

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT POLICY COMMITTEE HIGHLIGHTS

Thursday, March 30, 2017
Doubletree Hotel, Ontario

ATTENDANCE

Members: Hadjinian, Jack (Chair); Spriggs, Ed (V.Chair); Argabrite, Samantha; Athas, Denise; Baber, Bill; Barajas, Patricia; Barone, Valerie; Bellow, LaTanya; Boerner Horvath, Tasha; Casey, Raymond; Condon, Carla; DeVore, Ryan; Fakhrai, Morad; Franklin, Deborah; Freeman, Joan; Fuentes, Theresa; Goodman, Marshall; Harrison, Don; Hupp, Cecilia; Jinkens, David; Kalb, Dan; King, Jennifer; La Monte, Lou; Layba, Mina; Leone, Ron; Little, Leslie; Long, Sue; Loren, Jesse; Madrigal, Tony; Martinez, Yanelly; Masson, John; McAustin, Margaret; McBee, Doug; Nassif, Scott; Nelson, Eric; Robinson, Derek; Robles, Sylvia; Rodriguez, Andrew; Showalter, Patricia; Silva, Cindy; Simonsen, Arne; Stone, Randall; Sturtevant, Brian; Terrazas, David; Tsao, Eric; Vail, Eric; Wanke, Chad; Wright, Dan

League Partners: Ovrom, Denise

Staff: Jason Rhine, Nicholas Romo

I. State Budget and Issues Briefing

The March 2017 Policy Committee meetings began with a general session briefing. Dan Carrigg, Deputy Executive Director, Legislative Director provided a much anticipated update on the looming transportation deal.

Dan Carrigg provided an overview of the comprehensive transportation-funding package, SB 1 (Beall), and constitutional transportation funding protection, ACA 5 (Frazier). He said that the League is a strong supporter of the measures that would generate and constitutionally protect \$5.2 billion dollars in new annual transportation revenues. The League, along with a broad coalition of local government, business, and labor has been strongly advocating for the passage of this package. Mr. Carrigg stressed the need for all cities to contact their legislators and send letters of support in order to get the bill over the finish line. The League is working with the Administration and Legislature closely to pass a transportation-funding package by the imposed deadline of April 6, 2017.

Jason Rhine, Legislative Representative, briefed members on the large volume of housing bills introduced in the 2017 legislative session, sharing that many threaten removal of local land use authority in response to the housing crisis. In response to the housing crisis gripping many communities, the League is sponsoring multiple pieces of legislation. The sponsored and supported housing measures are presented as the League's Blueprint for More Housing. The Blueprint is headlined by SB 540, authored by Senator Richard Roth. SB 540 seeks to streamline housing construction by improving planning and environmental review processes that protect public engagement and environmental analyses. Mr. Rhine urged members to support the Blueprint and other measures, which provide support and financial assistance to cities and developers to lift California out of the housing crisis.

Tim Cromartie, Legislative Representative, briefed members on the issues surrounding the implementation of Propositions 57 and 64—both earned passage on the November 2016 ballot. Proposition 57, which expanded parole and good behavior credit opportunities for felons convicted of nonviolent crimes, has consequently triggered a litany of bills aimed at expanding the definition of a “violent” crime—which at present is narrowly defined. The League is

supporting measures that expand this definition in order to ensure appropriate oversight of serious and violent offenders.

Mr. Cromartie also discussed the range of bills introduced that attempt to establish a regulatory framework for implementing the legalization of recreational marijuana under Proposition 64. The League is supporting bills that aim to safeguard public safety and health, including bills that aim to establish labeling and concentration standards. The Governor has indicated that there needs to be a unified regulatory framework for both recreational and medical marijuana. The League, along with the Police Chiefs Association, will be keeping a close eye on any such consolidated plan and the universe of Marijuana bills

Mr. Carrigg provided a short briefing on the Trump Administration's "Skinny Budget" proposal. On March 16, 2017, President Trump released his "Skinny Budget" outlining his blueprint for federal spending. Among the proposed spending cuts, the budget eliminates the Community Development Block Grants (CDBG), and HOME Investment Partnerships Program. In 2016, California cities received over \$253 million dollars from CDBG and just over \$70 million from the HOME program. The proposal also eliminates the State Criminal Alien Assistance Grants, Clean Power Plan, and the Economic Development Administration (EDA), and Minority Business Development Agency. The Budget includes a proposed 10 percent increase to defense spending, significant increases for Overseas Contingency Operations spending and a 6.8 percent increase to Homeland Security and Immigration enforcement, roughly \$690 billion overall. The League will continue to monitor state and federal budget activity as we approach Governor Brown's May Revise and future action on the federal budget

II. Welcome and Introductions

Chair Jack Hadjinian (Councilmember; Montebello) and Vice Chair Ed Spriggs (Councilmember; Imperial Beach) welcomed committee members to the second committee meeting of the year and expressed gratitude to each member for their service to the cities of California through the League of California Cities. Each member was invited to introduce himself or herself. The committee was briefed on the truncated meeting schedule due to travel limitations.

