

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT POLICY COMMITTEE HIGHLIGHTS

Friday, January 19, 2018

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

ATTENDANCE

Members: Ed Spriggs (Chair), Stacey Mattina (V.Chair), Jesus Andrade, Samantha Argabrite, Jesse Armendarez, Denise Athas, Patricia Barajas, LaTanya Bellow, Tasha Boerner Horvath, Gary Boyer, Raymond Casey, Debbie Chamberlain, Robert Combs, Carla Condon, Marilyn Ezzy Ashcraft, Joan Freeman, Theresa Fuentes, Juan Garza, Marshall Goodman, Rich Harpole, Don Harrison, Gary Huisingsh, Cecilia Hupp, Kayla Jones, Dan Kalb, Jennifer King, Lou La Monte, Mina Layba, Leslie Little, Andi Lovano, Steve Manos, Ray Marquez, Yanely Martinez, John Masson, Margaret McAustin, Scott Nassif, Blanca Pacheco, Peter Pirnejad, Derek Robinson, Sr., Betty Sanchez, Robert Schultz, Cori Schumacher, Cindy Silva, Arne Simonsen, Claudette Staton, Randall Stone, Troy Strange, Fred Strong, Chad Wanke, Monica Wilson, Dan Wright

League Partner: Joe Ahn, Brenda Narayan

Staff: Jason Rhine

I. State Budget and Issues Briefing

The January 2018 Policy Committee meetings began with a General Session briefing. League President Rich Garbarino, Council member, City of South San Francisco, gave a brief welcome, which included highlighting the importance of the League's 2018 Strategic Goals, then introduced League Deputy Executive Director/Legislative Director, Dan Carrigg, to discuss state budget and legislative issues.

Mr. Carrigg stated that the state budget revenues continue to be strong and that the Governor plans to allocate additional revenues to fully-fund the state's Rainy Day Reserve fund at \$13.5 billion. Healthy reserves were also good for local government, he said, because it gave the state options during a downturn, rather than attempting to shift funds from local government as it had in the past. Mr. Carrigg then introduced Michael Coleman, the League's Fiscal Policy Advisor, to discuss the Governor's January budget.

Mr. Coleman gave a short PowerPoint presentation on the 2018 January Governor's budget. For more information about the impacts of the budget on cities, please review the League's [analysis](#), and information on Mr. Coleman's website [here](#). Mr. Coleman then gave Dan Carrigg the floor.

Mr. Carrigg briefly discussed the large amount of housing bills passed by the Legislature last year and how if more housing legislation were introduced this year could be difficult for cities to navigate. He also discussed the uncertainty California faces in regards to the President's recent tax reform legislation and plan to open up offshore drilling. Then Mr. Carrigg introduced the League's lobbyists to discuss their respective issue areas big topics. First, he introduced Dane Hutchings, League Legislative Representative, to discuss pensions and other labor and governance issues.

Mr. Hutchings gave an overview of what will be happening on pensions this year. Cities are struggling with increasing costs, and securing additional flexibility for cities is a priority. Additionally, Mr. Hutchings discussed two measures (not in print yet) that could have big effects

on cities. The first measure would apply prospective and retroactive joint and several liability to agencies who have entered into a JPA for all retirement related liabilities for any public retirement system. This measure would not just apply to CalPERS but any county retirement system as well. The second measure would expand the number of days allotted in the safe harbor provision of the California Voting Rights Act to provide cities more time to convert to district-based elections.

Rony Berdugo, League Legislative Representative, discussed how the landmark passage of SB 1 (Beall, 2017) doubles the amount of funding cities receive for road maintenance and rehabilitation projects. He stressed that if the voters repealed SB 1, another funding package would not come together for a long time. He encouraged cities to proactively document and promote their road improvement work as the best way to protect their funding and to join in League efforts to support Proposition 69, the constitutional protections for new transportation revenues, and to participate in efforts to oppose the transportation funding repeal. Additionally, he thanked the Governor for his veto of SB 649 (Hueso) and how the League was taking steps to draft its own proposal on telecommunications deployment. This proposal would help preserve local control, while also providing a streamlined process for cities to roll out wireless “small cell” technology.

Jason Rhine, League Legislative Representative, focused in on the housing affordability and availability challenges throughout the state. Mr. Rhine noted that housing legislation is a high priority for the Legislature and the League this year. He reminded attendees to look through the [*2018 Guide to New Housing Law in California*](#), which was provided. Additionally, Mr. Rhine encouraged members to be active in advocating for legislation that will help local governments address their housing challenges while preserving appropriate local control functions. Mr. Rhine discussed SB 827 (Wiener), which would exempt certain housing projects from locally developed and adopted height limitations, densities, parking requirements, and design review standards. Cities were encouraged to submit an opposition letter.

Erin Evans-Fudem, League Legislative Representative, highlighted evolving environmental and community issues that will be big in 2018. With successful reauthorization of the cap-and-trade program last year, monitoring the programs and proposed funding allocations will continue to be a priority. In addition, Ms. Evans-Fudem discussed the importance for cities to engage in discussions about organic waste recycling regulations, disaster relief and wildfire response legislation, as well as offshore drilling, and clean drinking water legislation.

