



Housing, Community, and Economic Development Policy Committee

Friday, January 19, 2024 • 9:30am – 12:30am

Register for this meeting:

https://us06web.zoom.us/meeting/register/tZMpdeusTMqGNacN_kfV1u9RF_rx3uNeE_1

Immediately after registering, you will receive a link and confirmation email to join the meeting.

AGENDA

I. Welcome and Introductions

Speakers: Yvonne Martinez Beltran, Council Member, Morgan Hill
Wes Speake, Council Member, Corona
Cal Cities President Daniel Parra, Mayor, Fowler
Cal Cities Executive Director and CEO Carolyn Coleman

II. Staff Introductions

Speakers: Brady Guertin, Lobbyist, Cal Cities
Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities

III. General Briefing (*Attachment A*)

Speaker: Jason Rhine, Director of Legislative Affairs, Cal Cities

IV. Cal Cities 2024 Advocacy Priorities (*Attachment B*)

Informational

Speaker: Jason Rhine, Director of Legislative Affairs, Cal Cities

V. Qualtrex Survey Results – Overview, analysis, and policy implication

Speaker: Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities

VI. Adoption of 2024 Work Plan

Action

Speaker: Jason Rhine, Director of Legislative Affairs, Cal Cities

VII. Summary of Existing Guidelines and Principles (*Attachment C*)

Action

Speakers: Jason Rhine, Legislative Affairs Director, Cal Cities
Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities

VIII. Budget Update

Informational

Speaker: Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities

IX. Legislative Update

Informational

Speakers: Brady Guertin, Lobbyist, Cal Cities
Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities

- X. Asm. Housing and Community Development 2024 Priorities** *Informational*
Speakers: Assembly Member Christopher M. Ward, Chair
Silverio Rizo Llamas, Legislative Assistant, Asm. Ward's Office
- XI. 2023 Legislative Briefing Book** *Informational*
Speaker: Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities
- XII. Closing Remarks and Adjourn**
Speaker: Yvonne Martinez Beltran, Council Member, Morgan Hill
Wes Speake, Council Member, Corona

Next Meeting: Friday, March 22, 2024 (in person) 10:00 a.m.- 2:00 p.m.

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:

1) Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or

2) A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.

A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.

The January 18-19, 2024 Policy Committees General Briefing

Overview:

The first month of the Legislature's return to Sacramento focused on moving bills from last year to the second house along with Gov. Gavin Newsom unveiling his proposed budget.

The bill introduction deadline is February 16. As the tidal wave of new bills are introduced, legislative policy committee and budget subcommittee meetings will begin in earnest beginning in late February and early March. This will be the first opportunity for Cal Cities to advocate on legislation important to cities.

Governor's Proposed Budget Highlights:

If there are two things Gov. Gavin Newsom wants everyone to take away from this year's \$291.5 billion budget proposal, it's "accountability and stretching those tax dollars." The proposal avoids deep cuts to most programs through a combination of reductions, borrowing, delays, deferrals, and shifts. Climate change and housing received the largest cuts, with existing spending largely maintained in other areas.

Newsom also said the magic word: ongoing. Last week, the League of California Cities called on lawmakers to honor previous funding commitments and create an ongoing funding stream to increase affordable housing and reduce homelessness. Although the latter was noticeably absent, Newsom did not claw back any current commitments on homelessness and acknowledged that conversations about ongoing funding are in play. He also underscored the need for strong state-local partnerships.

"We welcome the Governor's commitment to working closely with the Legislature on additional, ongoing funding to support local governments' response to the homelessness crisis," said Carolyn Coleman, Cal Cities executive director and CEO. "However, we can't afford to defer or delay the urgent need to put a roof over the heads of all Californians. That's why we are concerned about the roughly \$1 billion in proposed cuts to key housing programs."

The budget proposal is the first step in a lengthy series of negotiations over many months. Complicating this year's negotiations is what the Newsom Administration attributed to a difference in opinion about the state's short-term economic outlook. The Governor is projecting a \$38 billion deficit — far less than the Legislative Analyst's Office (LAO) predicted. A comprehensive Cal Cities budget breakdown can be found [here](#).