III. Public Comment

No Public Comment

IV. Legislative Agenda

AB 190 (Steinorth) Design Review Timeline

Members of the committee expressed numerous points of opposition to this measure, which would require public agencies to approve or disapprove the design of a development within 30 days. The primary concerns raised by committee members focused on the unworkable timeline, lack of recognition of interdepartmental collaboration on applications, and unclear definitions. Committee members expressed interest in establishing some guidelines for design review that allow for local flexibility and a measure of certainty for developers. The committee moved to **OPPOSE** the measure (unanimously). The committee directed staff to continue this dialogue with the author and committee.

AB 565 (Bloom) Building Standards: Artists' Housing

Members of the committee overwhelmingly opposed this measure, which would require a city or county to adopt alternative building regulations for the conversion of commercial or industrial buildings to joint living and work quarters. Members of the committee pointed to existing health and safety codes that allow cities to establish alternative building conversion regulations to make a case that the measure is duplicative. Additional concern came over the increased exposure of

cities to litigation over the conversion of buildings and their structural integrity. The committee moved to **OPPOSE** the measure with one committee member abstaining from the vote.

AB 886 (Bloom) Safe Creative Work and Live Act

Committee members expressed similar concerns to this measure as they did to AB 565. AB 886 would require all cities and counties to establish a safe and creative work and live program that consists of the following elements:

- Requires a property owner to register an illegal building with the city or county.
- Allows a landlord that has a registered illegal building to retain his or her tenants while he or she renovates the illegal building, within a specified timeframe, to meet habitability standards consistent with building standards and zoning laws.
- Protects a tenant from eviction from a registered illegal building.
- If a property owner uses public subsidies or resources to renovate an illegal building, requires rents to be stabilized or affordable.

The committee expressed desire to seek action from the legislature that provides local governments and building owners financial assistance to convert and bring buildings to code potentially through a low-interest loan program. The committee moved to **OPPOSE** the measure with one member abstaining from the vote.

V. Legislative Update

League staff provided an update on pending legislation. Staff discussed a number of bills that the League supports including AB 45, AB 53, AB 74, AB 181, AB 285, SB 2, SB 3, and SB 540. Staff also discussed bills that the League opposes including AB 663, AB 1585, and SB 35.

VI. New Economic Development Resources

The League of Cities and California Association for Local Economic Development (CALED) worked in collaboration to deliver resources to city officials on the recently enacted Tax Increment Financing Tools. In 2016, CALED created a technical committee on tax increment financing comprised of expert practitioners, attorneys, consultants and League representatives to share knowledge and resources to help communities leverage these new tools. As cities across the state are exploring the potential of Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization Investment Areas (CRIAs) to further economic development projects within their communities, our hope is that this primer will assist in answering key questions about these tools.

[FAQ on California's New Tax Increment Financing Tools](#)

[Primer on California's New Tax Increment Financing Tools](#)

Economic Development in the City of Ontario

The committee welcomed John Andrews, Economic Development Director, City of Ontario, to present on the exciting work being done to attract businesses, housing developers, and plan for smart growth. Amongst the recent activity, the City recently gained control of the Ontario Airport and is focused on increasing cargo activity through its terminals. The City is currently experiencing a healthy industrial base and is making investments in a high tech fiber network. Of interest to cities across the state, Ontario is currently in phase one of an Enhanced Infrastructure Financing District (EIFD) analysis that will potentially bring additional public and private investments to its downtown and newly established planned communities that boast mixed used developments.

More from the City of Ontario can be found here:

<https://www.ontariothinksbusiness.com/city-planning/the-ontario-plan>

VII. Implementation of the Adult Use Marijuana Act

The committee welcomed Tim Cromartie, Legislative Representative, League of California Cities, to discuss important issues for local governments regarding the implementation of the Adult Use of Marijuana Act (Prop 64) approved by voters in Nov. 2016.

Cities interested in learning more about this matter can find League Presentations here:

- [April 6, 2017 Proposition 64 – Regulation Under the Adult Use of Marijuana Act Webinar \(PDF\)](#)
- [April 6, 2017 Proposition 64 – Regulation Under the Adult Use of Marijuana Act Webinar \(Audio\)](#)

Next Meeting: Thursday, June 8th, Sacramento Convention Center, Sacramento