

**May 5, 2017  
Issue #35**

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## **SB 35's Proposed Bureaucracy May Not Result in Much Affordable Housing**

The notion that cities are the major impediment to the state's current housing production challenges is the underlying rationale behind [SB 35 \(Wiener\)](#), one of the bills moving in the Legislature this year. However, the measure's proposed solution will likely result in more bureaucratic activity than additional housing. *For more, see Page 2.*



## **League President Solicits Coastal City Officials to Serve on Coastal Cities Issues Group (CCIG) Leadership Committee**

*Deadline to Submit Letters of Interest is Friday, May 26*

League President JoAnne Mounce is soliciting six elected officials, one from each of the six regions within the coastal zone, to serve on a new Leadership Committee of the League's Coastal Cities Issues Group (CCIG). The League board of directors created CCIG in November 2006 as a forum for cities within the coastal zone to discuss coastal issues and build a relationship with the California Coastal Commission. *For more, see Page 3.*



## **AB 345 Seeks to Strengthen Local Enforcement Tools for Ordinances and Building Codes**

Cities facing challenges enforcing their local ordinances and building and safety codes should consider supporting [AB 345](#) (Ridley-Thomas). This measure increases the maximum permissible fine amounts for violations or infractions of local ordinances and local building and safety codes. *For more, see Page 3.*

**'Housing' Continued from Page 1...**

SB 35's approach is very simple and crafted so it will be easy for the state officials to administer: state demographers estimate the state's annual housing needs across various income (low, very-low, moderate, etc.) categories with specific allocations assigned to individual cities and counties; state officials will then closely monitor each city and county's housing approvals; if state officials determine that a city or county is not approving housing each year at its assigned level that means it is the local government's fault and as a penalty it loses community control over certain housing approvals and environmental review.

For example: a city is allocated regional housing need numbers that include 1,000 units of moderate-income housing, 500 units of lower income, and 300 units of very-low income housing. The city adopts a state-approved housing element for its eight-year cycle and zones the land. State officials will then calculate their new SB 35 housing approval numbers by dividing each number by eight.

Moderate	$1,000/8 = 125$ per year
Low Income	$500/8 = 62.5$ per year
Very Low Income	$300/8 = 37.5$ per year

If the state determines that the city is not on pace to achieve its allocation for all categories each year, then it loses community approval authority until the city catches up.

While such a process may help for bureaucratic measurement and efficiency, it lacks any connection to private market realities or the availability of resources to construct units affordable to low or very low income households.

Local governments have long been required to zone sufficient amounts of land in an extremely detailed housing element process. These plans are subject to state approval by the Department of Housing and Community Development.

State policy makers have also recognized that while locals can plan for housing, they do not control the vagaries of the housing market place. Local governments do not control investment decisions by individual developers and landowners; nor do they control conditions in the national or state economy, interest rates, bank underwriting requirements, construction labor availability, regional water supplies, state environmental policies that may affect housing production and other market factors.

When it comes to affordable housing, it is well documented that with the loss of redevelopment and the decline in available federal and state affordable housing resources, very little resources exist in California to build and maintain affordable units. The political prospects for addressing this problem are not currently good. Gov. Jerry Brown has made it clear that he does not support any expenditure for affordable housing that impact the state General Fund, and additional cuts are more likely from the federal level.

If SB 35 becomes law, many cities and counties would likely become subject to its provisions at some point simply because:

- They do not control the market and decisions by individual developers and investors;
- They do not control the availability of affordable housing subsidies or where nonprofits opt to propose projects; and
- They do not control the pace of housing production that will not occur in linear fashion that would match up with the annual state measurement process.

**Next Steps**

Cities are encouraged to review SB 35 and submit an opposition letter on the measure. The bill language, the League's opposition letter and a sample opposition letter cities can use can be found at [www.cacities.org/billsearch](http://www.cacities.org/billsearch) by plugging SB 35 into the search function.