Policy Committee Information:

Community Services

Caroline Grinder, Lobbyist

This year, Cal Cities will continue to advocate for [ongoing funding to address homelessness](#). Cities fared well in the budget when it comes to homelessness funding commitments made in prior year's budgets. However, while the budget does not propose cuts to these critical programs, it also does not propose any new funding allocations. As in previous years, Newsom reiterated his focus on working with the Legislature to increase

oversight and accountability for how local governments utilize state homelessness funding. Cal Cities will continue to emphasize that accountability for state funding at the expense of action fails to expand or develop cities' capacity to address immediate homelessness challenges.

In breaking news, Cal Cities Board of Directors voted overwhelmingly to [support Proposition 1](#) during their December meeting. Proposition 1 will appear on the March 2024 ballot and includes substantial changes to the Mental Health Services Act and a \$6.38 billion bond to fund over 11,000 new behavioral health beds. In addition to supporting Proposition 1, Cal Cities Board directed staff to engage in the regulatory process and pursue legislation to implement reasonable oversight of licensed recovery housing and sober living homes to ensure the safety and success of those receiving services and support.

Looking to the year ahead, the Community Services Policy Committee will remain committed to advancing Cal Cities' [advocacy priority](#) of expanding investments to prevent and reduce homelessness. The committee will also continue to focus on other pressing issues, such as addressing the substance use and mental health crisis, supporting early learning and childcare programs, increasing access to open space, and bolstering cities' efforts to prepare for and respond to emergencies, among other issues.

Environmental Quality

Melissa Sparks-Kranz, Lobbyist

While the proposed budget maintains several noteworthy investments, as mentioned, it contains substantial reductions and shifts in funding that will impact cities. This year sees a major shift in funding which includes \$2.9 billion in reductions, \$1.9 billion in delays of expenditures to future years, and \$1.8 billion in shifts to other funds for climate-related programs. Additionally, we anticipate significant movement in the Legislature on several policy areas, including in organic waste, water management, and clean energy.

Climate Change

In years past, the Governor has identified combating climate change as a key priority within the administration. With the proposed budget limiting climate funding, such as the \$475 million reduction of planned investments in the Climate Innovation Program, Cal Cities anticipates a key focus of the Legislature will be around the climate bond proposals as a way to finance the long-term necessary capital investments to support the state's robust climate goals. With multiple climate related proposals introduced in last year's legislative session, Cal Cities will continue its active engagement to support a climate bond that would move to the ballot in November 2024.

Single Use Plastics, Recycling, and Organic Waste Diversion

This year started off with the release of the draft regulations for the single use packing and plastic food ware legislation, SB 54 from 2022. Cal Cities will be engaging with Cal Recycle over the next year on the regulations, as well as the Producer Responsibility Organization

representing plastic producers who have the extended responsibility of managing plastics through the end of their life cycle, including reimbursement to local jurisdictions implementing these recycling programs. Cities are implementing CalRecycle's SB 1383 organic waste diversion regulations; however, Cal Cities anticipates significant legislation to be introduced to reform SB 1383 following the analysis conducted by the Little Hoover Commission released in August 2023, which called upon the Legislature to put a complete pause on implementation of the statewide program. Cal Cities will continue to advocate for progress but will be weighing in on legislation to ensure city interests are protected if changes to the program are forthcoming.

Drought & Water Supply

California has experienced both extreme atmospheric river storms and megadrought conditions in the last several years. Early predictions show this water year starting out with less than average snowpack and precipitation conditions. The Governor's proposed budget reduces funding for various water programs and drought resilience by \$1.4 billion, the largest reduction being the \$350 million over the next two years for various watershed climate resilience programs. As a consequence of severe weather events and weakened funding, a large focus this year in the Legislature will be on the continuing water rights bills, as a means to evolve the overall management of water supply throughout the state. The discussions will continue with the state on the long-term urban water conservation standards that are currently going through the formal rulemaking process. As new legislation is introduced, Cal Cities will continue to review, analyze, and provide updates as needed.

