



HOUSING COMMUNITY AND ECONOMIC DEVELOPMENT POLICY COMMITTEE HIGHLIGHTS

Friday, January 24, 2020
Hyatt Regency, 1209 L Street, Regency F, Sacramento

ATTENDANCE

Members: Blanco Pacheco (Chair); Marilyn Ezzy-Ashcraft (V.Chair); Mariam Aboudamous; Denise Athas; Lorrie Brown; Ulises Cabrera; Raymond Casey; Leslie Castellano; Debbie Chamberlain; Susan Cola; Kerri Dorman; Joan Freeman; Marshall Goodman; Meagan Harmon; Cecilia Hupp; Adria Jimenez; Dan Kalb; Richard Loa; Jed Leano; Roger Lee; Leslie Little; Adam Loeser; Shelee Loughmiller; Andi Lovano; Elyse Lowe; Mary Luros; Tony Madrigal; Stacey Mattina; Eric McBride; Kimbra McCarthy; Vong Mouanoutoua; Scott Nassif; Alonso Ramirez; Derek Robinson; Robert Schultz; Cori Schumacher; Cindy Silva; Arne Simonsen; Nancy Smith; Gloria Soto; Ed Spriggs; Randy Stone; Fred Strong; Lisa Swarthout; Carla Thornton; Aleksandar Tica; Chad Wanke; Dan Wright

League Partners: Ryan Aeh; Robert Bendorf

Staff: Jason Rhine, Assistant Legislative Director and Johnnie Pina, Legislative Policy Analyst

I. State Budget and General Briefing

On Friday, Marty Simonoff, Chair, Public Safety Policy Committee, gave a brief introduction at the General Briefing Session. After his welcome, he introduced League President John Dunbar, Mayor, Yountville, who welcomed everyone and thanked them for their commitment to the policy committee process. President Dunbar then recognized his fellow officers in the room, and shared that they had met with legislators and the Governor's staff earlier that week. He emphasized the importance of League members contacting legislators when in Sacramento to make the most of everyone's time during their visit. President Dunbar explained that there is a lot of value in building relationships and advocating on legislation that could affect cities.

Turning to the budget, President Dunbar stated that he was excited to see money heading to cities. He is encouraged by the relationship between the League and the Governor and the open lines of communication that they share. President Dunbar closed by reiterating the importance of sharing the message of protecting local authority in meetings with legislators and continued participation in policy committees.

President Dunbar introduced Carolyn Coleman, League Executive Director. Ms. Coleman thanked President Dunbar for all of his hard work, and welcomed everyone to Sacramento. Ms. Coleman thanked everyone in attendance for their time engaging and building a strong voice for the League. She explained that the League would not be as effective if it were not for the collective efforts of the policy committee members. Ms. Coleman also acknowledged the League partners present and thanked League staff for all of their hard work. She concluded by introducing everyone to Melanie Perron, League Deputy Executive Director, Advocacy and Public Affairs.

Ms. Perron expressed her appreciation for the introduction, and her enthusiasm for being a part of the League team. She gave an overview of the experience that she brings to the League, having spent many years working in state government. Ms. Perron concluded by conveying her goal of using her experience at the state level to help tackle the priorities of cities.

The League's Fiscal Policy Advisor, Michael Coleman, walked everyone through the State Budget update, which included how the State plans to spend the \$5.9 billion surplus and pay down debts while growing its reserves. He further explained how there is substantial funding in the budget to address housing and homelessness, natural resources and the environment, and fire protection. Mr. Coleman reminded everyone that this is only a budget proposal and is not final. There will be a May revision to this proposal, but this proposal is a good indication of where the Governor's budget is headed. The finalized budget will be voted on by the Legislature and signed by the Governor by the end of June.

