

January 14-15, 2021 Policy Committees General Briefing

Thank you for your continued participation in the League of California Cities policy committee and development process. Your leadership is critical as federal, state and local government officials take responsive action to the COVID-19 public health emergency.

To support city officials, Cal Cities launched a [Coronavirus Resources Webpage for California Cities](#) at the beginning of the pandemic. The Cal Cities dedicated webpage curates COVID-19 news, resources, and guidance specifically geared toward local leaders to help navigate the current situation. To support California cities, Cal Cities has partnered with the Governor's Office, the California Office of Emergency Services, the California Department of Public Health, and federal agencies to provide cities with important information as it becomes available.

In following federal, state, and local public health guidance, January policy committees are convening via Zoom, allowing us to safely continue the important work of advocating for cities through your leadership.

While responding to the COVID-19 emergency remains the highest priority, the Cal Cities advocacy team also remains your steadfast eyes and ears in the State Capitol as legislative and budget activity continues.

In accordance with the customary practice of convening all policy committee members for a general briefing prior to the start of policy committee meetings, your Cal Cities advocacy team has provided here an update of the latest on federal and state legislative matters affecting cities within their respective policy areas.

Overview

To kick off the 2021 legislative session, Governor Gavin Newsom unveiled a record-breaking \$227.2 billion budget proposal for the 2021-22 fiscal year.

The proposed budget includes a \$164.5 billion General Fund and projects \$34 billion in total reserves and surplus. The budget significantly restores the state's rainy day fund, and economic support reserves that were diminished last year. A surplus of \$15 billion, largely in one-time funds, are available for spending to address COVID-19 and support resilience and recovery. During his press conference, the Governor said his budget proposal focused on the "most urgent needs" of Californians, including vaccinations, the safe reopening of schools, support for small businesses, money in the pockets of Californians, and wildfire preparedness.

Notably, aid to local governments for COVID-19 costs and budget impacts are absent from the Governor's proposal - setting the stage for renewed advocacy and coalition building in 2021 to secure funding.

While the budget takes center stage, the Legislature is beginning its annual introduction of thousands of measures. To date, a fraction of these measures have been formally introduced but the number of measures is expected to increase.

More details on Governor Gavin Newsom's Proposed 2021-22 State Budget can be found in the [Cal Cities 2021-22 State Budget Analysis](#).

Housing, Community and Economic Development (HCED)

Addressing California's persistent housing supply and affordability crisis continues to be a top priority for many Legislators and Governor Newsom. The 2021 legislative session, which kicked off on December 7, 2020, has gotten off to a fast start with nearly two dozen housing and land use bills already introduced. Some of the measure are reintroductions of bills that failed in 2020. Below are a few key bills cities should consider examining:

- [SB 5](#) (Atkins) Housing Bond.
This measure expresses the intent of the Legislature to authorize the issuance of a bond, of an unspecified amount, to fund housing-related programs.
- [SB 6](#) (Caballero) Local Planning. Housing in Commercial Zones.
This measure would create the Neighborhood Homes Act, which establishes a housing development project as an authorized use on a neighborhood lot, defined as a lot zoned for office or retail commercial that is not adjacent to an industrial use.
- [SB 9](#) (Atkins) Housing Development Approvals. Duplexes and Lot Splits.
This measure would require a local government to ministerially approve a housing development containing two residential units (duplex) in single-family zones. Additionally, this measure would require local governments to ministerially approve urban lot split.
- [SB 55](#) (Stern) Very High Fire Hazard Severity Zone. State Responsibility Area. Development Prohibition.
This measure would prohibit the creation or approval of a new commercial or residential development in a very high fire hazard severity zone (VHFHSZ) or a state responsibility area (SRA).
- [AB 15](#) (Chiu) COVID-19 Relief. Tenant Stabilization Act of 2021.
This measure would extend the definition of "COVID-19 rental debt" as unpaid rent or any other unpaid financial obligation of a tenant that came due between March 1, 2020, and December 31, 2021.
- [ACA 1](#) (Aguiar-Curry) Local Government Financing. Affordable Housing and Public Infrastructure. Voter Approval.
This measure would create an additional exception to the 1 percent limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55 percent of the voters of the city, county, or city and county.