Energy

Lastly, as the state moves towards its 100% clean energy and zero-emission future, city roles in this space will become more prominent. With more and more cities passing reach codes to phase out natural gas in their buildings and moving to incentive deployment of electric vehicle charging stations, the state will be looking to continue to partner with cities on accelerating this transition. Cal Cities anticipates the exploration of hydrogen manufacturing facilities with California receiving a National Hydrogen Hub award, of up to \$1.2 billion from the U.S. Department of Energy in October 2023 to accelerate the development and deployment of clean renewable hydrogen. Cal Cities will be monitoring these efforts and if additional legislation is introduced.

Despite this year's budget shortfalls in our policy area, the Environmental Quality Policy Committee will remain committed to advancing Cal Cities' [advocacy priority](#) of strengthening climate change resilience and disaster preparedness.

Governance, Transparency, and Labor Relations

Johnnie Piña, Lobbyist

The Governor's January budget contains investments aimed at improving worker health and safety programs, unemployment, paid family leave, and workers' compensation wait

times. While the budget largely maintains workforce investments, it does propose several reductions and delays in funding for workforce training and apprenticeships.

Legislatively, this year will be another year full of bills related to the governance, transparency, and labor relations space. We will see legislation related to challenges cities continue to face including managing California Public Records Act requests, managing upcoming elections, grappling with emerging technology such as artificial intelligence, managing disruptions in public meetings, dealing with hiring challenges and growing labor costs all in a time of economic uncertainty.

The Ralph M. Brown Act

Cal Cities is a co-sponsor of [AB 817 \(Pacheco\)](#) which passed out of the Assembly Local Government Committee this week and will continue to move through the legislative process. This measure would remove barriers to entry for appointed and elected office by allowing nondecision-making legislative bodies that do not have the ability to take final action to participate in two-way virtual teleconferencing without posting their location.

Housing, Community, and Economic Development

Waleed Hojeij, Policy and Legislative Affairs Analyst

Last year, more than 100 housing related measures were introduced in the legislature. We anticipate a similar number this year. Lawmakers are likely to focus on proposals seeking to require additional housing streamlining processes, adaptive reuse of existing structures, density bonus expansion, elimination of parking requirements, caps of development fees, and by-right housing approvals.

To complicate the matter further, the Governor is projecting a \$38 billion budget deficit. To help close the significant gap, he is proposing to cut \$1.7 billion from various housing programs. These cuts put California cities in a difficult position when it comes to spurring much needed housing development. The elimination of \$250 million from the Multifamily Housing Program leaves only \$75 million for 2023-2024. This is one of the most successful state programs to development multifamily housing, including affordable housing. The Governor would also like to cut \$200 million from the Infill Infrastructure Grant Program, leaving only \$25 million in 2023-2024. This grant program is already a highly competitive grant that helps provide funding for essential infrastructure. Without this funding many projects will be unable to be constructed.

While the Governor remains optimistic about our economic forecast, the Legislative Analyst's Office suggests a potential economic recession in the near future. Regardless, we will remain dedicated to supporting legislation that provides essential tools and incentives that bolster job creation and retention. The budget projects modest wage growth, personal income growth, historically low interest rates, and increased residential building permits in 2024. Some notable economic development allocations include:

- California Competes Program: Commits \$60 million to extend the California Competes grant program for one additional year.

- Recapitalization of the Infrastructure State Revolving Fund: A one-time increase of \$50 million to recapitalize the Infrastructure State Revolving Fund at the California Infrastructure and Economic Development Bank (IBank).

Public Safety

Jolena Voorhis, Lobbyist

Many cities have seen a significant increase in retail theft, organized retail theft, and smash and grabs. The Governor's proposed budget maintains existing efforts to reverse this trend, for a total of \$373.5 million over four years starting in 2022-2023. This includes resources for the California Highway Patrol's retail theft task forces and local law enforcement.

Other notable budget proposals include more funding to combat fentanyl, as well as some delays in programs and changes to various fire protection programs.

Regarding the outlook for 2024, please see the issues noted below:

Retail Theft

The Assembly has prioritized retail theft as a top priority and created the Select Committee on Retail Theft which met on December 19, 2023, and is expected to meet two more times in January. The Speaker and the Chairs of both of the relevant policy committees have indicated that changes to Proposition 47 are on the table for discussion and specific attention has been placed on addressing repeat offenders and having accountability for shoplifting and other theft.

