

**HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT POLICY COMMITTEE
HIGHLIGHTS**

Thursday, March 28, 2019

Hilton Orange County/Costa Mesa, Catalina II Room, 3050 Bristol Street, Costa Mesa

ATTENDANCE

Members: Stacey Mattina (Chair), Janet Abelson, Samantha Argabrite, Jesse Armendarez, Denise Athas, Al Austin, LaTanya Bellow, Gary Boyer, Debbie Chamberlain, Susan Cola, Gloria De La Rosa, Forrest Ebbs, Marilyn Ezzy-Ashcraft, Joan Freeman, Marshall Goodman, Jack Hadjinian, Dilenna Harris, Christy Holstege, Cecilia Hupp, Adria Jimenez, Sergio Jimenez, Leslie Little, Adam Loeser, Andi Lovano, Steve Manos, Yanely Martinez, Shelly Masur, Stacey Mattina, Margaret McAustin, Alex McIntyre, Lily Mei, Heidi Messner, Scott Nassif, Darrel Pyle, Derek Robinson, Cindy Silva, Arne Simonsen, Nancy Smith, Ed Spriggs, Claudette Staton, Ryan Stendell, Randy Stone, Fred Strong, Lisa Swarthout, Eric Tsao, Malia Vella, Chad Wanke

League Partners: Denise Ovrom

Staff: Jason Rhine

I. State Budget and General Briefing

Stacey Mattina, Chair, League Housing, Community and Economic Development Policy Committee, gave a brief introduction at the General Briefing Session. After her welcome, she introduced League President Jan Arbuckle, Council Member, Grass Valley, who welcomed everyone to the second round of policy committee meetings of the year. President Arbuckle then introduced Rich Garbarino, League Immediate Past President, Carolyn Coleman, League Executive Director, and acknowledged all of the League Partners in the room.

President Arbuckle shared a highlight of the most recent League board meeting where the Board had the pleasure of meeting with newly elected Governor Gavin Newsom. Arbuckle stated that the Governor's decision to visit the League Board of Directors and his willingness to stay for over an hour demonstrates the importance of our collective city voice. She encouraged everyone in the room to register for the League's Legislative Action Day and remain engaged, then handed the meeting over to Carolyn Coleman.

Ms. Coleman thanked President Arbuckle for all of the hard work she dedicates to her role, and emphasized the importance of the policy committees in developing the Leagues positions on key issues. She introduced Dan Carrigg, League Deputy Executive Director and Legislative Director. The rest of the briefing was presented by the League's legislative team.

Mr. Carrigg began by reinforcing the importance of showing up for Legislative Action Day and meeting with Assembly Members and Senators face to face. Mr. Carrigg then introduced the League's fiscal advisor, Michael Coleman, to walk everyone through the State Budget update. Mr. Coleman briefly discussed the moderate growth of the economy, but acknowledged that there are some signs of a slowing economy, and stressed the importance of maintaining a balanced budget.

Mr. Carrigg gave an overview of the political dynamics of having a new Governor, a Democratic legislative super majority, and longer legislative term limits. He said that legislators and interest groups are inclined to test Governor Newsom by sending him many bills Governor Brown would not previously sign. This is the year we find out what the Governor is willing to say no to.

Mr. Carrigg went on to discuss two important economic development bills, SB 5 and AB 11. Both of these measures would reinvest the state into tax increment financing. A renewed investment would greatly improve opportunities for economic development and provide a great opportunity for the state to work with locals to accomplish shared state and local goals. Mr. Carrigg referred to a handout with a list of economic development tools currently available to cities. In addition, Mr. Carrigg discussed ACA 1 and several initiatives that have qualified for the ballot including the split roll, bail reform, and the Grocers and Police Chiefs criminal justice reform initiative. Mr. Carrigg introduced the League's lobbyists to discuss their respective issue areas.

Jason Rhine, League Assistant Legislative Director, focused on the housing affordability and availability challenges throughout the state. Mr. Rhine noted that housing legislation is a high priority for the Governor, Legislature, and the League this year. He noted that if achieved, Governor Newsom's goal of producing 3.5 million housing units by 2025 would create an unprecedented level of housing production in the state. Additionally, Mr. Rhine encouraged members to engage and advocate for legislation that will help local governments address their housing challenges while preserving appropriate local control.

Mr. Rhine also briefly discussed the Governor's housing trailer bill proposal and a list of bills of significant concern. This year, he said, housing related legislation touches on nearly every section of housing law before many of the laws enacted over the past two years have had time to be implemented. The League has been working closely with the Governor's office and Legislators on the trailer bill language and the 200+ housing related bills introduced this legislative session.

Dane Hutchings, League Legislative Representative, briefed members on issues related to governance, transparency, and labor relations. Mr. Hutchings began by discussing the political realities in Sacramento surrounding employee relations legislation and then briefly discussed several bills regarding worker compensation and elections. Mr. Hutchings highlighted AB 1332, which would significantly limit the ability for state and local agencies to cost-effectively contract for a variety of public services, create an ever-evolving blacklist of prohibited companies and create millions of dollars of unfunded mandates. Mr. Hutchings also briefly discussed the recent Cal Fire pension decision and its impact.