**'Coastal' Continued from Page 1...**

This Leadership Committee will comprise one elected official and their respective city manager, or their staff designee, from each of the six regions within the coastal zone. Working with the chair, Santa Barbara Mayor Helene Schneider, Leadership Committee members and their staff designees will help facilitate the operations of the CCIG, play a key role in its activities, including building relationships with Coastal Commissioners and staff. Members of the Leadership Committee must also be willing to serve as a point of contact for the Coastal Commission for cities within their coastal region.

To apply for the Leadership Committee, please address a letter of interest to President Mounce with your request and a brief bio or background statement. This statement should outline why you would be a good candidate to serve all coastal cities on the Leadership Committee and your background in the CCIG or coastal issues.

Friday, May 26 is the deadline to submit a letter of interest.

Leadership Committee application procedure and responsibility expectations are outlined [in a letter from President Mounce](#).

Please send your letters to [Derek Dolfie](#) via email. He is also available to answer any questions you may have at (916) 658-8218.

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**'AB 345' Continued from Page 1...**

Local ordinances and building and safety codes reflect policies adopted by communities to establish standards, resolve issues, maintain public and private property and protect public health and safety. There must be adequate enforcement mechanisms for such laws to be effective. While existing law authorizes various levels of fines, including up to \$100 for the first violation, these statutory amounts have not been updated in many years.

Inadequate penalties can erode respect for the law. If the consequences for violating a local ordinance or building standard are deemed to be minimal then some community members will ignore the law and create inequities in its application.

For instance, if an ordinance requires dry brush to be cleared for fire protection, and a property owner chooses not to do so, they could be placing the homes of their neighboring properties at risk. If one property owner allows trash and junk to build up on their property, it could attract vermin and devalue adjacent properties.

Obviously, the appropriate level of the fines is a policy question. Fines need to be high enough to encourage compliance, while avoiding being overly burdensome or disproportionate on the unaware or first offenders, with more severe penalties for those that violate repeatedly. Amendments taken to AB 345 on March 21 propose various levels of increases.

The Assembly Local Government Committee will hear AB 345 on Wednesday, May 10. If it passes out of that committee, the measure is expected to be a work in progress over the next few months. The final maximum allowable amounts could potentially change.

Cities are encouraged to review this measure and support it. A sample support letter, along with the League's letter and bill language can be found at [www.cacities.org/billsearch](http://www.cacities.org/billsearch) by plugging AB 345 into the search function.

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**Lawmakers Continue to Negotiate Park Bond Proposals**  
*Cities Urged to Support Per Capita Funding for City Parks*

Legislators have proposed two measures to place two different park (and water) bond proposals on the June 2018 statewide ballot. While both measures continue to move through the legislative process, Assembly Member Eduardo Garcia (D-Coachella) and Senate President pro Tempore

Kevin de León (D-Los Angeles) have acknowledged a need to ultimately work together to combine measures into one bill. These measures are AB 18 (E. Garcia) and SB 5 (de León).

[AB 18](#) (E. Garcia), which the League supports, authorizes \$3.105 billion in General Obligation bonds to finance parks, water, climate adaptation, coastal protection and outdoor access programs. Among the allocates for which cities are eligible, this measure includes \$425 million in direct funding for park rehabilitation and improvement grants to cities and counties to be distributed on a per capita basis. Cities are slated to receive 60 percent of the \$425 million, with each city receiving a minimum of \$200,000.

[SB 5](#) (de León) proposes \$3 billion in General Obligation bonds to be directed to parks (\$1.5 billion), clean water projects (\$1 billion), and flood protection (\$500 million). Of the parks funding allocation, local governments would 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 \$1.5 billion slated for clean water projects would be designated 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. Flood protection measures would receive the remaining \$500 million for investments to protect persons and property, levee repairs and restoration in the Sacramento-San Joaquin Delta, and other flash-flood related protections including stormwater and mudslides.

The last true park bond, Proposition 40, passed 15 years ago. 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.