Jason Rhine, Assistant Legislative Director, kicked off the legislative update by discussing issues related to housing, community, and economic development. Mr. Rhine emphasized that it is currently the second year of a two-year legislative session, and in addition to the two-year bills, there likely will be over a thousand new bills introduced this year. He emphasized that [SB 50](#) is one of the biggest bills this year for housing, and despite recent amendments, the League remains oppose unless amended on this measure (this measure failed passage by the legislative deadline of January 31). Mr. Rhine then spoke about homelessness. He explained that this is the third year with significant money in the budget to address homelessness, with about \$1 billion in investment. Mr. Rhine explained that the League will continue to work with the Governor's office to address issues related to homelessness.

Bijan Mehryar, Legislative Representative, highlighted issues related to governance, transparency, and labor relations. He began by explaining that this year there will be a large focus on pensions as a component of cities overall fiscal sustainability. In relation to pensions, Mr. Mehryar highlighted [SB 266](#), a two-year bill that may be acted upon this year to require cities to directly pay retirees disallowed retirement benefits using general fund dollars. Mr. Mehryar then discussed labor and workers compensation noting [AB 418](#), which seeks to extend evidentiary privileges between union agents and a represented employee (this measure is a two-year bill currently on the Senate floor). He finished his update emphasizing he will continue to monitor issues related to elections and redistricting into 2020.

Charles Harvey, Legislative Representative, explained several evolving public safety issues. Mr. Harvey expressed that one of the big issues this year will be cannabis. He was happy to report that [AB 1356](#) will not pass off the Assembly floor. Instead, a new bill related to model retail ordinances will be introduced. Mr. Harvey does expect to see a cannabis enforcement bill later this year, extending to cities the authority to impose civil fines and penalties against illicit cannabis operations. He is continuing to monitor issues related to cannabis taxation, including a recently introduced bill to lower excise taxes. Lastly, Mr. Harvey highlighted [AB 1190](#), which the League supported regarding a framework for drone regulation. He explained this bill will be referred to three policy committees in the Senate, and he will continue working with cities in shaping drone policy this year.

Derek Dolfie, Legislative Representative, began his presentation by discussing environmental quality. He highlighted the League is working on issues related to utility initiated power shutoffs, grid hardening, and electrical undergrounding in conjunction with the Transportation, Communications, and Public Works, and Public Safety Policy Committees. Mr. Dolfie then turned to solid waste and recycling, thanking the cities in attendance who weighed in on [SB 54](#) and [AB 1080](#) related to the reduction of single-use plastic waste. He emphasized these bills are still moving through the legislative process, and there will be an [updated action alert](#) issued soon.

Mr. Dolfie then discussed community services. He mentioned the Governor issued an executive order last year creating a Master Plan for Aging and a stakeholder advisory committee. Mr. Dolfie highlighted Immediate Past President, Jan Arbuckle, Council Member, Grass Valley currently serves on this committee representing the local government perspective. Mr. Dolfie also added the Governor's budget proposal includes \$65.1 million for the creation of a "Parks for All Initiative," which seeks to expand access to parks, open spaces, and natural lands for all Californians.

Rony Berdugo, Legislative Representative and Federal Policy Liaison, gave a legislative update on transportation, communications, public works and federal issues. He began by reviewing the scooter legislation carried over from last year, [AB 1286](#), which the League co-sponsored, and [AB 1112](#), which the League opposes. Mr. Berdugo then turned to the active litigation that the League is in with the Federal Communications Commission. He explained the Transportation, Communications, and Public Works Policy Committee would get an update on this case later in the day. Mr. Berdugo also mentioned he has been working with the California Public Utilities Commission on closing the digital divide through broadband deployment. Mr. Berdugo finished his update by reviewing federal issues of importance to the League, including remote identification for drones, streamlining of the National Environmental Policy Act, and the recently approved federal budget.

