

**ENVIRONMENTAL QUALITY POLICY COMMITTEE
HIGHLIGHTS**

Thursday, April 12, 2018

Sheraton Fairplex Hotel & Conference Center, Pomona

ATTENDANCE

Members: Laura Rosenthal (Chair), Catherine Carlton (V. Chair), Emily Beach, Allan Bernstein, Art Bishop, Thomas Butt, Jon Canavan, Kendra Carney, Margaret Clark, Stanley Cleveland, Jr., Denise Diaz, Kathryn Downs, Pat Eklund, Sandra Genis, Daryl Grigsby, Richard Harpole, Clay Holstine, Kenneth Kao, Mina Layba, Jesse Loren, Lawrence Mainez, John Masson, Alex McIntyre, Margorie Mohler, Cynthia Moran, George Moyer, Judy Nelson, Richard O'Brien, June Overholt, Nick Pilch, David Pollock, Gabe Quinto, Lisa Ann Rapp, Chris Rogers, Joel Rojas, Ed Spriggs, Tom Stallard, Mary Su, Jon Terwilliger, Russ Utz, Fabian Villenas, Tiffany Wise-West

League Partner: Mark Kindelberger

Staff: Erin Evans-Fudem

I. State Budget and Issues Briefing

The April 2018 Policy Committee meetings began with a general session briefing and an introduction from Rich Garbarino, League President, Council Member, South San Francisco. President Gabarino gave a brief welcome highlighting the importance of the League's 2018 Strategic goals and thanking everyone for their attendance. He then introduced League Deputy Executive Director/Legislative Director, Dan Carrigg, to discuss state budget and legislative issues.

Mr. Carrigg and Michael Coleman, the League's Fiscal Policy Advisor, provided an update on the Governor's budget. Mr. Coleman gave a brief presentation regarding the makeup of California's budget and discussed the projected surplus of an estimated \$6 billion.

Mr. Carrigg stated that the Governor's first commitment with additional funds is to fill California's 'Rainy Day' reserve fund to its constitutional limit. With several billion more in additional funds available, in addition to supporting additional funding to address homelessness, the League is making three budget requests: \$100 million for disaster equipment pre-positioning; \$100 million for the Transformative Climate Communities program; and \$100 million for organic waste recycling infrastructure.

Mr. Carrigg gave an update on the major ballot issues coming up in 2018, including the California Business Roundtable Initiative, which would limit the ability of cities to raise taxes and fees to provide essential services to their communities. He gave a background on the measure and stated that the League and a strong coalition of local government and labor associations are opposed and will continue to fight this initiative. Finally, he gave a brief overview of other initiatives that may be on the ballot ranging from rent control to splitting California into three states. He then introduced League's lobbyists to discuss their respective major issue areas.

Rony Berdugo, Legislative Representative, discussed the League's strategic goal of protecting existing transportation funding for local priorities and the ongoing SB 1 repeal effort. He described the League's campaign to protect SB 1 dollars and presented cities with several ways they can do their part to protect the funding. He also discussed Proposition 69, on the June ballot, which will ensure that the revenue created by SB 1 is constitutionally restricted for transportation purposes. For cities looking to join in the League's advocacy efforts, both to oppose any gas tax repeal effort and to

support the constitutional protections on the June 2018 ballot, please visit <https://fixcaroads.com/> to learn more.

Next, Jason Rhine, Assistant Legislative Director, briefed members on the issues surrounding affordable housing, homelessness, and land use. Mr. Rhine focused on the housing affordability and availability challenges throughout the state. He noted that even with the passage of last year's 15-bill "housing package," housing legislation continues to be a high priority for the Legislature this year.

Mr. Rhine discussed the League's opposition to SB 827 (Wiener), which would exempt certain housing projects from locally developed and adopted height limitations, densities, parking requirements, and design review standards. He also discussed the large number of bills introduced this year that touch on nearly every aspect of the current housing law. Also outlined were: HCD's projected milestones for SB 2 and the revenue that it will generate, homelessness funding, the Veterans and Affordable Housing Bond Act of 2018 and No Place Like Home funding. Mr. Rhine went on to discuss the Joint Task Force Report on Homelessness and its findings. The report can be found here: [Homelessness Task Force Report - Tools and Resources for Cities and Counties](#)

Dane Hutchings, Legislative Representative, provided an update on pensions and other labor and governance issues. He gave an overview of what will be happening on pensions this year and referenced the League's [Pension Survey Report](#). Mr. Hutchings stressed that cities are struggling with increasing costs and securing additional flexibility. He described the reality of attempting to find a solution to the pension issue in Sacramento and explained the League's strategy. Additionally, Mr. Hutchings discussed the League's opposition to AB 1912 (Rodriguez), which would apply prospective and retroactive joint and several liability to agencies who have entered into a JPA for all retirement related liabilities for any public retirement system. This measure would not just apply to CalPERS but any county retirement system as well. Mr. Hutchings also briefly described a CalPERS divestment bill.

