



**ENVIRONMENTAL QUALITY POLICY COMMITTEE  
HIGHLIGHTS  
Thursday, January 26, 2023**

**ATTENDANCE**

Members: Jennifer Cavanaugh (Chair); Illece Buckley Weber (V. Chair); Teresa Acosta; Tess Albin-Smith; Katherine Aleman; Melanie Bagby; Scott Bauer; Alicia Berhow; Mary Ann Bier; Bob Branstrom; Megan Campbell; Margaret Clark; David Cohen; Matthew Downing; Pat Eklund; Nicholas Ghirelli; Tiffany Grimsley; Miguel Guardado; Britt Huff; James Jackson; Derreck Kaff; Dan Kalb; Tamala Kelly; Julio Martinez; Laura McCorkindale; Merry Monlux; Kitty Moore; Devin Murphy; Abigail Palsgaard; Andy Pease; Max Perrey; Thai Phan; Randall Putz; Karina Quintanilla; Gabriel Quinto; Bruce Roundy; Julie Ryan; Nick Schultz; Kristine Scott; Scott Smith; Debby Stegura; Jarrod Vanlandingham; Kevin Wilk; Jamie Wood

Cal Cities Partners: Alicia Berhow; Brian LaBrie

Staff: Nicolas Romo, Legislative Affairs, Lobbyist

**I. Welcome**

Cal Cities President Ali Taj, Council Member, Artesia, welcomed everyone to the first policy committee meeting of the year and thanked members for their service to all California cities. He highlighted that policy committees are vitally important and directly connected to Cal Cities' core mission of advocating for the common interests of cities.

President Taj explained that while policy discussions can be lively and members may not always agree, Cal Cities derives its strength as a member-driven organization from this deliberative debate and recommendation process.

President Taj then introduced Carolyn Coleman, Cal Cities Executive Director and CEO. Ms. Coleman welcomed committee members and thanked them for their service to their cities and Cal Cities. She explained that the policy committee process is central to Cal Cities advocacy, ensuring it is member-driven and represents the interests of cities across California.

Ms. Coleman thanked committee members again for serving on the committees and wished them a great meeting.

**II. Public Comment**

Chair Cavanaugh asked if there was any public comment. There was no public comment.

**III. General Briefing**

In accordance with the customary practice of convening all policy committee members for a general briefing prior to the start of policy committee meetings, Cal Cities staff provided a General Briefing of all policy areas, which includes the latest

on legislative and budgetary matters affecting cities, as detailed below. The Advocacy team's complete analysis of the [Governor's proposed budget for 2023-24](#) and the [2023 Advocacy Priorities](#) are available on the Cal Cities' website.

- **Community Services:** The Governor's proposed 2023-24 budget maintains funding for homelessness and urges the Legislature to introduce new accountability measures for local governments, included in [AB 799](#) (Luz Rivas, 2023). In 2023, Cal Cities will focus on implementing the Community Assistance, Recovery and Empowerment (CARE) Act, modernizing the behavioral health system, addressing the substance use crisis, including fentanyl overdoses among young Californians, and securing ongoing funding for cities to address homelessness.
  - [Caroline Cirrincione](#), *Legislative Affairs, Lobbyist*
- **Environmental Quality:** The Governor's proposed 2023-24 budget includes reductions in climate resiliency commitments, including programs for addressing extreme heat, community resilience, and coastal resilience. The \$180 million that Cal Cities secured in the 2022 Budget Act for the implementation of organic waste diversion (SB 1383, Lara, 2016), remains in the budget. Throughout 2023, Cal Cities will focus on implementing [SB 54](#), landmark single-use plastic legislation enacted in 2022.
  - [Nick Romo](#), *Legislative Affairs, Lobbyist*
- **Governance, Transparency, and Labor Relations:** Cal Cities is focused on modernizing the Brown Act and ensuring flexibility for local governments in hiring retired annuitants, while opposing legislation that could impact CalPERS returns, such as legislation to divestment from certain industries.
  - [Johnnie Ping](#), *Legislative Affairs, Lobbyist*
- **Housing, Community, and Economic Development:** The Governor's proposed 2023-24 budget reduces funding for housing programs, including the Dream For All Program, CalHome Program, and Accessory Dwelling Unit Program. Cal Cities will continue to monitor and advocate for sustainable funding for affordable housing, while also monitoring restrictions on local land use authority, changes to development fees, and potential changes to [SB 35](#) (Wiener, 2017), which requires local governments to streamline certain housing projects.
  - [Jason Rhine](#), *Assistant Director, Legislative Affairs*
- **Public Safety:** The Governor's proposed 2023-24 budget prioritizes addressing the substance use crisis with nearly \$100 million to respond to fentanyl use, while also planning to close several state prisons and related prison facilities. Cal Cities will continue to monitor issues such as initiatives to change Proposition 47, emergency medical services efficiencies, emergency preparedness/response, and behavioral health.
  - [Elisa Arcidiacono](#), *Legislative Affairs, Lobbyist*
- **Revenue and Taxation:** Cal Cities is committing to preserving existing local revenue streams and bolstering local fiscal sustainability. Cal Cities is strongly opposed to the [California Business Roundtable ballot measure](#) that would restrict new or increased taxes and jeopardize local fiscal sustainability and is actively monitoring introduced legislation that would create new tax exemption programs that would reduce local tax revenues.
  - [Jessica Sankus](#), *Senior Policy and Legislative Affairs Analyst*
- **Transportation, Communications, and Public Works:** Cal Cities is working with the California Air Resources Board to draft new language for its proposed Advanced