-Jason Rhine, Assistant Legislative Director

Environmental Quality (EQ)

Many of the Legislature's environmental goals in 2020 were halted due to the COVID-19 outbreak and the associated truncated legislative timeline. Efforts around passing a climate resilience bond, making reforms to electric utilities regarding wildfire prevention, and overhauling the recycling system in California all died along the way. A similar story was true for the adopted 2020-21 budget, with many of the bold and expensive environmental programs being stripped from the adopted budget due to the foretold economic downturn as a result of COVID-19 stay-at-home orders. It is anticipated that many of the environmental bills this year will be redux of last year's proposals.

Of those bills already introduced, city officials can anticipate a number of bills related to regional climate change adaptation planning as the Legislature continues to push for more to be done to address climate change. Along these lines there has also been a slew of bills introduced related to sea level rise and how to provide resources to local governments to address its effects.

Wildfires and disaster preparedness continue to be top of mind for legislators as 2020 saw another devastating year of catastrophic wildfires. The usual casts of legislators, such as Senators Dodd, McGuire, and Stern have bills seeking to make changes in this space. Some of these bills also attempt to address the energy shortfalls experienced this summer with record temperatures and widespread power shutoffs. Senator Portantino is taking up the mantle of carrying a wildfire and climate resilience bond measure as the Legislature makes its third attempt at passing such a measure.

Lastly, solid waste and recycling issues are expected to come to a head this year as cities will face increasing costs to recycle and implement new state organic waste mandates. Many are pushing for significant reforms for the Bottle Bill and taking a look at retooling the entire recycling system in California. Cal Cities is engaged in these conversations and will be advocating for flexibility and additional time to help cities address these issues, including organic waste diversion, in ways that work for all cities.

-Derek Dolfie, Legislative Representative

Community Services (CS)

The COVID-19 pandemic has dramatically changed how cities deliver and operate their community services. Once vibrant senior centers and parks and recreation programs are now closed or suspended. More health services are increasingly needed as our communities are hurting from being isolated and apart from loved ones.

The 2021 legislative year is shaping up to address some of the issues our communities face in the time of COVID-19. There have been several bills introduced seeking to help residents have expanded access to mental health services and nutritional food. Additionally, the legislature and Governor will be focusing on implementing the newly released "Master Plan for Aging" to help our senior and aging populations grow older with care and dignity.

We can also expect the distribution of vaccines to be an issue that the Legislature will be discussing as communities around the state are racing to get as many residents vaccinated as quickly as possible. There may be overlap between our community services and parks and recreation departments to offer their help in establishing vaccine centers or creating public awareness campaigns on why residents should get the vaccine.

Lastly, disaster and community resiliency continues to be top of mind for the Legislature. We anticipate there will be several bills introduced to establish creative ways for communities to come to the table to establish more holistic and inclusive plans for what to do before, during, and after a disaster happens.

-Derek Dolfie, Legislative Representative

Public Safety (PS)

In response to the death of George Floyd and the ensuing demonstrations across the country, the 2021 legislative session will feature efforts to address matters of institutional racism, police reform, and racial equity. To facilitate this work, legislative leaders have formed an Assembly Select Committee on Police Reform chaired by Assembly Member Mike Gipson. The Select Committee is tasked with developing meaningful changes to policing and enhancing public safety.

Although early in the session, there have already been several notable police reform bills introduced, such as [AB 89](#) (Jones-Sawyer), which sets minimum qualifications to becoming a police officer, such as a bachelor's degree requirement for officers under the age of 25. There have also been several placeholder bills introduced that Cal Cities will be monitoring this legislative session, such as [AB 17](#) (Cooper) relating to police officer disqualifications from employment, and [SB 2](#) (Bradford), which would provide for expanded decertification of peace officers.

To inform Cal Cities efforts in this area, Cal Cities is establishing a task force of city officials to examine a wide range of public safety and policing programs and to make recommendations regarding state and federal policy actions to better support local policing. The work of the task force will complement the work of the Public Safety Policy Committee in the year ahead.

Finally, in June 2020, the Public Safety Policy Committee voted to support [AB 2481](#) (Lackey) to establish a timeline for when specified sexual assault forensic evidence must be submitted to a crime lab, and when such evidence must be tested by a crime lab. While this measure ultimately failed in the Assembly Appropriations Committee, Assembly Member Lackey has decided to reintroduce this bill as AB 18 (Lackey). Cal Cities will be submitting a support letter on this measure.