### **Next Steps**

The League urges the authors to maintain the \$425 million per capita allocation to cities and counties that is currently found in AB 18. As all cities would benefit from this level of funding, cities that support parks funding are encouraged to reach out to these legislators. Park bond funding is critical for struggling city parks.

A sample AB 18 support letter can be found at [www.cacities.org/billsearch](http://www.cacities.org/billsearch) by plugging AB 18 into the search function.

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### **League Submits Comments to ARB for 2030 Scoping Plan**

*Air Resources Board is Currently Reviewing Public Comment for Long-Term Plan*

The League of California Cities<sup>®</sup> recently [submitted comments](#) to the Air Resources Board (ARB) on the draft of the 2017 Climate Change Scoping Plan Update. The draft was released on Jan. 20, 2017. Once finalized, this scoping plan will establish a proposed framework of action for California to meet the climate target of a 40 percent reduction in greenhouse gases by 2030 compared to 1990 levels. The scoping plan reflects policy measures, regulations, planning efforts, and investments in clean technologies and infrastructure the Administration believes will help reduce greenhouse gas (GHG) emissions.

This update to the scoping plan follows Gov. Jerry Brown's [Executive Order B-30-15](#) establishing a GHG reduction target for California of 40 percent below 1990 levels by 2030. State agencies were directed to implement measures to achieve reductions of GHG emissions to meet the 2030 target. Subsequently, ARB was directed to update the AB 32 Scoping Plan to reflect the 2030 target.

The League's submitted comments reflected its ongoing commitment to working collaboratively with ARB to find solutions to achieve the GHG emission reduction goal, without putting undue regulatory or fiscal strain on cities.

ARB is currently taking into consideration the public comments they received from the draft scoping plan and will finalize the formal 2030 Scoping Plan at their board meeting on June 22-23,

2017. The League will continue to provide updates on the formal 2030 Scoping Plan and its implications for cities.

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## **Volunteer Judges Needed for Helen Putnam Award for Excellence Program** *Apply by May 26*

The 2017 Helen Putnam Award for Excellence program applications have been submitted and now it is time to score them to determine who the winning cities are for each of the 11 categories. The League needs your help because the annual award application review process depends on volunteer judges that review and select winning programs.

Sponsored by the League Partners program, the Helen Putnam Award for Excellence program was designed to recognize and promote the outstanding efforts and innovative solutions made by city governments each year. Award winners are recognized at the League's Annual Conference and Expo, in *Western City* magazine, by press release notifications, on the League's website, and in presentations made to city council meetings.

The League is recruiting 60 volunteers to serve on the various juries. To participate jury members are asked to review submitted applications online at [www.helenputnam.org](http://www.helenputnam.org) and convene via conference call to select the winners.

Interested volunteer jurors must [submit an application](#) by Friday, May 26 to [Melissa Lienau via email](#) or fax to (916) 658-8240. Judging information will be sent after volunteer judges have been confirmed. If you know your city has applied under a certain category please do not volunteer for that category.

Award categories include:

- CCS Partnership Intergovernmental Collaboration Award
- Community Services and Economic Development
- Economic Development through the Arts
- Enhancing Public Trust, Ethics, and Community Involvement
- Health and Wellness Programs
- Housing Programs and Innovations
- Internal Administration
- Planning and Environmental Quality
- Public Safety
- Public Works, Infrastructure, Transportation
- Ruth Vreeland Award for Engaging Youth in City Government

Please contact [Melissa Lienau](#) at (916) 658-8216 with questions.

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## **Bills in Committee May 8 – 15**

The Legislative hearing committee schedule is in full swing and Gov. Jerry Brown is expected to release his revised FY 2017-18 budget proposal next week. The League continues to track 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](#).

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](http://www.cacities.org/billsearch) by plugging the bill number into the search function.