Tim Cromartie, League Legislative Representative, updated members on the continued rollout of cannabis regulations and the different ways cities can stay engaged on this issue. On the topic of public safety, he informed members they should be aware of a ballot initiative, sponsored by the Police Chiefs and the Grocers associations, seeking to amend the list of violent offenses as it relates to the provisions of Proposition 57, which provides for expanded parole considerations and increased rehabilitation programming for non-violent offenders. In addition, cities must stay alert for the drone industry to push for federal preemption in the annual Federal Aviation Administration’s reauthorization bill.

II. Welcome and Introductions

Committee members introduced themselves and mentioned priority HCED related issue.

III. Public Comment

No public comment.

IV. Overview of Parliamentary Procedure and Roberts Rules

Jason Rhine briefly reviewed Parliamentary Procedure and Roberts Rules. Members were directed to the informational packet for more comprehensive detail.

V. Committee Orientation

Jason 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.

VI. A Guide to New Housing Law in California

Jason Rhine presented a PowerPoint that provided an overview of the most significant changes to California housing law. The PowerPoint focused on changes to the Housing Accountability Act, Housing, Housing Element, and specific plan law.

VI. 2018 Strategic Goals

The committee was updated on the League's 2018 strategic goals. Chair Spriggs discussed the League Leaders retreat and explained the process by which strategic goals are established. The League's 2018 strategic goals are as follows:

1. Address public safety concerns arising from recently enacted reduced sentencing laws. Protect local funding and authority in the implementation of the Adult Use of Marijuana Act. Continue to preserve city rights to deliver emergency medical services (Health and Safety Code 1797.201). Seek additional tools and resources to address critical community challenges such as homelessness, mental health, domestic violence, drug rehabilitation, ex-offender reentry, and human trafficking.
2. Ensure Sustainability of Public Pension and Retirement Health Benefits. Consistent with the League's adopted pension sustainability principles, work with affected stakeholders, employees, CalPERS, legislators and the Governor to achieve meaningful options for cities to address growing unfunded pension liabilities that will ensure cities remain solvent and provide services to residents while continuing to offer employees meaningful and sustainable pension and health benefits.
3. Protect Existing Transportation Funding for Local Priorities. Protect existing transportation funding for local priorities and oppose efforts that would reduce or eliminate funding for cities.
4. Improve Housing Affordability and Support Additional Resources to Address the Homelessness Crisis. Increase state and federal financial support and provide additional local incentives and tools to improve housing affordability and develop more workforce and affordable housing. Support additional resources and tools to address the homelessness crisis and advance the recommendations of the CSAC-League Homelessness Task Force.

VII. 2018 HCED Policy Committee Work Program

In addition to helping the League achieve its strategic goals, the committee will also focus on the following:

- Economic Development/RDA 2.0
- Affordable Housing/Supply
- Workforce housing/Senior housing
- Homeless/supportive housing
- Implementation of the Adult Use Marijuana Act - Land use focus
- Regional Housing Needs Assessment (RHNA) Reforms
- Veterans and Affordable Housing Bond Act of 2018
- Implementation of the 2017 "housing package" – best practices

VIII. Update of Existing Policy & Guiding Principles

The updated handbook will be available in late March, early April 2018.

Committee members offered several suggested changes to existing policy and guiding principles, including:

Scope of Responsibility

The principle behind the policies reviewed by the Committee on Housing, Community and Economic Development (HCED) is to foster local control of community planning decisions as they relate to land use and economic development. The issues within the purview of the HCED Committee include general plans and zoning, housing **affordability**, rent control, subdivision map act, residential care facilities, other land use regulation, development fees including school fee adequacy, annexation and incorporation policy, development agreements, building standards including seismic safety standards, economic development policy including redevelopment and enterprise zones, military base closure and reuse, mobile home regulation, and sign regulation.

Housing for Homeless

Housing and programs for homeless and other extremely low-income populations are necessary to ensure quality of life and economic viability for all Californians.

Homelessness is a statewide problem that disproportionately impacts specific communities. The state should make funding and other resources, **including enriched services, and outreach and case managers**, available to help assure that local governments have the capacity to address the needs of the homeless in their communities.

Homeless housing is an issue that eludes a statewide, one-size-fits-all solution, and collaboration between local jurisdictions should be encouraged.

State and federal funding programs should be designed to reflect responsibilities imposed by state and federal law.

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

IX. Implementing California's New Housing Laws

Zachary Olmstead, California Department of Housing and Community Development presented the committee the Department's plan for implementing the 2017 "housing package", which includes stakeholder meeting, in-person briefings, webinars, and guideline development. Committee members asked numerous questions about bills in the package, including SB 35, AB 1397, and AB 72.

X. California Competes Program - California Governor's Office of Business and Economic Development (GO-Biz)

Maricela Gomez, Deputy Director, Legislative Affairs, GO-Biz, gave a PowerPoint presentation on Go-Biz – "California's single point of contact for economic development and job creation efforts at the state level". Maricela discussed the California Competes tax credit, small business direct assistance, and New Employment Credit.

XI. League/CSAC Joint Homelessness Task Force – Final Report Update

Melissa Kuehne, Institute for Local Government and Hang Tran, Institute for Local Government, gave an update on the Joint Task Force. The final report is scheduled for release in late February. The League is also planning two, one-day conferences on homelessness in late Spring.

XII. 2018 Legislative Update

Jason Rhine gave an update on recently introduced legislative proposals, which included SB 829 (Wiener), SB 831 (Wieckowski), and AB 1759 (McCarty).

Next Meeting: Friday, April 13, Sheraton Fairplex Hotel, 601 W. Mckinley Ave, Pomona