Clean Fleets regulations, local and state transportation funding, broadband expansion, and recycled water.

- o [Damon Conklin](#), *Legislative Affairs, Lobbyist*

#### IV. [Cal Cities 2023 Advocacy Priorities](#)

The 2023 Advocacy Priorities were presented to the committee. The Cal Cities 2023 Advocacy Priorities are as follows:

1. Protect and expand investments to prevent and reduce homelessness.
2. Increase the supply and affordability of housing while retaining local decision-making.
3. Improve public safety in California communities.
4. Safeguard essential local revenues and support fiscal sustainability.

Committee members opined that climate change adaptation and resiliency, inclusive of planning and infrastructure, remains a high priority that should be included in the advancement of each 2023 advocacy priority.

#### V. [Adoption of 2023 Policy Committee Work Plan](#)

The Environmental Policy Committee will focus on its own work program to advance the following issues in addition to stated organizational priorities:

- Water resiliency and adaptation
- Clean and reliable energy
- Waste and recycling reform and implementation

##### **Protect and expand investments to prevent and reduce homelessness.**

- The Committee will partner with relevant committees to review, through an environmental lens, state and federal legislation, and budget proposals.

##### **Increase the supply and affordability of housing while retaining local decision-making.**

- The Committee will partner with the Cal Cities Housing, Community, and Economic Development Policy Committee to ensure environmental laws are protected and advanced.
- The Committee will also focus on related efforts involving climate change adaptation planning; water planning and conservation, building electrification policy and infrastructure; green hardening of homes; clean energy development; and other supportive policies within the climate-housing nexus.

##### **Improve public safety in California communities**

- The Committee will support this goal with focus on climate change adaptation planning; critical infrastructure investments such as to protect communities from flooding; levee breaks; sea level rise; and groundwater contamination. The committee will also support increased undergrounding of the electrical grid to reduce wildfire risks.
- The Committee will also advance this priority through protection of water and air quality, recycling, and hazardous waste management.

### **Safeguard essential local revenues and support fiscal sustainability**

- The Committee will support this priority through advocacy protecting and advancing key state budget investments for climate resiliency and adaptation efforts including climate change planning; organic waste diversion; extreme weather response; community resilience; and coastal protection.

### **VI. Our Neighborhood Voices Draft Land Use Initiative**

Environmental Quality discussed the draft Our Neighborhood Voices (ONV) [initiative](#) at length. The feedback was transmitted to the Cal Cities Board of Directors and is summarized as follows:

- The Committee focused discussion on the approved February 2022 statement on related initiatives which states that “*any actions Cal Cities takes to uphold local control and land use does not conflict with existing state environmental laws*”.
  - Some committee members opined that the environmental issues facing cities are much broader than the statement and that too narrow of a focus on local control will threaten regional/statewide environmental goals.
  - Some committee members expressed concern over the uncertainty that the initiative will actually result in protection of cornerstone environmental laws.
  - Some committee members expressed concern over the retroactivity to 2016 and the restricting of evolving environmental laws.
- Some committee members do not believe that expanded local control would adversely affect the environment.
- Some committee members expressed the need for additional education on the problems trying to be solved and deficiencies in existing law.
- Some committee members expressed that positioning on draft language may be premature and opined on the cost-benefit of spending valuable resources on a statewide ballot measure

### **VII. [Pure Water Project: Potable Reuse](#) (website and additional materials)**

Vice Chair Buckley Weber introduced Riki Clark, Public Affairs, Las Virgenes Municipal Water District, who provided a detailed review and tour of the Pure Water Project which is advancing potable reuse which is the process of using purified wastewater for drinking water. Learn more: <https://www.ourpureh2o.com/pure-water/what-is-pure-water>

[Video: Pure Water Demonstration Facility Virtual Tour](#)

### **VIII. 2023-24 State Legislation and [Budget Review](#)**

Ahead of the February 17, 2023, deadline for legislators to introduce legislation, Nicolas Romo provided a forecast of key issues in the Environmental policy portfolio for city officials, including:

**ACA 1 (Aguiar-Curry) Local government financing: affordable housing and public infrastructure: voter approval.**

A constitutional amendment that would lower the necessary vote threshold from a two-thirds supermajority to 55 percent to approve local general obligation bonds and special taxes for affordable housing and public infrastructure projects – includes water, flood, and coastal projects.

