



**HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT POLICY COMMITTEE
HIGHLIGHTS
January 19, 2024**

ATTENDANCE

Members: Yvonne Martinez-Beltran (Chair); Wes Speake (Vice Chair); Tiffany Allen; Scott Behrendt; Aaron Benjamin; Art Bishop; Harry Black; Evan Branning; Leslie Castellano; Debbie Chamberlain; Walter Chung; Josh Cook; Monica Davis; Tanya Doby; Ben Fine; Jon Fugitt; PJ Gagajena; Martha Guerrero; George Harris; Britt Huff; Cecilia Hupp; Adria Jimenez; Sergio Jimenez; Lisa Kaplan; Tamala Kelly; Carole Kendrick; Kari Leon; Sergio Lopez; Patricia Matthews; Meredith Matthews; Stacey Mattina; Albert Mendez; Jovita Mendoza; John Miki; Javier Moreno; Lisa Motoyama; Vong Mouanoutoua; Ian Oblesby; Beth Painter; Alice Patino; Ray Pearl; Debra Porada; Crystal Ruiz; Cindy Silva; Lisa Soghur; Julie Testa; Maureen Toms; Rafael Trujillo; Anthony Valdez; Nathan Vosburg; Mark Waronek; Princess Washington; David White

Cal Cities Partners: Larry Kosmont

Staff: Brady Guertin, Legislative Affairs Lobbyist
Waleed Hojeij, Legislative Affairs Policy Analyst
Jason Rhine, Director of Legislative Affairs

I. Welcome and Introductions

Yvonne Martinez-Beltran welcomed committee members and introduced herself.

The Chair introduced Carolyn Coleman, Cal Cities Executive Director. Ms. Coleman welcomed everyone to the first policy committee meeting of the year, emphasized the significance of the policy committee's work, and thanked members for their service to all California cities.

Ms. Coleman said that the work of the policy committees is central to Cal Cities advocacy, which is at the heart of the organization. She thanked committee members again for serving on the committee and wished them a great meeting.

II. Staff Introductions

The new Housing, Community, and Economic Development lobbyist Brady Guertin introduced himself to the committee and gave them a background of his work experience. He started his role at Cal Cities on January 16, 2024, so this was his first-time meeting many of the committee members.

Waleed Hojeij also reintroduced himself to the policy committee members. He also reminded them that he is the designated analyst for the committee and that he is happy to assist them in anything they need.

III. Public Comment

Chair Martinez-Beltran asked if there was any public comment. None were provided.

IV. 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, the Cal Cities advocacy team compiled a [General Briefing Update Document](#) which includes the latest on legislative and budgetary matters affecting cities.

V. Cal Cities 2024 Advocacy Priorities

Jason Rhine presented the of [Cal Cities 2024 Advocacy Priorities](#) to the committee. These priorities were established during the League Leaders meeting in Carlsbad to guide our advocacy efforts in 2024. Mr. Rhine outlined the importance of protecting local revenues and promoting economic development. Additionally, he highlighted the proactive stance on climate change resiliency, disaster preparedness, and public safety.

The advocacy priority the policy committee was most focused on was the homelessness crisis and affordable housing. The priorities serve as a strategic guide, seeking ongoing state support for homelessness initiatives and emphasizing the need for funding, partnerships, and local flexibility.

VI. Adoption of 2024 Work Program

To inform the committee's work program, committee members were asked to respond to an online survey selecting their top priorities for the committee to focus on in the coming year.

Cal Cities staff provided an overview of the survey responses and proposed work program. The top three choices in the survey were Local Control, Affordable Housing, and Homelessness. But since those were included in our 2024 Advocacy priorities and mission, we wanted to include more responses for our Work Plan. After much discussion, the committee chose to focus on the following policy items:

- Local Control
- Affordable Housing
- Homelessness
- Economic Development
- Housing Development
- Integrated Infrastructure

The Committee voted in support of this work plan with only one nay in the final vote.

VII. Existing Policies and Guiding Principles

Cal Cities staff explained the importance of the guiding principles. This document contains Cal Cities policies that reflect positions taken by the policy

committee and Cal Cities Board and is used as a reference tool for Cal Cities staff when reviewing legislation.