Lastly, Nick Romo, Senior Fiscal Policy Analyst, highlighted issues related to revenue and taxation. He explained the Revenue and Taxation Policy Committee will continue to work with and monitor the activities of the California Department of Tax and Fee Administration as they have begun collecting sales and use taxes from out of state retailers following the passage of [AB 147](#), regarding *Wayfair v. South Dakota*. In regards to annexation, Mr. Romo highlighted a two-year bill that the League supports, [AB 213](#), currently in the Senate Appropriations Committee. He reiterated the League will continue to support annexations and incorporations into 2020. Mr. Romo closed his update by addressing the Governor's recent streamlining of Enhanced Infrastructure Financing Districts (EIFDs) by removing the 55 percent vote requirement. While helpful, EIFDs remain difficult for cities to initiate.

II. Welcome and Introductions

Committee Chair Blanca Pacheco, welcomed the committee members to the first policy committee meeting of 2020. The Committee members introduced themselves by stating their names, titles, and the cities they represent.

III. Public Comment

None

IV. **Overview of Parliamentary Procedures and Robert's Rules**

Jason Rhine, Assistant Legislative Director, briefly reviewed Parliamentary Procedures and Robert's Rules. Members were directed to the informational packet for more comprehensive detail.

V. **Committee Orientation**

Mr. Rhine provided a brief overview of the purpose of policy committees and the appointment process. Members were directed to the informational packet for more comprehensive detail. He emphasized the importance of the committee and the participation of the members. He closed by briefly explaining the committee's existing policy and how that influences which bills will not go through the committee for review and discussion.

VI. **Department of Housing and Community Development (HCD) Update**

The scheduled speaker was unable to attend. The committee will likely receive the update at the April meeting.

VII. **League Strategic Goals for 2020**

The committee was updated on the League's 2020 strategic priorities. Mr. Rhine discussed the League Leaders retreat and explained the process by which strategic priorities are established. The League's 2020 strategic goals are as follows:

1. **Improve the supply and affordability of housing.** Provide cities with financial tools to increase construction of housing, particularly for vulnerable populations, reform state regulatory barriers, and ensure cities retain flexibility based on the size, geography, demographics, impact mitigation and land use needs of each community.
2. **Advocate for increased funding and resources to prevent homelessness and assist individuals experiencing homelessness.** Secure additional resources and flexibility to provide navigation assistance, emergency shelters and permanent supportive housing and strengthen partnerships with stakeholders to ensure mental health, substance abuse treatment, and wrap around services are available for adults and youth at risk of – or already experiencing –homelessness in our communities.
3. **Address cities' fiscal sustainability to deliver essential services and meet pension obligations.** Raise awareness among stakeholders about the fiscal challenges cities face and work collaboratively to secure new revenue tools and flexible prudent policies to ensure cities are able to provide essential services to their residents while maintaining their ability to meet pension obligations.
4. **Strengthen community and disaster preparedness, public safety, and resiliency.** Improve community resiliency to disasters and environmental threats, and strengthen infrastructure stability and control, through expanding partnerships, including state and federal agencies, and securing additional resources and support for climate change adaptation, planning, preparedness, response, recovery, and sustainability in our cities.
5. **Address public safety concerns of California cities.**
 - Reform recently enacted criminal justice laws — enacted by both statute and initiative —that have eroded public safety protections of California residents through the passage of the Police Chiefs/Grocer's-sponsored criminal justice reform measure eligible for the November 2020 state ballot, or by equivalent reforms achieved through legislative action.
 - Protect public safety by reducing access to firearms by the mentally ill.

- Support additional tools and resources to address critical community challenges such as homelessness, mental health, domestic violence, drug rehabilitation, human trafficking and workforce development for ex-offender reentry.

VIII. Adoption of the 2020 Committee Work Program

In order to produce the committee's work program, the committee members were asked to write their top three priorities for the committee to focus on this year and turned their responses in to staff to be counted. Johnnie Pina, Legislative Policy Analyst, tallied the priorities and put them in order of most to least votes. The top three priorities of the committee are: increasing resources to combat homelessness; increase the housing supply with a focus on affordable housing; and create a renewed state and local partnership to invest in affordable housing, infrastructure and economic development.

