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Issue #55

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**Assembly Communications and Conveyance Committee Ignores City Officials' Opposition and Passes SB 649**

*Measure Now Moves to Assembly Appropriations Committee*

A growing coalition of community leaders and local elected officials vowed to continue their fight to defeat what the *Los Angeles Times* called “an audacious power grab” by telecom giants that will undermine local control, and transfer hundreds of millions of dollars from key government services to the bottom line of the world’s largest wireless companies. *For more, see Page 2.*



**Housing Legislation Being Expedited With Cap-and-Trade Deal**

*Bill Language Expected Early Next Week, Vote Expected on Thursday*

With the Legislature just days away from its month-long recess, the [Cap-and-Trade deal announced on July 10](#) has prompted lawmakers to fast-track several bills in an attempt to help solve the state’s housing crisis. *For more, see Page 2.*



**League and CSAC Submit Formal Comments on California Transportation Commission Draft SB 1 Implementation Guidelines**

*League Advocating to Move Project List Submission Timeline to Oct. 16*

The California Transportation Committee (CTC) released its [Draft Local Streets and Roads Program Reporting Guidelines](#) on Friday June 30 for the implementation of SB 1 (Beall), the landmark transportation funding package that Gov. Jerry Brown signed into law in April.

*For more, see Page 3.*

'SB 649' Continued from Page 1...

[SB 649](#) (Hueso) is backed by AT&T, Verizon, T-Mobile and Sprint, and is opposed by a broad coalition of local leaders including the League of California Cities, the California State Association of Counties, and the Rural County Representatives of California, in addition to 34 counties and over 215 cities.

The Assembly Communications and Conveyance Committee took up SB 649 on Wednesday, July 12, and passed the measure 10-0 with three members not voting even as the coalition of opposition continues to grow.

The League was represented by several speakers in the committee hearing. League Legislative Representative Rony Berdugo testified first and reminded the committee that SB 649 forces cities and counties to lease out public property, eliminates the ability of local governments to lease their property at fair market rate by capping that lease at \$250 for an attachment charge on municipal property and by eliminating discretionary permits, it eliminates public input and the discretion of cities to impose conditions for public benefit.

Several city officials traveled to Sacramento yesterday to voice their opposition to the committee including:

- Pasadena City Council Member Margaret McAustin;
- Norco City Council Member Kevin Bash;
- San Francisco City/County Planner Omar Masry;
- Apple Valley Council Member Barb Stanton; and
- Eastvale Council Member Clint Lorimore.

SB 649 would incentivize companies to terminate their current agreements and unilaterally replace them with the reduced regulatory and fee structures. This would dramatically cut the fees companies must pay to cities for use of public property and allow them to place equipment wherever they want on public assets. It adds millions to telecom company profits, while exempting them from having to spend money on expanded wireless access for underserved communities.

[In a press release](#) sent following the hearing, League President and Lodi City Council Member remarked: "This bill shifts power and resources from local governments and our residents to the telecommunications industry. This bad bill would render local residents and municipalities powerless to determine where and how public infrastructure is used by this industry as it seeks to add tens of thousands of new cell phone equipment to street lights, utility poles and public buildings throughout California. As local leaders we are all for progress but not at this cost."

The measure also creates two different sets of rules — one for affluent coastal communities and another for rural and inland communities who would be rendered powerless by this legislation, and stand to lose the most under SB 649.

The [Los Angeles Times](#), [Sacramento Bee](#), [San Jose Mercury News](#) and [San Francisco Chronicle](#) have joined city and county officials from across the state to urge lawmakers to reject SB 649.

For additional information on SB 649, visit [www.cacities.org/SB649](http://www.cacities.org/SB649).

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'Housing' Continued from Page 1...

While the actual package of bills that will be included in the housing deal has not yet been announced, Gov. Jerry Brown has been firm that he will only support new funding for housing if it comes with streamlined regulations at the local level. He is actively engaged in negotiations to finalize the deal before the Legislature breaks for summer recess next Friday, July 21.

There are a number of bills that are likely to be part of this package, including:

- SB 2 (Atkins): Imposes a fee of \$75 recordation on specified real estate documents to generate hundreds of millions of dollars per year for affordable housing, supportive housing, emergency shelters, and transitional housing.

- SB 35 (Weiner): Seeks to streamline multifamily housing project approvals by eliminating public input, prohibiting CEQA, and removing nearly all local discretion.
- SB 167 (Skinner)/AB 678 (Bocanegra): Prohibits a local agency from disapproving, or conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes specified written findings based on clear and convincing evidence in the record.
- AB 72 (Santiago): Provides the Department of Housing and Community Development broad and nearly unlimited new authority to review any action by a city or county that it determines is inconsistent with an adopted housing element.
- AB 73 (Chiu): Allows a city or county to create a housing sustainability district to complete upfront zoning and environmental review in order to receive incentive payments for development projects that are consistent with the district's ordinance
- AB 1397 (Low): Requires lands in a city's housing element to include vacant sites and sites that have "realistic and demonstrated potential" for redevelopment to meet a portion of the locality's housing need for a designated income level
- AB 1515 (Daly): Requires housing projects to be deemed consistent, compliant, and in conformity with an applicable plan, if there is substantial evidence that would allow a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity.