The Little Hoover Commission is also holding hearings on retail theft as requested by the Legislature and is working on a report to be released in the spring. The Commission has held two hearings so far and speakers have included City Councilmember Gabe Quinto from El Cerrito, the California Retailers Association, and the California Grocers Association.

Addressing retail theft and the increase in crime is also one of Cal Cities top priorities. Cal Cities is working with a large coalition of other groups including the Police Chiefs, Retailers, Grocers, Probation Chiefs, Sheriffs and the Chamber to work on a solution to this problem this year.

The Governor announced several [legislative proposals](#) to address retail theft on January 8, 2024. This legislative package on retail theft would address the following issues: reselling, aggregation, organized retail theft, and local enforcement.

However, it should be noted, that these proposals would not amend Proposition 47 and therefore the impact may be limited.

Cannabis

Cal Cities expects several pieces of legislation on the cannabis issue, specifically related to local control issues and the implementation of AB 2188 related to drug testing of employees.

Fentanyl

Cal Cities is anticipating several bills to be introduced on Fentanyl in 2024. Of note is proposed legislation by Governor Newsom to add tranq to the list of crimes that could be prosecuted as a felony.

Revenue and Taxation

Ben Triffo, Lobbyist

The 2024-25 budget is shaping up to be a contentious challenge. In December 2023, the LAO reported that revenues were well below prior estimates, leading to a long-term budget deficit projection of \$68 billion. The Governor's January budget proposal falls in between those numbers, with Newsom predicting a \$37.86 billion shortfall. According to the Governor, this difference boils down to Prop. 98 savings, workload reductions, new revenues, and "less pessimism" about the near future.

The Governor's proposed budget draws \$13.1 billion from the state's reserve accounts, which the Administration described as an appropriate tool to help balance the deficit. The rest of the shortfall is balanced with \$8.5 billion in reductions, \$5.7 billion in internal borrowing, \$5.1 billion in delays, \$3.4 billion in fund shifts, and \$2.1 billion in deferrals. The Governor's proposed budget maintains \$18.4 billion in budgetary reserves.

ACA 13 and the Taxpayer Protection and Government Accountability Act

In other news, the Cal Cities Board of Directors voted unanimously to support ACA 13 (Ward) during the December meeting. ACA 13 is an effort to stop the "Taxpayer Protection and Government Accountability Act" initiative. The initiative — sponsored by the California Business Roundtable — would expand the definition of a tax and raise the voter approval threshold for some local taxes. The initiative would also limit certain fees to the minimum amount necessary to provide the service. Collectively, this measure annually places billions of local government revenue dollars at risk.

ACA 13, if approved by voters, would require any state or local initiative measure to conform with any increased voter threshold that it seeks to impose on future ballot measures. For example, if a measure looks to increase the voter threshold of a specific tax measure from a simple majority (50% +1) to a supermajority (two-thirds), the measure would be required to pass by that same supermajority. The measure also preserves the right of local governments to place advisory questions on the ballot and states that the provisions of this constitutional amendment apply to all statewide initiative measures submitted to voters on or after Jan. 1, 2024. If ACA 13 is approved by voters in November 2024, the Taxpayer Protection and Accountability Act would be required to pass by a two-thirds majority.

Going Forward

In 2024 the Revenue and Taxation Policy Committee will promote Cal Cities' advocacy priority of safeguarding local revenues and bolstering local economic development. The committee will also stay apprised of the recommendations being crafted by the City Managers Sales Tax Working Group and will fight any attempt to backfill the state's budget deficit using local revenue streams that provide essential local services.

Transportation, Communications, and Public Works

Damon Conklin, Lobbyist

Transportation

The Governor's proposed budget uses a combination of shifting and delaying funds to uphold 99 percent of last year's transportation commitments, resulting in \$13.6 billion. This includes \$791 million in funds shifted from the Greenhouse Gas Reduction Fund and \$3.1 billion in delays across various programs. The proposed budget also maintains \$10 billion — extended over seven years — in investments to further the transition to zero-emission vehicles. The largest spending reduction was \$200 million from the Active Transportation Program, leaving \$850 million for clean transportation and mobility programs, such as pedestrian and bicycle pathways.

