UPDATES

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Bills in Committee May 13–17

The Governor will release his May Revise Tuesday morning at 10 a.m. but look to the fiscal committees for most of this week’s action. Policy committees will be wrapping up their work for a while; Friday is the last day for policy committees to meet prior to June 3. For more, see Page 2.

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And Then There Were 100 Lawsuits

Over the last few months the League has been tracking and reporting on the number of lawsuits that have been filed in Sacramento County Superior Court contesting either parts of AB 1484, the redevelopment agency dissolution implementation law passed in 2012, or specific actions by the Department of Finance, which is charged under state law with administering the dissolution process. The number of redevelopment-related lawsuits reached the century milestone (100) last week, suggesting the conflict surrounding the Legislature’s 2011 controversial dissolution decision is far from over. For more, see Page 2.

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Four-Year Statute of Limitation for Housing Elements Bill Moves from Committee

City Officials Testify in Opposition

AB 325 (Alejo) squeaked out of the Assembly Local Government Committee on Wednesday, May 8, on a vote of 5–3. Opposed by the League and other organizations, the bill expands the current statute of limitations to sue local governments on their housing elements to more than four years. Assembly Member Alejo’s bill makes no distinction between jurisdictions that obtain a state Department of Housing and Community Development (HCD)-certified housing element and those that do not adopt a housing element. For more, see Page 3.
A full listing (http://www.leginfo.ca.gov/dayfile.html) of all Senate and Assembly hearings is available online. Hearing times are subject to change. The League will report any actions of significance.

Bill language and any available position letters can be found on the League’s website at www.cacities.org/billsearch by typing the bill number into the search box.

**Monday, May 13**

Assembly Revenue and Taxation Committee, State Capitol, Room 126, 1:30 p.m.
- **HOT BILL AB 305 (V. Manuel Pérez)** Income taxes: hiring credits: investment credits.  
  League position: Support

Senate Appropriations Committee, State Capitol, Room 4203, 10 a.m.
- **HOT BILL SB 64 (Corbett)** Proposition 39: implementation. League position: Support.  
- **HOT BILL SB 391 (DeSaulnier)** California Homes and Jobs Act of 2013. League position: Support.  
- **SB 684 (Hill)** Advertising displays: redevelopment agency project areas.  

**Wednesday, May 15**

Assembly Appropriations Committee, State Capitol, Room 4202, 9 a.m.
- **HOT BILL AB 5 (Ammiano)** Homelessness. League Position: Oppose  
- **HOT BILL AB 294 (Holden)** Local-State Joint Investment Partnership Pilot Program.  
  League Position: Support.  
- **HOT BILL AB 981 (Bloom)** Redevelopment dissolution. League Position: Support.  
- **HOT BILL AB 1080 (Alejo)** Community Revitalization and Investment Authorities.  
  League Position: Support.  
- **AB 1149 (Campos)** Identity theft: local agencies. League Position: Concerns.  
- **AB 1235 (Gordon)** Local agencies: financial management training. League Position: Oppose.

Senate Governance and Finance Committee, State Capitol, Room 112, 9:30 a.m.
- **SCA 4 (Liu)** Local government transportation projects: special taxes: voter approval.  
  League Position: Support.


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‘Lawsuits’ Continued from Page 1…

Prior articles in CA Cities Advocate have covered the League’s own lawsuit, challenging the property and sales tax clawbacks and other provisions of AB 1484. That matter is currently under submission following the April 19 oral argument. A ruling is expected by Aug. 1.

The recently filed lawsuits cover disputes ranging from matters concerning affordable housing, repayment of loans, disputes of audits, and other matters. The League maintains an updated list of redevelopment-related lawsuits at [www.cacities.org/rdacases](http://www.cacities.org/rdacases).

In related developments reported on earlier, various bills are moving forward in the Legislature to create new forms of tax increment financing in the wake of the dissolution of redevelopment. For more, please see *CA Cities Advocate*, May 2, “Action in the Capitol This Week on Economic Development, Redevelopment and Enterprise Zones” ([www.cacities.org/Top/News/News-Articles/2013/May/Action-in-the-Capitol-This-Week-on-Economic-Development,Redevelopment-and-Enterprise-Zones](http://www.cacities.org/Top/News/News-Articles/2013/May/Action-in-the-Capitol-This-Week-on-Economic-Development,Redevelopment-and-Enterprise-Zones)). The League strongly supports many of these measures that will begin to provide some new economic development tools to cities whose job creation and infrastructure development efforts were hurt severely when redevelopment agencies were dissolved.