**AB 2 (Ward) Recycling: solar photovoltaic modules.**

Would create a system for the end-of-life management of photovoltaic modules (i.e., solar panels), minimization of related hazardous waste, and recovery of commercially valuable materials.

**AB 3 (Zbur): Offshore wind energy.**

Would accelerate the approval, implementation, and operation of offshore wind energy projects to meet California's climate action goals.

**AB 80 (Addis): Offshore Wind Coastal Protection Act.**

Would create the Offshore Wind Coastal Compensation Fund for local governments to address the impacts of deployment and future decommissioning of offshore wind infrastructure.

**SB 23 (Caballero) Water supply and flood risk reduction projects: expedited permitting.**

Would expedite the regulatory permitting process for water supply and flood risk reduction projects.

**SB 69 (Cortese) California Environmental Quality Act: judicial and administrative proceedings: limitations.**

Would require all CEQA notices of determination or exemption to be posted to a centralized State Clearinghouse website and would specify when the statute of limitations begins for CEQA projects.

**Proposed 2023-24 State Budget Highlights**

On the heels of an unprecedented budget surplus during development of the 2022 Budget Act, the state now forecasts a shortfall of \$22.5 billion in fiscal year 2023-24. The state assumes continued but slowing economic growth and stops short of assuming a recession in the near future. The Governor's proposed \$297 billion state budget for the 2023-24 fiscal year does not draw from the state's reserves to address the forecasted deficit. Instead, the budget is balanced with a combination of funding delays, shifts, and reductions.

The Governor's proposed 2023-2024 budget maintains significant investments despite significant revenue volatility but makes substantial adjustments that will impact city climate programs.

The budget maintains 89 percent of the \$54 billion dedicated over five years with triggers for increases back to pre-approved levels should the budget condition

improve. The Administration is also seeking federal funds and is considering a resources revenue bond to cover any shortfalls.

Here is a breakdown of the major program adjustments proposed in the state budget:

**Water and Electricity Bill Relief:** Shifts \$400 million from the state arrearage support program to the General Fund effectively winding down this program.

**Residential Solar Subsidy:** Significantly reduces funds for the residential solar and storage program while maintaining 70 percent of funds available to support low-income utility customers.

**Wildfire Response:** Maintains nearly all fire prevention funds. There is a reduction of \$10 million for defensible space inspections and monitoring. Workforce training funds in this space are largely maintained.

**Extreme Heat:** Significantly cuts programs of importance to cities but maintains 70-85 percent of total funds made available in prior years. Adjustments include a nearly 40 percent cut to the extreme heat and community resilience program and a reduction of \$100 million from the Urban Greening Program.

**Coastal Resilience:** Reduces 40 percent of funding to coastal resilience funding contingent on budget conditions. Significant adjustments include cuts to the Coastal programs of \$175 million in 2022-23 and \$297 million in 2023-24.

**Organic Waste:** Maintains the \$180 million for SB 1383 (Statutes of 2016) implementation that Cal Cities successfully fought for in 2022. The budget maintains 95 percent of funds available to support the implementation of short-lived climate pollutant strategies and organic waste infrastructure.

### **Climate Infrastructure**

The Governor's proposed multi-year combination of deferrals and investments extends toward various statewide infrastructure projects. This includes funding to accelerate the transition to zero-emission vehicles, broadband connectivity investments and \$8.6 billion of previously committed funding to address the state's drought resiliency and response.

Further aligning the state's transportation and climate goals, the budget proposes shifting \$4.3 billion in spending on zero-emission vehicles from the state's General Fund to a special fund paid into by drivers of cars with internal combustion engines. The budget would delay \$3.1 billion in climate and transportation funding by a year with the hope of restoring that spending in 2024 or offsetting it with federal money. Specific reductions include:

**Zero-Emission Vehicles:** Reduces \$2.5 billion General Fund across various zero-emission vehicle programs, which are partially offset by approximately \$1.4 billion in fund shifts to the Greenhouse Gas Reduction Fund.

The budget also includes new investments to continue supporting the state's drought response, accelerate the implementation of the state's water supply strategy, and increase flood preparedness and response, including:

**Urban Flood Risk Reduction:** Provides \$135.5 million General Fund over two years to support local agencies working to reduce urban flood risk.

**2023 Drought Contingency:** Set asides \$125 million General Fund to be allocated as part of the spring budget process when additional water data is available to inform future drought needs.

**Delta Levees:** Allocates \$40.6 million General Fund for ongoing delta projects that reduce the risk of levee failure and flooding, provide habitat benefits, and reduce the risk of saltwater intrusion contaminating water supplies.

**Central Valley Flood Protection:** Provides \$25 million General Fund to support projects that will reduce the risk of flooding for Central Valley communities while contributing to ecosystem restoration and agricultural sustainability.

## **IX. Adjourn**