The Governor's proposed budget proposes to delay \$1 billion of formula Transit and Intercity Rail Capital Program grant funding from 2024-25 to 2025-26 budget, leaving \$1 billion for this program in 2024-25; dedicate \$4.2 billion Proposition 1A for the High Speed Rail Authority to continue building the 119-mile Central Valley Segment from Madera to just north of Bakersfield; dedicate \$1.2 billion for projects that improve goods movement on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission modernization projects; and delay \$45 million from the General Fund for grants intended to support zero-emission vehicles.

Autonomous Vehicles

Cal Cities is co-sponsoring legislation, [SB 915 \(Cortese\)](#) to prioritize local control in the decision to deploy autonomous vehicle (AV) services, where a company has already received any deployment approval by the DMV and the CPUC. Also, the measure seeks to improve public safety by addressing the problem of AVs delaying or interfering with emergency vehicles by allowing first responders and law enforcement to override a wayward AV that interferes with an emergency situation.

Advance Clean Fleet

The Advanced Clean Fleets (ACF) Regulation is the latest development by CARB to set increasingly stringent emission standards for mobile sources. Compliance requirements have already begun January 1, 2024, and reporting is due April 1, 2024. From 2024 to 2026, 50% of all vehicles, including class 2b-8 trucks (vehicles over 8,500 pounds), acquired by state or local governments must be ZEV. In 2027, that mandate moves to 100%.

Cal Cities will be looking at sponsoring and advancing legislation in 2024 to provide greater flexibility for cities compliance to the ACF regulations.

To find a list of relevant bills for each policy committee, please visit our [bill search webpage](#).

League of California Cities 2024 Advocacy Priorities

- 1. Safeguard local revenues and bolster local economic development.**

Cities are the engine of the state economy. With a looming state budget deficit, it is critical to counter efforts by the state and corporations to erode or skim local revenue. Cal Cities supports increasing local revenue streams for local governments and **opposes any effort to reduce or eliminate existing funding to cities**. Cal Cities will use every tool in the toolbox — legislative, legal, and grassroots mobilization — to **fight a 2024 ballot measure** that represents an existential threat to local control. The measure, sponsored by the California Business Roundtable, would put at risk billions of dollars for essential local services. Cal Cities also supports legislation that will fund a **state-local partnership to enhance economic development** in these uncertain fiscal times.
- 2. Strengthen climate change resiliency and disaster preparedness.**

The threat of climate change is no less during tough economic times. The state needs to accelerate its efforts to **prepare, reduce, and adapt** to the ever-changing risks posed by climate change — especially in **vulnerable and under-resourced communities**. These risks include wildfires, flooding, drought, and other extreme weather events. Cal Cities will pursue **funding strategies**, including potentially a bond, that provide cities with the necessary resources to **improve community and infrastructure resiliency**. Cal Cities will also seek to advance a partnership with state and federal agencies to strengthen essential infrastructure, including modernizing the state's **water supply** and energy grid.
- 3. Improve public safety in California communities.**

A spike in retail theft, violent smash-and-grab robberies, fentanyl deaths and illicit drug use, and back-to-back natural disasters, as well as strained social services are creating challenges beyond the capacity of local governments. Cal Cities will partner with the state to advance solutions that help **reduce crime, increase emergency service capacity**, and provide more support to those residents struggling with **substance abuse**. We will work with the Legislature, the Governor, and allies to craft legislation that will **reform Proposition 47**, while **avoiding a return to the days of mass incarceration**.
- 4. Expand investments to prevent and reduce homelessness and increase the supply of affordable housing.**

California cities are doing more than ever to get residents off the streets and into safe, stable, and affordable housing. However, the homelessness crisis in the world's fifth-largest economy continues unabated — fueled in part by a lack of affordable housing. Cal Cities is calling on the state to provide **ongoing funding** to bolster local efforts to support individuals experiencing, or at risk of, homelessness as well as strengthen state and local partnerships **to improve access to wraparound services**, including mental health and substance use treatment. Cal Cities also supports ongoing funding for cities to **jumpstart the construction of affordable housing**, while ensuring cities **retain local decision-making** and flexibility to achieve community and state housing goals.

Housing, Community and Economic Development

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.