Because the top three issues were already League strategic priorities, those issues will be a primary focus of the committee. Given that these issues will be a focus of the committee, the committee decided to narrow in on what other issues the committee should focus on. After a thorough discussion, a motion was made to adopt the following items as the HCED work program.

1. RHNA, State Mandates, CEQA, and Barriers to Housing;
2. Opportunity Zones;
3. Retail and Jobs Diversity, Labor Force, Jobs Housing Balance, and Infrastructure; and
4. Coastal City Issues – Rural City Issues

The motion carried with two opposed.

IX. Update of Existing Policy and Guiding Principles

Mr. Rhine referred the committee to the League's updated Existing Policy & Guiding Principles document, and encouraged them to familiarize themselves with the policies. He explained the importance of the guiding principles document as the foundation for League advocacy positions. The document is updated and published every two years to reflect significant policies adopted by policy committees and approved by the League Board of Directors.

A motion to adopt the existing policy and guiding principles with the conforming changes was made and unanimously adopted.

X. SB 50 (Winer) Housing Development Incentives

Within the context of SB 50, Mr. Rhine gave a brief overview of the political landscape surrounding housing politics in Sacramento. He described the many components of the measure and the impact it would have on cities throughout the state should it become law. He also highlighted the most recent amendments to the bill that attempted create an alternative planning process for jurisdictions to develop a "local flexibility plan" that, if approved by the California Department of Housing and Community Development (HCD), would exempt cities from nearly all aspects of SB 50 with the exception of requiring fourplexes in single-family zones. Unfortunately, even with the most recent amendments the bill raised major concerns.

Following Mr. Rhine's overview of the political landscape, the committee focused on policy ideas that the committee could support with respect to jumpstarting housing

production. In order to facilitate the discussion, Mr. Rhine posed two questions to the committee:

- Do we want to help develop a planning process that is consistent with the goals and objective of SB 50, which would then exempt us from the specific requirements outlined in the bill; or
- Do we want to develop an alternative proposal that would help jumpstart housing production?

Mr. Rhine thoroughly outlined both options and answered questions from committee members. The committee had a robust discussion and a motion was made to support the below recommendation:

Elements of a League housing production proposal

- **Longer-term Actions:**

- SB 50 is not needed because zoning and land use changes will happen in the 6th Cycle of RHNA. Cities will prioritize housing site identification near transit, downtown, commercial corridors, etc. Implemented by 2023.

- **Near-term Actions:**

- New funding to support needed affordable housing and infrastructure.
 - SB 795 (Beall) Affordable Housing and Community Development Investment Program.
 - ACA 1 (Aguiar-Curry) Affordable Housing and Public Infrastructure. Voter Approval.
- Require cities to take (some) near-term actions (already adopted actions would qualify):
 - Cap or eliminate certain development fees.
 - Adopt/update an ADU ordinance.
 - Streamline housing approval process (SB 540, AB 73, specific plan, etc.).
 - Adopt by-right approvals of housing developments.
 - Develop objective design review standards.
 - Adopt or expand an inclusionary housing ordinance.
 - Establish a local housing trust.
 - Restrict demolition of existing housing stock.
 - Allow up to fourplexes in single-family zones.
 - Increase allowable heights and densities.
 - Adopt TOD plans.
 - Reduce parking requirements.
 - Adopt tenant protections.

The motion carried with one oppose and one abstention.

XI. 2020 Legislative and Budget Update

Mr. Rhine gave an update on the Governor's proposed budget and recently introduced legislative proposals which included AB 1279 (Bloom), AB 1484 (Grayson), AB 1905 (Chiu), ACA 1 (Curry), SB 50 (Wiener), SB 182 (Jackson), and SB 795 (Beall, McGuire, Portantino).

Next Meeting: Friday, April 3, Sheraton Park Hotel, 1855 S Harbor Blvd, Anaheim