

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT POLICY COMMITTEE HIGHLIGHTS

Thursday, June 13, 2019

Sacramento Convention Center, Room 204, 1400 J Street, Sacramento

ATTENDANCE

Members: Stacey Mattina (Chair), Blanca Pacheco (V.Chair), Denise Athas, LaTanya Bellow, Gary Boyer, Debbie Chamberlain, Gloria De La Rosa, Marilyn Ezzy Ashcraft, Joan Freeman, Don Harrison, Cecilia Hupp, Adria Jimenez, Leslie Little, Andi Lovano, Tony Madrigal, Yanely Martinez, Shelly Masur, Margaret McAustin, Alex McIntyre, Lily Mei, Heidi Messner, Scott Nassif, Darrel Pyle, Derek Robinson, Cori Schumacher, Cindy Silva, Arne Simonsen, Nancy Smith, Ed Spriggs, Claudette Staton, Ryan Stendell, Fred Strong, Eric Tsao, Anna Velaquez, DanWright

League Partners: Denise Ovrom

Staff: Jason Rhine

I. State Budget and General Briefing

Stacey Mattina, Chair, League Housing, Community and Economic Development Policy Committee, gave a brief introduction at the General Briefing Session. After her welcome, she introduced League President Jan Arbuckle, Council Member, Grass Valley, who welcomed everyone to the third round of policy committee meetings of the year. President Arbuckle thanked everyone for making the trip to Sacramento for policy committees and expressed her appreciation for their attendance. President Arbuckle then shared that she has visited all of the League's 16 regional divisions and shared how much she has enjoyed visiting the various divisions. President Arbuckle closed by reiterating the importance of policy committees and expressing that the League is strongest when we focus on our common interests.

President Arbuckle then introduced Carolyn Coleman, League Executive Director. Ms. Coleman thanked President Arbuckle for all of the hard work she dedicates to her role. She also briefly mentioned the success of the recent Joint Disaster Summit that brought together local government and the Governor to discuss disaster response in the state. Ms. Coleman went on to acknowledge the League partners in the room and thank League staff for all of their hard work. She concluded by reminding everyone that while we have already done so much to protect the interests of cities this legislative session, there is still much work to be done.

Ms. Coleman then introduced Dan Carrigg, League Deputy Executive Director and Legislative Director. The rest of the briefing was presented by the League's legislative team. Mr. Carrigg began giving a brief overview of the budget and highlighted how Governor Newsom has heeded the advice of Governor Brown regarding budget spending.

Mr. Carrigg then introduced the League's fiscal advisor, Michael Coleman, to walk everyone through the State Budget update. Mr. Coleman's [State Budget Update](#) included how the State is going to spend the \$20.8 Billion surplus and pay down debts while growing its reserves. He also went on to explain how the impact of the sales tax exemption of diapers and menstrual products will have on local revenues. Mr. Coleman handed the meeting back over to Mr. Carrigg where he then introduced the League's lobbyists to discuss their respective issue areas.

Jason Rhine, League Assistant Legislative Director, focused on the housing affordability and availability challenges throughout the state. Mr. Rhine highlighted several bills including SB 330,

SB 13, AB 1279, and AB 1763. Mr. Rhine encouraged policy committee members to speak to their legislators about SB 330 and to look at the [SB 330 Action Alert](#). SB 330 would, among other things, declare a statewide housing crisis for a five-year period and freeze nearly all project related fees once a developer submits a “preliminary” application. (For more information, please visit the [League’s Action Center](#).) Mr. Rhine also briefly discussed the unprecedented amount of dollars to housing and homelessness. The [Housing and Homelessness Update Document](#) mentions several existing funding opportunities including SB 2 planning grant dollars. While the Housing and Homelessness Budget Trailer bill had not yet been released, Mr. Rhine stated that the League has been working closely with the Governor’s office and Legislators on the trailer bill language.