Summary of Existing Policy and Guiding Principles

Planning And Zoning

General Plans

Cal Cities supports the use of the general plan as a guide to meeting community planning needs. A city's general plan should guide the individual city's land use planning and strategic decision-making. A city's general plan should not be subject to mandatory review by regional or state agencies. General plan requirements should be flexible and provide guidance to local communities without requiring inappropriate levels of detail or mandating new topics or elements. Cal Cities supports guidance by expert state agencies in a consultation format but opposes granting mandatory review, certification or other approval authority to another level of government.

Water Supply and Land Use Planning

Cal Cities supports having the best information available on the reliability of water supplies when land use decisions are made by local agencies, while protecting and retaining local land use decision-making authority.

Zoning

Cal Cities believes local zoning is a primary function of cities and is an essential component of home rule. The process of adoption, implementation and enforcement of zoning ordinances should be open and fair to the public and enhance the responsiveness of local decision-makers. State policy should leave local siting and use decisions to the city and not interfere with local prerogative beyond providing a constitutionally valid procedure for adopting local regulations. State agency siting of facilities, including campuses and office buildings, should be subject to local notice and hearing

requirements in order to meet concerns of the local community. Cal Cities opposes legislation that seeks to limit local authority over parking requirements.

Housing Element

Housing issues should be addressed in the general plan as other planning issues are. The housing element should be prepared for the benefit of local governments and should have equal status with the other elements of the general plan.

The projections of regional and local growth and the allocations of housing units should account for state and local planning factors and should be subject to a formal hearing and appeal process to ensure that they are realistic. Cities should be allowed to work together to allocate housing units among themselves within a subregion. Appeals should be heard by politically accountable officials at the state and regional levels. Allocated housing units are not a production requirement as cities do not construct housing.

Cities should focus their efforts on facilitating the production of below market rate housing units. Local government efforts should be subject to realistic performance standards, not to arbitrary state agency review of the housing element. Local government housing efforts should be rewarded by incentives. These incentives should include streamlining by not being subject to the Department of Housing and Community Development review, priority ranking for discretionary funds, and new discretionary funds available for general fund purposes.

Cal Cities supports and encourages legislation that implements comprehensive reforms to the housing element process that:

- Address conflicts between local growth projections and state regional housing need numbers;
- Resolve the problems associated with the distribution of RHNA units within a council of governments;
- Achieve improvements to the housing element review process;
- Develop a neutral dispute resolution process and fair enforcement alternatives to deal with disputes over questions of compliance;
- Require state laws and policies which affect housing and land use to be internally consistent;
- Establish additional legal protections to local agencies that approve affordable housing and that establish local pro-active affordable housing policies; and
- Authorize communities which achieve quantifiable affordable housing production levels to self-certify their housing elements without being subject to state review.

Housing Finance

Cal Cities supports legislation and state and federal programs that assist in providing financing for affordable housing, including the development of fiscal tools and incentives to assist local governments in their efforts to encourage housing and finance the infrastructure to support housing, as well as establishing an ongoing state commitment for funding affordable housing.

Cal Cities supports the re-establishment of federal tax incentives which were in effect prior to 1986 which encouraged private development and ownership of rental housing.

Cal Cities supports property tax assessment policies that match local affordable housing policies.

Economic Development

Job Creation, Retention and Expansion

Cal Cities supports legislation that will provide tangible and productive tools and incentives to support job creation and retention in housing-rich, jobs-poor communities, such as the awarding of direct grants to fund the development of infrastructure that results in the creation and retention of jobs; the elimination of matching dollar requirements for economic development and infrastructure state grants; the provision of grant funding for infrastructure planning and design and the creation of economic development strategies; and, allowing cities the maximum flexibility in the use of state funds toward local priorities that support job creation. Cal Cities also encourages the state to adopt policies and programs that establish a comprehensive solution to the infrastructure and jobs/housing needs of all communities within the state.

Tax Increment Tools

Cal Cities supports the enactment and expansion of tax increment financing authority for economic development, infrastructure, and community revitalization, including recently enacted Enhanced Infrastructure Financing District Law (EIFD), Community Revitalization and Investment Authorities (CRIA) and Annexation Development Plans.