Cal Cities staff provided highlights and a summary of the guiding principles for Housing, Community, and Economic Development. There were no changes made to the Existing Policies and Guiding Principles as no new policy was adopted by the board in the last two years. The existing policy and guiding principles were passed unanimously.

VIII. Budget Update

Cal Cities staff gave a brief update on Governor Newsom's proposed 2024-2025 State Budget. Waleed Hojeij gave the committee an overview of the governor's budget. In December 2023, the LAO's early budget forecast projected a near \$70 billion deficit but by drawing from the state's reserve accounts, the governor's budget forecasts a \$38 billion deficit while still assuming continued growth. The governor's budget does not redirect city funds to address the state budget deficit and it does not include deep cuts to most ongoing programs. It also does not include new, ongoing funding to address the housing supply and homelessness as well as pauses and reduces investments in workforce development.

Brady Guertin gave a budget update on the housing specific programs which saw a \$1.7 billion reversion in funding. The proposed budget reduced funding for several key housing programs including accelerating infill housing development, providing grants to first-time homebuyers, and reducing zero-interest loans for affordable student, faculty, and staff housing. It is also notable that there was a reduction of \$500 million available for the Low-Income Housing Tax Credit, a key federal financial program for affordable housing in California. These are just a few of the programs that were reduced in the budget, for a more detailed analysis please check out [Cal Cities Website](#).

IX. Legislative Update

Cal Cities staff gave an update on legislative developments in the Capitol. The biggest trends and issues areas we anticipate regarding HCED are adaptive reuse and office conversion projects, RHNA reform, and housing bonds.

For adaptive reuse and office conversion to residential projects, Assemblymember Haney introduced AB 1532 last year that did not pass with the goal of reducing costs for office conversion projects including removing the ability of local governments to collect some permit fees on adaptive reuse projects. Although the bill did not make it during the 2023 Legislative Session, there is a belief that similar legislation may come back this year.

For RHNA Reform, the California Department of Housing and Community Development (HCD) is expected to release a report this year about some of the weaknesses of the current RHNA program to make improvements for the seventh housing element. Cal Cities is actively keeping an eye out for HCD's report and for any legislation introduced in response to the final report after its release.

There are three housing bonds this year that Cal Cities is actively following and engaging on when necessary. One housing bond stalled out last year and may return this year, a second bond focuses on addressing climate change, and a final bond addresses schools. Cal Cities will continue to track these developments and respond as necessary to the measures.

X. Assembly Housing and Community Development 2024 Priorities

Chair Martinez-Beltran introduced Assembly Member Christopher M. Ward, who started off by expressing his gratitude for the collective efforts on ACA 13. Ward delved into the challenges faced in addressing the housing crisis. He emphasized the need for strategic solutions to navigate the housing dilemma, particularly considering an increasing number of residents leaving the state due to soaring housing costs. Acknowledging the importance of synergy between state and local entities, he underscored the urgency of finding effective strategies to meet housing demands.

Assembly Member Ward shed light on the imminent bill deadline, five weeks away in the third week of January, acknowledging the uncertainty surrounding specific details while emphasizing the enduring principles guiding their actions. Rent emerged as a focal point of concern, accompanied by discussions on the broader cost of living, including utilities. The effectiveness of existing programs and the potential setbacks posed by proposed cuts to affordable housing programs were highlighted, with an estimate of a setback of 6,500 units over a year.

The conversation expanded to touch on issues, such as the built-to-rent communities and a proposed bill aiming to make it more challenging for investment properties to own housing, ultimately aiming to boost home ownership. Attendees raised concerns about increasing insurance costs, scarcity of housing options, and the challenges cities face in meeting RHNA goals while advocating for more flexibility for cities that successfully meet these targets. One participant suggested the legislature consider alternative solutions like Universal Basic Income.

XI. 2023 Legislative Briefing Book

Mr. Hojeij highlighted the 2023 Legislative Report and where members can find it on the [Cal Cities Website](#).

XII. Adjourn

Chair Martinez-Beltran and Vice-Chair Speake thanked the members for attending and for having a thoughtful discussion. They also expressed their excitement for the next in-person policy committee meeting in Burbank.

Next Meeting: In Person, Friday, March 22, 10:00 a.m.-2:00 p.m.

Marriott Burbank Airport Hotel, 2500 N. Hollywood Way, Burbank