Dan Carrigg, League Deputy Executive Director and Legislative Director gave an update on issues related to governance, transparency, and labor relations. Mr. Carrigg began by discussing the political realities in Sacramento surrounding employee relations legislation and then briefly discussed several bills regarding workers’ compensation and elections. Mr. Carrigg highlighted SB 266, which would require cities to directly pay retirees compensation that has been deemed “disallowed.” This would result in an unconstitutional gift of public funds and would lead to a significant increase in costs for some cities. Mr. Carrigg also highlighted several bills in the workers’ compensation space, including SB 542, AB 932, and AB 1400, which would expand the scope of workers’ compensation and ultimately lead to increased costs for local agencies. More details can be found in the [Workers’ Compensation Document](#). While Governor Brown held the line on worker’s compensation, we will have to wait and see where Governor Newsom will land on workers’ compensation bills this year.

Charles Harvey, League Legislative Representative, gave an update on various public safety related issues including cannabis, drones, and police use of force. Mr. Harvey discussed AB 392 (Weber), the reintroduction of a police use-of-force bill from last year, which the League opposed. AB 392 was amended and a large number of law enforcement groups now no longer oppose the bill. More information can be found in the [Police Use of Force Document](#). On the topic of cannabis, Mr. Harvey discussed AB 1356 (Ting). Under this bill, if more than 50 percent of the voters of a local jurisdiction voted in favor of Proposition 64, these local jurisdictions would be required to adopt a local licensing structure for retail commercial cannabis activity. More specifically, the bill requires these cities to issue a minimum of one retail cannabis license for every four liquor licenses. AB 1356 was moved to the inactive file and is dead for the year.

Derek Dolfie, League Legislative Representative, highlighted evolving environmental and community services issues. The issue of improving the quality of drinking water in California continues this year with several proposals spanning from an increased safe drinking water tax to general fund allocations. There is currently a deal struck that does not involve a tax but the deal is not finalized. Another major issue is organic waste diversion and the regulations that will implement a 50% reduction target coming out this summer. Mr. Dolfie also discussed the various bills and proposals that have been introduced because of the recent wildfires. This includes the issue of utility liability and the recommendation out of the [Governor’s Strike Force Report](#). The discussion is ongoing and the League will continue to work closely with the Governor’s office and Legislators on the language. More details regarding disaster and emergency response can be found in the [Disasters and Emergency Response Document](#). Mr. Dolfie also touched on issues such as homelessness and a master plan on aging.

Rony Berdugo, League Legislative Representative, discussed transportation, communications, and public works. Mr. Berdugo began by discussing the proposal to link SB 1 transportation dollars with housing production. The proposal was met with hostility by many legislators and will

not be included in the budget this year. Mr. Berdugo then described AB 516 (Chiu). This measure would eliminate the ability for cities and law enforcement to adequately enforce state and local vehicle violations. This bill is still moving through the legislative process and Mr. Berdugo encouraged policy committee members to speak to their legislators about the bill. More information can be found in the [AB 516 Action Alert](#). (For more information, please visit the [League's Action Center](#).) Next, he discussed the FCC small cell order and how the League and others have attempted to push back against this in the courts and on the federal level. Finally, Mr. Berdugo discussed two bills related to scooters that have been tabled for the year, seismic safety legislation, the 911 fee budget trailer bill, and AB 1699 (Levine), which would prohibit a mobile internet service provider from impairing or degrading the lawful internet traffic of public safety agencies during a state of emergency.

Lastly, Dan Carrigg briefly discussed issues related to revenue and taxation. Mr. Carrigg touched on AB 147 (Burke) being signed into law. This measure implements the Wayfair decision in California and increases revenue for local governments. It is also anticipated that revenues collected through the implementation of AB 147 will be higher than what was initially expected. Mr. Carrigg went on to discuss SB 5, an important economic development bill. SB 5 would reinvest the state into tax increment financing. A renewed investment would greatly improve opportunities for economic development and provide a great opportunity for the state to work with locals to accomplish shared state and local goals. Mr. Carrigg encouraged policy committee members that are with cities who have not yet submitted a support letter, to do so as soon as they can. (For more information, please visit the [League's Action Center](#).)