Erin Evans-Fudem, Legislative Representative, highlighted evolving environmental and community issues. She discussed the importance for cities to engage in discussions about several issues including organic waste recycling regulations, disaster relief and wildfire response legislation, offshore drilling, and clean drinking water legislation. Specifically, she discussed Propositions 68 and 72, which are on the June ballot. Proposition 68 is the park and water bond which will bring more funding to maintain parks and protect water storage and infrastructure. Proposition 72 would give a tax exemption to those who install a rainwater capture system on their property. She also elaborated on the League's several budget requests: \$100 million for fire prevention; \$100 million for waste diversion; and \$100 million for the Transformative Climate Communities program.

With the current absence of a public safety legislative representative, Dan Carrigg provided an update on public safety and revenue and taxation. Mr. Carrigg gave a brief update on the public safety initiative sponsored by the California Police Chiefs Association and the Grocers Association that attempts to address issues of chronic retail theft and violent crime. Having initially thought that the amount of cannabis legislation would slow down after last year, he reported that there are a large number of bills introduced attempting to change laws surrounding cannabis. He also briefly touched on drones as an emerging policy area.

Mr. Carrigg continued his presentation on revenue and taxation and an update regarding some important initiatives that may make their way onto the November ballot. He gave an update regarding tax increment tools and redevelopment. Mr. Carrigg went on to describe the various tools available to cities and the potential for redevelopment to come back. The League will continue working with

Legislators to continue to expand the options for local agencies. He briefly discussed legislation regarding annexations and incorporations.

II. Welcome and Introductions

Chair Laura Rosenthal began introductions of both herself and Vice Chair Cat Carlton, then went on to introduce League staff, followed by introductions from each member of the committee.

III. Public Comment

No public comment.

IV. Legislative Agenda

AB 3178 (Rubio) Integrated Waste Management Plans: Source Reduction and Recycling Element: Diversion Requirements.

This measure would address the issue of reduction in recycling markets by providing flexibility to cities and counties and direction to the California Department of Resources Recycling and Recovery (CalRecycle) related to enforcement. China's new National Sword policy on recyclable material imports and has caused significant strain on California's recycling industry, with massive amounts of waste now beginning to stockpile.

The committee engaged in a lengthy debate on AB 3178, specifically about the significant underdevelopment of California's recycling markets and how the bill posed an assumptive solution in asserting that the state's current recycling framework assumes sufficient recycling markets will be available for materials recovered by local recycling programs.

A motion was made and later withdrawn. Another motion was made to support if amended to add new market development, funding, and a sunset date. The substitute motion was made to watch and bring the bill back to committee in June; this failed by a vote of 14-25. The motion to support if amended to add new market development, funding, and a sunset date passed by a vote of 30-3.

V. Cap and Trade Update and Priority Setting

League staff updated the committee on recent developments with the State's Cap and Trade program, including extension of the program in July 2017, the League's existing policy that prioritizes funding for certain programs, and the League's current budget requests.

The committee discussed various programs funding with Cap and Trade revenues, including waste diversion, the Transformative Climate Communities program, Urban Greening and Urban Forestry. The committee also discussed the Disaster Readiness for Safer Communities (D-RiSC) budget request.

A motion was made to add "wildfire prevention and emergency activities" to the list of Cap and Trade funding priorities. After substantial discussion, the committee voted on a motion to call the question, which passed nearly unanimously. The committee voted to approve the staff recommendation by a unanimous voice vote.

VI. State Fire Response and Disaster Relief Draft Policy

League staff presented a discussion of liability standard for utilities found to be a cause of wildfire. This is an area where League policy does not offer much guidance, so League staff sought committee input.

The committee discussed the liability standard for utilities at length. Committee members indicated support for the existing liability rules governing utilities, including publicly-owned utilities, as well as the need for punishment for wrongdoing. Committee members also discussed existing rules for clear cutting vegetation around utility poles, as well as the potential to underground new utility lines in areas where there are high winds, but not in areas threatened by earthquakes. The committee did not take action on this informational item.

VII. Stormwater: Statewide Needs and Los Angeles County Case Study

Ken Farfsing, City Manager of Carson, gave a presentation on the findings from a committee formed with city and county officials in LA County geared toward studying storm water patterns, usage, and respective legislation. He gave an outline of the basic flaws in the system, including the recent changes in compliance standards and their related settlements and fines, outdated data and the lack of resources to collect valid data, and the funding hurdles associated with mending these issues. Mr. Farfsing concluded his report by looking to future solutions, including the creation of a committee for financial capability analysis to create dialogue on the affordability of stormwater regulations and data analyses.

VIII. Legislative Update

League staff briefed the committee on some of the bills associated with environmental quality policy, touching on a few bills from the legislative briefing packet.

Next Meeting: Thursday, June 7, League Offices, Sacramento