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

### **May 8**

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

- **AB 53 (Steinorth)** Personal income taxes: deduction: homeownership savings accounts. *League position: Support.*
- **AB 479 (Gonzalez Fletcher)** Sales and use taxes: exemption: menstrual and incontinence products: alcoholic beverage taxes: distilled spirits: additional surtax. *League position: Oppose unless Amended.*
- **AB 960 (Brough)** Sales and use taxes: exemptions: textbooks. *League position: Oppose unless Amended.*

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

- **AB 302 (Gipson)** South Coast Air Quality Management District: fleets. *League position: Concerns.*

**May 9**

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

- **SB 182 (Bradford)** Transportation network company: participating drivers: single business license. *League position: Oppose.*

**May 10**

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

- **AB 72 (Santiago)** Housing. *League position: Oppose unless Amended.*
- **AB 181 (Lackey)** Taxation: renters' credit. *League position: Support.*
- **AB 535 (Aguiar-Curry)** State Board of Equalization: offer in compromise: extension. *League position: Support.*
- **AB 879 (Grayson)** Planning and zoning: housing element. *League position: Support.*
- **AB 1180 (Holden)** California tire fee: Stormwater Permit Compliance Fund. *League position: Support.*
- **HOT AB 1250 (Jones-Sawyer)** Counties and cities: contracts for personal services. *League position: Oppose.*
- **HOT AB 1479 (Bonta)** Public records: custodian of records: civil penalties. *League position: Oppose.*

**Assembly Elections and Redistricting**, 9 a.m., State Capitol, Room 444

- **AB 943 (Santiago)** Land use regulations: local initiatives: voter approval. *League position: Oppose unless Amended.*

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

- **AB 678 (Bocanegra)** Housing Accountability Act. *League position: Oppose.*

**May 15**

**Senate Appropriations**, 9 a.m., State Capitol, Room 4203

- **SB 17 (Hernandez)** Health care: prescription drug costs. *League position: Support.*
- **HOT SB 35 (Wiener)** Planning and zoning: affordable housing: streamlined approval process. *League position: Oppose.*
- **SB 78 (Leyva)** After school programs: grant amounts. *League position: Support.*
- **SB 242 (Skinner)** Property Assessed Clean Energy program: program administrator. *League position: Support.*
- **SB 252 (Dodd)** Water wells. *League position: Concerns.*
- **SB 347 (Jackson)** State Remote Piloted Aircraft Act. *League position: Support.*
- **HOT SB 540 (Roth)** Workforce Housing Opportunity Zone. *League position: Support.*
- **SB 589 (Hernandez)** Municipal separate storm sewer systems: financial capacity analysis: pilot project. *League position: Support.*
- **SB 618 (Bradford)** Load-serving entities: integrated resource plans. *League position: Oppose.*
- **HOT SB 649 (Hueso)** Wireless telecommunications facilities. *League position: Oppose.*

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

- **AB 9 (Garcia, C)** Sales and use taxes: exemption: sanitary napkins: tampons: menstrual sponges and menstrual cups. *League position: Oppose unless Amended.*
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## **BOE Launches Cannabis Information Listserv**

The Board of Equalization (BOE) has created a new Listserv for individuals interested in receiving the most up-to-date information about the Adult Use of Marijuana Act of 2016 (Proposition 64) and compliance with the various tax laws associated with the cultivation and sales of cannabis and cannabis products in California.

Retailers who sell cannabis and cannabis products will be required to register and begin collecting the 15 percent excise tax on their gross receipts by Jan. 1, 2018. Cultivators will also be required to register by Jan. 1, 2018 to collect and remit the cultivation tax currently set at \$9.25 per dry-weight ounce of flowers, and \$2.75 per dry-weight ounce for leaves.

Subscribers to [Cannabis Outreach](#) will receive BOE's latest news on Prop. 64 and cannabis as it relates to tax compliance. BOE will use this Listserv to keep the public, industry and others updated on the system and forms needed to comply with regulations.

BOE will also use this email system to inform people about opportunities to weigh in on tax policies related to cannabis. The agency plans to share news releases, videos, and information in other formats about the latest developments by the BOE to help you comply with tax laws and regulations related to the cannabis industry.

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