II. Welcome and Introductions

Committee Chair Stacey Mattina, Council Member, Lakeport welcomed committee members to the policy committee meeting and committee members introduced themselves by stating their names, titles, and the city they represent.

III. Public Comment

No public comment.

IV. Housing Priorities Update

Senator Scott Wiener was scheduled to attend the policy committee meeting and speak to the committee on housing. However, because of scheduling conflicts he was unable to attend.

V. SB 2 Funding Opportunities

Karalee Browne, Program Manager, Institute for Local Government (ILG) began her presentation by discussing what ILG does and how they will be assisting with technical assistance with SB 2 planning grants. More information on ILG can be found on their [website](#). Next, Ms. Browne went on to explain what the SB 2 planning grants are eligible to be used for and how cities can get the funding. She also discussed specific creative examples of how some cities plan to use the funding. Ms. Browne reminded the policy committee members that these are non-competitive dollars that are available through an over the counter application process. Her presentation [can be found here](#).

More resources are available below:

[SB 2 Planning Grants and Technical Assistance:](#)

[CA Cities Advocate Article: SB 2 Planning Grant Funding](#)

Mark Stivers, Acting Deputy Director for Financial Assistance, Department of Housing and Community Development, gave a brief background on SB 2 and explained that the Permanent

Local Housing Allocation (PLHA) Program will be the ongoing funding allocation available to cities on an annual basis. The PLHA program provides financial assistance to local governments for housing development projects and housing-related programs to assist in addressing the unmet housing needs in their communities. Mr. Stivers went on to explain how cities can use the money and how they can receive the money. He strongly encouraged cities to pool their resources in combination with these dollars to fund projects. His presentation [can be found here](#).

VI. Housing Trust Information

Mark Stivers, Acting Deputy Director for Financial Assistance, Department of Housing and Community Development briefly presented on the Local Housing Trust Fund Matching Grant Program through HCD. He explained that an eligible Local Housing Trust Fund (LHTF) is one that receives on-going revenues from dedicated sources of funding such as taxes, fees, loan repayments, private contributions, and/or ongoing fundraising. The program provides a dollar for dollar match for funds raised or, for new trust funds, committed. Funds must be from sources not dedicated to housing. Mr. Stivers closed by discussing the LHTF [budget trailer bill](#) that would allow SB 2 funds to be used as the match only if provided to a regional housing trust and would allow HCD to set minimum and maximum awards among other things. His presentation [can be found here](#).

Greg Sandlund, Principal Planner, City of Sacramento gave his presentation focusing on the housing trust fund. Mr. Sandlund gave a brief overview of the history of the housing trust and the money that has been collected through the housing trust fund fee. The Sacramento Housing Trust has collected \$32,013,183 and has assisted 3,590 affordable homes since 1989. His presentation [can be found here](#).

VII. Legislative Agenda

Jason Rhine, Assistant Legislative Director, League of California Cities began the legislative agenda by giving a description of [AB 1482 \(Chiu\)](#). He gave an overview of the history of the bill and the politics surrounding the measure. This measure is a part of a larger effort to provide relief to renters in California. Mr. Rhine reminded the committee that they took a support position on Proposition 10 last year which would have repealed Costa Hawkins and that they took a support position on several tenant measures at the March policy committee. The amended version of AB 1482 was not in print and we were basing the discussion off of the amendments recently agreed to by the author. The policy committee had a very thoughtful discussion on the merits of a rent cap and the potential consequences. There was also discussion regarding the flaws of the bill itself. After thoughtful conversation, the policy committee decided to not take a position on the bill. The committee initially voted 16-17 to support the measure if it was significantly amended. The motion finally carried 21-8 to not take a position on the bill.

VIII. Legislative and State Budget Update

League staff handed out the [HCED Bills of Interest Document](#) and Mr. Rhine briefed the policy committee on several key housing bills that are making their way through the legislature. Mr. Rhine encourages those in the room to engage with their legislators on bills such as ACA 1, SB 5, SB 330, and AB 1763.

Next Meeting (tent.): Annual Conference, Long Beach, October 16

Staff will notify committee members after [August 22nd](#) if the policy committee will be meeting in October.