Charles Harvey, League Legislative Representative, gave an update on various public safety related issues including cannabis and cannabis deliveries, drones, police use of force, and gun legislation. On the topic of cannabis, Mr. Harvey discussed the legislative and expected judicial challenges of the recent Bureau of Cannabis Control regulations authorizing cannabis deliveries in any jurisdiction in the state. In addition, Mr. Harvey discussed AB 392 (Weber), the re-introduction of a police use-of-force bill from last year, which the League opposed, and SB 230 (Caballero) an alternative bill backed by police chiefs that the League would likely support.

Derek Dolfie, League Legislative Representative, highlighted evolving environmental and community services issues that will be big in 2019. A major issue is organic waste diversion and the regulations that will implement a 50% reduction target coming out this summer. Mr. Dolfie also discussed various proposals that seek to provide clean water to California residents. He also touched on bills regarding recycling, energy, disaster preparedness, storm water, aging, homelessness and tobacco use regulations.

Rony Berdugo, League Legislative Representative, discussed transportation, communications, and public works. Mr. Berdugo began by discussing the proposal to link SB 1 transportation

dollars with housing production. The proposal was met with hostility by many legislators and Mr. Berdugo suggested that folks in the room speak to their legislator and tell them that this proposal should not move forward. Next, he discussed the FCC small cell order and how the League and others have attempted to push back against this in the courts and on the federal level. Finally, Mr. Berdugo discussed emergency alert legislation and disaster preparedness regarding seismic safety.

Lastly, Dan Carrigg briefly discussed issues related to revenue and taxation. Mr. Carrigg touched on the League's support of AB 147 (Burke) which would implement the Wayfair decision in California and increase revenue for local governments, and discussed legislation that would limit sales tax agreements that shift revenue from other jurisdictions.

II. Welcome and Introductions

Committee Chair Stacey Mattina, Council Member, Lakeport welcomed committee members to the second policy committee meeting of 2019. Committee members introduced themselves by stating their names, titles, and the city they represent.

III. Public Comment

No public comment.

IV. Legislative Agenda

Jason Rhine gave a brief background on the many tenant protection bills proposed by the Legislature. He also discussed proposition 10, the proposition that would have eliminated Costa Hawkins and allowed local governments to construct more expansive rent control policies in their city. It failed by wide margins and Mr. Rhine discussed the impact that has had on tenant protection measures in this year's legislative session. Governor Newsom has stated on several occasions that he is still dedicated to protecting tenants and that he is willing to sign rent control measures if they make it to his desk. Mr. Rhine outlined our current existing policy surrounding rent control and then moved on to present the action items on the agenda.

AB 53 (Jones-Sawyer) Rental Housing Discrimination.

The committee had a very thoughtful and detailed discussion of the measure. Some members stated that they do not believe that the bill will accomplish much and that there will be unintended consequences. Others stated that the measure is not perfect and it will not solve all of the problems but it will have a positive impact. After further discussion and several proposed amendments to the bill, the committee voted to recommend a position of support if amended.

The motion carried 26-16 to take a position of support if amended with the following amendments:

- Reduce the time an applicant has to respond to a landlord from 14 days to 7-10 days.
- Include a sunset date (5 years) or require a report on the impacts of the measure.
- Include a cap on the amount a landlord may charge for a background check. The charge must only include cost recovery and a 5-7% administrative fee.
- Require a background check to remain valid for 90 days. Once an applicant receives their background check, other landlords must honor that background check for 90 days.

AB 1110 (Friedman) Rent Increases: Noticing.

The policy committee discussed AB 1110 (Friedman). A motion was made to support the bill. The motion carried with three members opposed.

SB 18 (Skinner) Keep Californians Housed Act.

The policy committee discussed SB 18 (Skinner). A motion was made to support the bill. The motion carried with six members opposed.

SB 329 (Mitchell) Discrimination: Housing: Source of Income.

The policy committee discussed SB 329 (Mitchell). A motion was made to support the bill. The motion carried with three members opposed.

V. Survey with Poll Everywhere

League staff led the committee through a survey using the Poll Everywhere software. The purpose of the survey was to better understand how committee members felt about many key areas of housing policy. This was intended to inform conversations at the League Board of Directors meeting in April.

VI. Legislative/State Budget Update

Jason Rhine walked the committee through the general briefing document, which outlined several key housing bills in the 2019 legislative session. These bills included AB 1279 (Bloom), AB 1568 (McCarty), AB 1763 (Chiu), SB 330 (Skinner), and AB 725 (Wicks). Mr. Rhine also discussed the Governor's trailer bill proposals and emphasized that the Legislature, once again, is attempting to amend nearly every aspect of housing law this year.

VII. Housing Priorities 2019 Legislative Session

Senator Scott Wiener was invited to the policy committee meeting but was unfortunately unable to attend. We have invited him to our June Policy Committee meeting in Sacramento.

VIII. HCED Housing Working Group Update

The HCED Housing Working Group met twice since the January policy committee meeting. The working group meetings were productive in educating the members of the group and informing staff on policy issues. The committee will continue to meet on an as needed basis.

Next Meeting: Thursday, June 13, Sacramento Convention Center, Sacramento