-Caroline Cirrincione, Legislative Policy Analyst

Revenue and Taxation (RT)

To the interests of local government revenue and taxation, the budget seeks to expand existing sales tax exclusions to support green manufacturing and implement new revenue reductions to support installation of electric vehicle charging stations and small business rehiring. Cal Cities will engage on these items to mitigate local government impacts.

To the broader tax policy landscape, open questions remain as to the reaction of the Legislature to the defeat of Proposition 15 ("split roll") on the 2020 ballot and the passage of Proposition 19

("base-year transfers"). Furthermore, proposed tax hikes on wealthy individuals were put aside in the previous session in queue of the proposition outcomes. With pressure intensifying to increase per-pupil funding, correct structural deficits facing core safety net programs, and hoist local government funding all while supporting economic recovery, these discussions will certainly continue in 2021.

To dive deeper into the proposed budget, I recommend review of the Legislative Analyst's analysis ([here](#)).

-Nick Romo, Legislative Representative

Transportation, Communications, and Public Works (TCPW)

COVID-19 has shined a bright light on the lack of access to reliable and affordable broadband service in unserved and underserved communities who have struggled to stay connected to school, work, and healthcare in the digital environment. Anticipating increased attention on broadband issues in the Legislature, the Transportation, Communications, and Public Works Policy Committee adopted new policy in June 2020, supporting efforts to close the digital divide, especially in unserved and underserved communities. Additionally, broadband deployment was included in Cal Cities 2021 Strategic Priorities. Legislative leaders have already begun introducing comprehensive broadband bills, including [AB 14](#) (Aguiar-Curry) and [SB 4](#) (Gonzalez), which seek to extend the ongoing collection of funds deposited into the California Advanced Services Fund (CASF) to provide communities with project grants. Additionally, [AB 34](#) (Muratsuchi) proposes a \$10 billion general obligation bond measure for approval by the voters during the statewide general election in 2022. Cal Cities anticipates engaging on several of these measures during the course of the legislative session.

In September 2020, the Governor issued an [executive order](#) requiring that by 2035, all new cars and passenger trucks sold in California be zero-emission vehicles and emphasizing that zero-emission vehicles are a key part of California's clean, innovative economy. The Governor renewed his commitment to reaching these targets in his January proposed budget, with \$1 billion in future revenues for electric vehicle charging and hydrogen fueling stations, and \$465 million in Cap-and-Trade funding to improve access to new and used zero-emission vehicles. Cal Cities anticipates the Governor's Administration's continued focus on zero-emission vehicles could translate to legislation in this space. Last year, Cal Cities opposed [AB 2168](#) (McCarty), which would have created a 15-day permit shot clock for electric vehicle charging stations. While this measure failed to pass out of the Assembly Local Government Committee, Cal Cities would anticipate that similar legislation, as well as other attempts to speed the deployment of electric vehicle infrastructure, may be introduced in the coming year.

Lastly, while Cal Cities had success last year in the micromobility space with the passage of the our sponsored [AB 1286](#), additional legislation in this area is anticipated including efforts to both restrict and expand access to user trip data. Cal Cities will continue to oppose efforts to limit cities authority to access meaningful data from companies operating within their jurisdiction.

-Caroline Cirrincione, Legislative Policy Analyst

Governance, Transparency, and Labor Relations (GTLR)

In 2020, local governments faced many challenges in the Governance, Transparency and Labor Relations area. As a result of the COVID-19 pandemic there was a significant expansion of worker protections and we will most likely see an emphasis on those protections and related workers' compensation issues persist until the nation is sufficiently inoculated against the coronavirus. Cal Cities was very active in negotiating with coalition partners on AB 685 (Reyes) and SB 1159 (Hill) which made the final forms of these measures much more workable for public and private employers.

The Governor issued executive orders that enabled seamless teleconferencing for local governments to maintain continuity of government and pausing the need to transition from at large to district elections under the California Voting Rights Act. We intend to work with our local government partners in advocating for greater flexibility under the Brown Act to allow public agencies to modernize their operations while respecting transparency.

With regard to CalPERS, they again did not meet their investment target as a result of the pandemic induced recession and also saw the ouster of their Chief Investment Officer. Cal Cities continues to advocate for support for local governments in meeting their financial obligations while also supporting the investment strategies that will deliver the returns CalPERS needs in order to protect cities from exorbitant rate increases.

-Bijan Mehryar, Legislative Representative