Capitol, Room 3191

- **SB 79 (Allen)** Sales and use taxes: exemption: used electric vehicles. *League position: Oppose Unless Amended.*
- **HOT SB 540 (Roth)** Workforce Housing Opportunity Zone. *League position: Support.*
- **SB 589 (Hernandez)** Municipal separate storm sewer systems: financial capability analysis. *League position: Support.*
- **SB 618 (Bradford)** Land-serving entities: integrated resource plans. *League position: Oppose.*
- **SB 780 (Wiener)** Water Conservation in Landscaping Act. *League position: Oppose.*

Assembly Housing and Community Development, 9 a.m., State Capitol, Room 126

- **AB 346 (Daly)** Redevelopment: housing successor: Low and Moderate Income Housing Asset Fund. *League position: Support.*
- **AB 879 (Grayson)** Planning and zoning: housing element. *League position: Support.*
- **AB 1585 (Bloom)** Planning and zoning: affordable housing: single application. *League position: Oppose.*

Assembly Insurance Committee, 9 a.m., State Capitol, Room 437

- **AB 44 (Reyes)** Workers' compensation: medical treatment: terrorist attacks: workplace violence. *League position: Oppose.*

Assembly Public Employees, Retirement and Social Security Committee, 9 a.m., State Capitol, Room 444

- **AB 20 (Kalra)** Public employee retirement systems: divestment: Dakota Access Pipeline. *League position: Oppose.*
- **AB 52 (Cooper)** Public employee: orientation and informational programs: exclusive representatives. *League position: Support in Concept.*
- **AB 561 (Voepel)** Sales and use taxes: exclusion: public safety first responder vehicle and equipment: local public employee retirement: employer contributions. *League position: Oppose.*
- **HOT AB 1250 (Jones-Sawyer)** Counties and cities: contracts for personal services. *League position: Oppose.*

Senate Education Committee, 9 a.m., State Capitol, Room 4203

- **SB 78 (Leyva)** After school programs: grant amounts. *League position: Support.*

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

- **SB 242 (Skinner)** Property Assessed Clean Energy program: program administrator. *League position: Support.*

Assembly Education Committee, 1:30 p.m., State Capitol, Room 126

- **AB 45 (Thurmond)** California School Employee Housing Assistance Grant Program. *League position: Support.*

Assembly Labor and Employment Committee, 1:30 p.m., State Capitol, Room 447

- **AB 1548 (Fong)** Occupational safety and health: penalties. *League position: Support.*

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

- **AB 1333 (Dabaneh)** Political Reform Act of 1974: Local Government Agency Notices. *League position: Oppose*

AB 1414 (Friedman) Solar energy systems: permits. *League position: Oppose.*

Senate Health Committee, 1:30 p.m., State Capitol, Room 4203

- **SB 17 (Hernandez)** Health care: prescription drug costs. *League position: Support.*
- **HOT SB 786 (Mendoza)** Alcoholism or drug abuse recovery or treatment facilities: overconcentration. *League position: Support.*

April 24

Assembly Natural Resources, Upon Adjournment of Session, State Capitol, Room 447

- **HOT AB 890 (Medina)** Local land use initiatives: environmental review. *League position: Oppose.*

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

- **HOT AB 252 (Ridley-Thomas)** Local government: taxation: prohibition: video streaming services. *League position: Oppose.*

April 25

Senate Public Safety Committee, 9:30 a.m., State Capitol, Room 4203

SB 347 (Jackson) State Remote Piloted Aircraft Act. *League position: Support.*

Senate Judiciary Committee, 1:30 p.m., State Capitol, Room 112

- **SB 378 (Portantion)** Alcoholic beverages: licenses: emergency orders. *League position: Support.*

Assembly Judiciary Committee, 9 a.m., State Capitol, Room 437

- **HOT AB 1479 (Bonta)** Public records: supervisor of records: fines. *League position: Oppose.*

April 26

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

- **SB 252 (Dodd)** Water wells. *League position: Concerns.*
- **HOT SB 649 (Hueso)** Wireless telecommunications facilities. *League position: Oppose.*

League's Health Benefits MarketplaceSM Webinar: A Benefits Technology Solution for Cities

May 11 Webinar will Cover How Your City Can Increase Efficiency of Delivering Medical Benefits to Active Employees

Join the League on Thursday, May 11 at 10 a.m. for a [one-hour complimentary webinar](#) to learn how your city can utilize the League of California Cities[®] Health Benefits MarketplaceSM (HBM) administration platform to manage active employee medical benefits. The HBM leverages state of the art technology, enabling public sector HR professionals to streamline efficiencies around enrollments, administration, ACA reporting, delivery of wellness and more.

The webinar will cover:

- What the HBM is, who has access and how it works;
- How the HBM tool can redefine the ways in which your city delivers benefits to all its different employee populations; and
- How the HBM platform works with a live demonstration of the benefits administration technology.

A question and answer session will follow the webinar.

Registration

[Pre-registration is now open.](#)

Information

For additional information on the HBM visit www.cacities.org/HBM or contact [Amanda Cadelago](#) with the League at (916) 658-8226.

About the League of California Cities Health Benefits Marketplace

The League's Health Benefits Marketplace features flexible tools to help all public agencies manage their unique benefits, contributions and eligibility structures for active employees and retirees. A robust benefits administration tool enables HR to enhance efficiencies and maximize staff time while delivering benefits to active employees via an individualized online shopping and enrollment plan.

The Health Benefits Marketplace also provides the option for cities to transition their retirees to the individual market, where retirees can align their individual needs with the health care market, simultaneously allowing cities to help manage the cost and liabilities associated with Other Post-Employment Benefits (OPEB).

U.S. Communities Announces New Paint and Paint Supplies Contract Available to Cities

U.S. Communities, the League of California Cities® and the California State Association of Counties sponsored government purchasing alliance, is excited to announce the award of a new U.S. Communities cooperative contract for Paint and Paint Supplies.

This contract was awarded to The Home Depot through a competitive solicitation process conducted by the lead public agency, Maricopa County, Arizona. The contract term is for three years with the option to renew for seven additional one-year periods.

This new contract provides services and savings including:

- Up to 20 percent off paints, stains and primers
- All paint purchases eligible for rebate of up to 5 percent
- Free direct-to-jobsite delivery
- Dedicated field support

To learn more about this new contract and the solutions available, register for a [free informational webinar](#).

Webinars

Wednesday, May 3, 8 a.m.
[Register online](#)

Thursday, May 4, 10 a.m.
[Register online](#)

If you are unable to join one of the webinars, click the information link below to have a [Home Depot representative contact you](#).

For additional information on MRO products and online services or the U.S. Communities Government Purchasing Alliance visit www.uscommunities.org or contact [Amanda Cadelago](#) with the League at (916) 658-8226.

About U.S. Communities

The U.S. Communities Government Purchasing Alliance, a strategic partner of the League of California Cities, is a government purchasing cooperative that reduces the cost of goods and services by aggregating the purchasing power of public agencies nationwide. U.S. Communities provides world class procurement resources and solutions to local and state government agencies, school districts (K-12), higher education, and nonprofits. State and local governments have access to a broad line of competitively solicited contracts with best in class national suppliers.