Cal Cities supports the enactment and expansion of state tax incentives that assist city economic development and community revitalization efforts.

Eminent Domain

Cal Cities supports enactment of fair eminent domain reforms that protect homeowners, and opposes proposals that would cripple the ability of state and local agencies to manage development.

Tenant Protections

Cal Cities supports prohibiting landlords from discriminating against tenants who use housing assistance vouchers issued under Section 8 of the United States Housing Act of 1937 and other public assistance towards their rental payments.

Cal Cities also supports requiring landlords that seek to increase monthly rent greater than ten percent to provide tenants 90 day notice before the increase takes effect.

Rent Control

Cal Cities opposes legislation that restricts the ability of cities to enact rent control ordinances for mobile homes and stick-built housing that are tailored to meet local conditions and circumstances.

Cal Cities opposes legislation that would require a city to adopt a mobile home rent control ordinance.

Subdivision Map Act

Cal Cities supports maximizing local control over subdivisions and public improvement financing. Discretion over the conditions and length of subdivision and parcel maps should be retained by cities.

Residential Care Facilities

Cal Cities supports permitting cities to exercise review and land use regulation of group home facilities and residential care facilities in residential neighborhoods including the application of zoning, building and safety standards. State and county licensing agencies should be required to confer with the city's planning agency in determining whether to grant a license to a community care facility. Cal Cities recognizes that better review and regulation of residential care facilities will protect both the community surrounding a facility and the residents within a facility from a poorly managed facility or the absence of state oversight.

Cal Cities supports state legislation to require a minimum distance of 300 feet between all new and existing residential care facilities. Cal Cities supports notification of cities about conditional release participants residing in group homes.

Development Fees

Cal Cities supports providing local discretion in the assessment, collection and usage of development fees. The state should provide infrastructure funding to help local communities meet California's growth demands and to increase housing affordability. Cal Cities opposes limiting the ability of cities to levy fees to provide for infrastructure or services.

Cal Cities recognizes that school facilities are a component of a community's infrastructure and must be maintained to foster positive outcomes for youth and economic development. Cal Cities supports maintaining city discretion over the extent to which legislative authority should be exercised to fully mitigate impacts from development to the adequacy of school facilities. Consistent with maintaining discretion, cities should maintain the ability to condition and deny projects that the city determines inadequately mitigate impacts to community schools.

Cal Cities opposes the elimination of any development fee or tax including excise taxes. Tax shifts and initiative measures have severely limited city abilities to provide for community needs. The state must ensure that cities have adequate revenues for local infrastructure and services.

Annexation and Incorporation

Cal Cities supports strengthening city control over urban boundaries. Sphere of Influence law should be modified to ban county development and to allow cities to annex logical

growth. The Revenue and Taxation Code should not allow counties to block annexations in exchange for unreasonable property tax sharing agreements. In addition, cities should have expanded authority over adjacent lands outside of their sphere of influence regardless of jurisdictional lines so long as the land is not within another city's sphere. Cities should not be required to incur costs for planning to meet infrastructure needs of unincorporated areas or leveraged to annex areas which would result in unfunded costs.

Cal Cities supports facilitating the incorporation of cities that have met procedural requirements and voter approval. Cal Cities opposes efforts by the Legislature to disincorporate a city for any reason, unless requested by the affected city.

Development Agreements

Cal Cities recognizes voluntary development agreements as one tool for providing flexibility in development approvals.

Building Standards

Cal Cities supports flexibility in the adoption and implementation of health and safety standards contained in the building codes. Statutes should maximize local control over standards applying to local conditions. Cal Cities opposes new standards imposed by statute rather than regulation.

Cal Cities opposes attempts to have multiple state agencies develop specific or subject related building standards. New building standards should be proposed through the California Standards Commission.

Cal Cities supports authorizing cities to adopt independent occupancy standards to prevent overcrowding and associated health and safety hazards, including fire-related fatalities.

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, including resources for regional collaborations.

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.

Military Base Closure And Reuse

Base Closures and Reuse

Cal Cities supports local decision-making over military base closure and reuse. The affected cities independently or subregionally should work together towards efficient reuse planning.