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‘AB 325’ Continued from Page 1…

Three council members testified in opposition on behalf of the League: Petaluma Council Member Mike Healy, San Rafael Council Member Barbara Heller and Tiburon Vice-Mayor Alice Fredericks. In their testimony they highlighted the fact that the public has substantial opportunity to participate in the development of their city’s housing element before it is ever adopted. They also emphasized how the threat of lawsuits for four years into a housing cycle destabilizes certainty and planning and could have devastating effects on the development of affordable housing.

Assembly Member Marc Levine (D-San Rafael), the committee’s vice chair, was the only Democrat to vote against the bill. The League greatly appreciates Mr. Levine listening to the concerns of local government and withstanding pressure to provide a courtesy vote for a bill in its house of origin. Committee Chair and Assembly Member Katcho Achadjian (R-San Luis Obispo) voted against the bill. Assembly Member Melissa Melendez (R-Lake Elsinore) also voted against the measure. The remaining members, while voting for the bill this time, requested the author to work with the League before this bill is brought before a vote on the Assembly Floor.

The League would like to thank the city officials who travelled to the Capitol to testify before this key committee and urges cities to remain engaged on this bill. Requiring a four-year statute of limitations for HCD-certified elements makes no sense.

Cities are encouraged to send letters of opposition on AB 325, and call their Assembly Member and ask them to vote “No” on this bill on the Assembly Floor if the League’s issues are not addressed.

Inclusionary Housing Measure Advances to the Floor

City Officials Testify in Support

AB 1229 (Atkins), which reauthorizes inclusionary housing ordinances as they pertain to rental housing to address the 2009 Palmer decision, passed two Assembly committees in recent weeks and is now headed for a vote on the Assembly Floor.

The court held in Palmer that inclusionary housing ordinances for rental properties were superseded by the state’s Costa-Hawkins Rental Housing Act.

League Immediate Past President and Mountain View Council Member Mike Kasperzak testified on May 1 in support of the bill in the Housing and Community Development Committee. He expressed that affordable housing production had declined since the case was decided. One week later on May 8 in the Assembly Local Government Committee, Salinas Council Member José Castañeda spoke about local control and how this bill would not require inclusionary housing ordinances, but simply authorize local governments to adopt one.

The bill passed the Assembly Housing and Community Development Committee by a vote of 5–2 and the Assembly Local Government Committee by a vote of 6–1. The League thanks Council Member Kasperzak and Council Member Castañeda for attending the hearings to testify for the bill.

AB 1229 will be heard next on the Assembly Floor. The bill has until May 31 to pass the Assembly Floor to meet the first house deadline.

If your city has not yet sent a letter of support, please send one. The League’s support letter, a sample support letter and bill language is available online at (http://ct3k1.capitoltrack.com/public/search.aspx?id=ad485199-37cd-42cd-8217-d19b4d257119&session=13&s=AB%201229&t=bill)

Overconcentration of Massage Establishments Big Issue for the League

The League has been working to obtain amendments to AB 1147 (Gomez) to address concerns local governments have been raising with the proliferation of massage parlors in many cities, and has an oppose unless amended position.

State legislation in 2009 created a process for voluntary state certification of professional massage therapists. This built upon SB 731 (Oropeza, Chapter 384, Statutes of 2008), which established the California Massage Therapy Council (CAMTC). These measures were designed to help professionalize the massage industry by creating higher standards in education. However, there were additional provisions in SB 731 that hindered the ability of local governments to prevent illegitimate massage establishments from infiltrating cities and local governments from regulating this industry.

Assembly Member Gomez (D-Los Angeles) has agreed to carry AB 1147 as a vehicle to improve upon existing law and address deficiencies. SB 731 sunsets on Jan. 1, 2015, and if needed improvements are not made, the law would be eliminated. The language in the AB 1147 adds an examination requirement and authorizes local jurisdictions to require a revocable permit.

Although the League does not have issue with the language in AB 1147, the problem lies in what isn’t in the legislation. Illegitimate businesses have been using loopholes in current law to operate. The League has been meeting with CAMTC to express our concerns with a provision in current law which prevents local governments from regulating massage establishments at all.