One important and unanswered question is what happens to housing bills that are not looped into the package. It is not clear whether several other key bills, including League-sponsored SB 540 (Roth) and League supported SB 3 (Beall), the \$3 billion Affordable Housing Bond Act, and AB 71 (Chiu), which increases the state Low-Income Housing Tax Credit (LIHTC) Program by \$300 million by removing the state income tax deduction for mortgage interest on second homes, will be part of the package of bills being voted on next week. SB 540, SB 3 and SB 2 (Atkins), the Building Homes and Jobs Act, comprise the League's Blueprint for Housing bill package.

[The League is sponsoring SB 540](#) because it would give local governments new tools to plan for housing and create a more streamlined path that eliminates some of the delays and uncertainty that currently impede housing construction. This policy would help spur more affordable housing development, which is desperately need.

Under SB 540 cities and counties would identify priority housing areas — called Workforce Housing Zones — within their boundaries. The local government would conduct enhanced planning, important environmental reviews and public engagement at the front end with specific details as to what type of housing would be built within the zone. Because the local government has fully conducted the extensive environmental reviews at the front-end, no project-specific additional environmental reviews would be necessary. It is estimated that SB 540 would shave one to two years off the development timeline without compromising environmental protection, public health, local control or the rights of citizens to participate in local land use decisions.

SB 35, which is likely to be in the deal coming together next week, is counterproductive and is [not likely to produce](#) much affordable housing. It would take the Region Housing Needs Allocation (RHNA) goals and make them mandates for production even though cities themselves do not actually build homes. Under this measure, state demographers would 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 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.

Projects in cities that would be subject to SB 35 would be approved ministerially without environmental review or public input. This is a lot to sacrifice for policy that lacks funding to help

pay for affordable housing or provisions that will actually result in the production of affordable housing.

## Next Steps

The League will continue to work with lawmakers and the Governor in the coming days on the final housing package. It is likely that more amendments are forthcoming and some could undermine local land use authority. Action may need to be taken when all of the housing bills go into print early next week.

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### 'SB 1' Continued from Page 1...

SB 1 provides new Road Maintenance and Rehabilitation Account (RMRA) formula funds for cities and counties to address road maintenance, rehabilitation, and critical safety needs on local streets and roads. In order to be eligible to receive RMRA funds, cities and counties must report projects they are funding with RMRA to CTC by Sept. 15.

The League and California State Association of Counties (CSAC) today submitted [formal comments](#) to the CTC on the draft guidelines advocating for a number of changes. Some noteworthy changes include pushing the proposed deadline to submit project lists from Sept. 15 to Oct. 16 to ensure cities and counties budgetary processes align with the deadline and ensuring flexibility from the CTC and State Controller's Office on late project list submittals.

The two organizations have been working with the CTC to draft these guidelines. The purpose of the guidelines is to describe RMRA reporting requirements and procedures for cities and counties. The guidelines also address the roles and responsibilities of the CTC and the State Controller in carrying out the statutory objectives of SB 1 related to RMRA formula funding for local streets and roads.

The formal comment period for cities to submit public comments ends today. Cities are encouraged to review the guidelines and submit public comments by today, Friday, July 14.

Please email comments to [Laura Pennebaker](#). Finalized guidelines will be released in the next week or two.

## Public Workshop

CTC will also hold a public workshop to discuss the draft guidelines. The agenda and call-in information will be emailed prior to the workshop.

The workshop will be held:  
Tuesday, July 18, 9 a.m. to noon  
Caltrans Headquarters, Room 2116  
1120 N Street  
Sacramento, CA 95814

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## Bills in Committee July 17 – 18

The Legislature adjourns on July 21 for its month-long summer recess but between now and then, the Capitol will be extremely busy. The final weeks of this session begin Aug. 21 and then the Legislature will have a few weeks to conclude its work before it adjourns the session on Sept. 15.

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 [Update: 2017 Bill Status](#). Published on May 26, 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:

### July 17

#### **Assembly Appropriations**, 10 a.m., State Capitol, Room 4203

- **AB 72 (Santiago)** Housing. *League position: Oppose Unless Amended.*
- **AB 74 (Chiu)** Housing. *League position: Support.*
- **AB 525 (Aguiar-Curry)** State Board of Equalization: offer in compromise: extension. *League: Support.*
- **AB 735 (Maienschein)** Swimming pools: public safety. *League position: Support.*
- **AB 1127 (Calderon)** Baby diaper changing stations. *League position: Oppose.*
- **AB 1397 (Low)** Local planning: housing element: inventory of land for residential development. *League position: Oppose.*
- **HOT AB 1408 (Calderon)** Crimes: supervised release. *League position: Support.*
- **AB 1414 (Friedman)** Solar energy systems: permits. *League position: Oppose.*

### July 18

#### **Assembly Privacy and Consumer Protection**, 1:30 p.m., State Capitol, Room 126

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