Economic Reuse

Cal Cities supports incentives for broad economic reuse of closed military facilities. Cities should work on a regional and interstate basis to maintain economic productivity. Economic reuse includes both reuse of military facilities and the retooling of related industries to continue to provide jobs for residents of California's cities.

Mobile Home Regulation

Cal Cities supports initiatives that maintain cities as the enforcement authority for mobile home regulation.

Cal Cities supports the preservation of existing mobile home parks as an important source of affordable housing.

Sign Regulation

Cal Cities supports the authority of cities to regulate billboards and other signage. Cal Cities opposes mandatory local abatement programs.

Principles for Smart Growth

Well-Planned New Growth

Recognize and preserve open space, watersheds, environmental habitats, and agricultural lands, while accommodating new growth in compact forms, in a manner that:

- De-emphasizes automobile dependency;
- Integrates the new growth into existing communities;
- Creates a diversity of affordable housing near employment centers; and
- Provides job opportunities for people of all ages and income levels.

Maximize Existing Infrastructure

Accommodate additional growth by first focusing on the use and reuse of existing urbanized lands supplied with infrastructure, with an emphasis on reinvesting in the maintenance and rehabilitation of existing infrastructure.

Support Vibrant City Centers

Give preference to the redevelopment and reuse of city centers and existing transportation corridors by supporting and encouraging:

- Mixed use development;
- Housing opportunities for all income levels;
- Safe, reliable and efficient multi-modal transportation systems; and
- Retaining existing businesses and promoting new business opportunities that produce quality local jobs.

Coordinated Planning for Regional Impacts

Coordinate planning with neighboring cities, counties, and other governmental entities so that there are agreed upon regional strategies and policies for dealing with the regional impacts of growth on transportation, housing, schools, air, water, wastewater, solid waste, natural resources, agricultural lands and open space.

Support High-Quality Education and School Facilities

Develop and maintain high quality public education and neighborhood-accessible school facilities as a critical determinant in:

- Making communities attractive to families;
- Maintaining a desirable and livable community;
- Promoting life-long learning opportunities;
- Enhancing economic development; and
- Providing a work force qualified to meet the full range of job skills required in the future economy.

Build Strong Communities

Support and embrace the development of strong families and socially and ethnically diverse communities, by:

- Working to provide a balance of jobs and housing within the community;
- Avoiding the displacement of existing residents;
- Reducing commute times;
- Promoting community involvement;
- Enhancing public safety; and
- Providing and supporting educational, mentoring and recreational opportunities.

Emphasize Joint Use of Facilities

Emphasize the joint use of existing compatible public facilities operated by cities, schools, counties and state agencies, and take advantage of opportunities to form partnerships with private businesses and nonprofit agencies to maximize the community benefit of existing public and private facilities.

Support Entrepreneurial/Creative Efforts

Support local economic development efforts and endeavors to create new products, services and businesses that will expand the wealth and job opportunities for all social and economic levels.

Encourage Full Community Participation

Foster an open and inclusive community dialogue and promote alliances and partnerships to meet community needs.

Establish a Secure Local Revenue Base

Support the establishment of a secure, balanced and discretionary local revenue base necessary to provide the full range of needed services and quality land use decisions.

Residential Insurance Policy

Cal Cities believes homeowners should be insured for the value of rebuilding a home to current building standards. Cal Cities supports measures to increase transparency in insurance policies so that homeowners can make informed decisions.

Cal Cities believes residents who have experienced a wildfire or other natural disaster are entitled to fair residential property insurance practices that provide flexibility to rebuild, including that insured property owners should not lose insurance coverage during the rebuilding effort.

Cal Cities also believes residential property insurance policies should not be canceled based on weather-related claims or immediately following a disaster.

Note: Cal Cities will review new legislation to determine how it relates to existing Cal Cities policies and guiding principles. In addition, because this document is updated every two years to include policies and guiding principles adopted by Cal Cities during the previous two years, there may be new, evolving policies under consideration or adopted by Cal Cities that are not reflected in the current version of this document. However, all policies adopted by Cal Cities Board of Directors or Cal Cities General Assembly become Cal Cities policy and are binding on Cal Cities, regardless of when they are adopted and whether they appear in the current version of "Summary of Existing Policies and Guiding Principles."