AB 1147 was heard in the Assembly Business, Professions and Consumer Protection Committee on May 7. Thousand Oaks Legislative Affairs Manager Mina Layba testified on the issue of density and overconcentration and discussed how a three-mile area in the city had more than 30 massage establishments. Huntington Beach Council Member Joe Carchio and South Pasadena
City Manager Sergio Gonzalez from South Pasadena also spoke or submitted comments to the committee about the need for local control and the ability to regulate these businesses.

The League greatly appreciates the ability of locals testifying firsthand on the issues affecting their city as a result of this 2008 legislation. The bill passed out committee but virtually every legislator expressed the need the League’s concerns to be addressed if this bill is to move forward.

Assembly Member Gomez committed to addressing both the concerns of the League and his district before moving this bill to the Assembly Floor. This bill needs to pass off the Assembly Floor by May 31 to pass the house of origin deadline. The committee staff agreed to convene a meeting with the League and CAMTC in an attempt to reach a compromise.

If your city has not yet sent a letter of oppose unless amended yet, please send one. The League’s opposition letter, a sample opposition letter and bill language is available online at http://ct3k1.capitoltrack.com/public/search.aspx?id=ad485199-37cd-42cd-8217-d19b4d257119&session=13&s=AB%201147&t=bill.

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Federal Update

News and Information from the National League of Cities

NLC has provided a short update on the Marketplace Fairness Act, municipal bonds, FEMA’s three national planning frameworks.

Marketplace Fairness Passes the Senate; Action Moves to the House

Earlier last week and with votes that the National League of Cities (NLC) helped deliver, the Senate finally passed the Marketplace Fairness Act with a commanding 69 to 27 vote. The action moves now to the House Judiciary Committee, where NLC is calling upon Chairman Bob Goodlatte (R-VA) to schedule a hearing on the House measure, H.R. 684, which Rep. Steve Womack (R-AR) introduced and which has 65 co-sponsors. The President has already indicated that he will sign the legislation if it reaches his desk.

Be sure to contact your House members and urge their support for this important legislation.

The Marketplace Fairness Act allows state and local governments to require retailers to collect taxes on online sales. It does not create any new tax or increase any existing tax; it levels the playing field between Main Street and online retailers and provides resources to local governments to help support the delivery of services in their communities.

Ask Your House Member to Join in Celebrating the History of Municipal Bonds

As NLC continues to mobilize support to preserve the tax exempt status of municipal bonds, please remember to ask your House members to sign on as a co-sponsor of H. Res. 112, which “celebrates the history of municipal bonds, the 100-year precedent of the Federal tax exemption for municipal bond interest, and the important contribution municipal bonds have made to economic growth and wellbeing in each State and municipality in our great Nation.” So far, 54 House members have signed on — let’s be sure to thank them.

While the resolution is non-substantive, it is being seen as a barometer of support for traditional muni bonds by those on all sides of the issue. The more support we can demonstrate for municipal bonds the harder it becomes for those looking to change the most important tool in the U.S. for financing investment in schools, roads, water and sewer systems, airports, bridges and other vital infrastructure as a part of a deficit reduction plan, a push for comprehensive tax reform, or as an offset for new spending.

FEMA Releases Three National Planning Frameworks
On May 6, the Federal Emergency Management Administration (FEMA) released three of the five National Planning Frameworks that President Obama ordered as part of the federal government’s efforts to better coordinate disaster and emergency preparedness. The first one, which was released in September 2011, addressed national disaster recovery. The three released on May 6, address prevention, mitigation, and response. (A fifth one dealing with protection is expected to be released later this year.) To obtain copies of and view the tutorials related to the National Planning Frameworks released thus far, please go to: www.fema.gov/national-planning-frameworks.

According to FEMA, these National Planning Frameworks are designed to “document the roles and responsibilities of the whole community in all facets of national preparedness and illustrate how we work together to support one another before, during, and after an emergency. The benefit of this unified effort is a more informed, shared understanding of risks, needs, and capabilities across the whole community; and, in the end, a more secure and resilient nation.”

For more information please contact FEMA’s Intergovernmental Affairs Division at (202) 646-3444 or at FEMA-IGA@fema.dhs.gov.