



**HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT POLICY COMMITTEE
HIGHLIGHTS
Thursday, March 16, 2023**

ATTENDANCE:

Members: Dan Wright (Chair); Yvonne Martinez-Beltran (Vice Chair); Kristi Becker; Aaron Benjamin; Ken Berkman; Harry Black; Gary Boyer; Susan Candell; Debbie Chamberlain; Monica Davis; Marilyn Ezzy Ashcraft; Keely Halsey; Cecilia Hupp; Richard Hurt; Adria Jimenez; Ariel Kelley; Tammy Kim; Yvonne Kimball; Dennis La; Kari Leon; Sergio Lopez; Joy Lyndes; Stacey Mattina; Thaddeus McCormack; Katie Melendez; Jovita Mendoza; Richard Montgomery; Lisa Motoyama; Vong Mouanoutoua; Mark Nagales; Jennifer Nakamura; Ian Oglesby; Gabriela Plascencia; Sandy Rains; Crystal Ruiz; Cindy Silva; Lisa Soghur; Wes Speake; Fred Strong; Darren Suen; Julie Testa; Maureen Toms; David Torres; Anthony Valdez; Anna Velazquez; Brad Wungluck

Cal Cities Partners: Zeke Jenkins; Jessica Ritter

Staff: Jason Rhine, Assistant Legislative Director

I. Welcome and Introductions

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

President Taj introduced Carolyn Coleman, Cal Cities Executive Director and CEO. Ms. Coleman welcomed committee members and thanked them for their service. 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.

Chair Wright and Vice Chair Martinez-Beltran also provided brief remarks.

II. Public Comment

No public comment.

III. General Briefing

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:** Securing ongoing funding to support cities' efforts to reduce homelessness continues to be a top priority for Cal Cities. This spring, the Legislature is hyper-focused on local "accountability" for state homelessness funding. Cal Cities is working diligently to ensure any new accountability measures do not limit local flexibility to address this critical issue. Cal Cities is also in strong support of Senator Eggman's [SB 43](#) and [SB 363](#), which would improve the state's behavioral health care system.
 - [Caroline Cirrincione](#), *Legislative Affairs, Lobbyist*
- **Environmental Quality:** Cal Cities continues to promote the protection, preservation, and enhancement of the natural environment, public health, and quality of life for all residents. Cal Cities is engaging with the author and affected stakeholders of [AB 1000 \(Reyes\)](#), which would require minimum setbacks and additional requirements for logistic centers, warehouses, and related infrastructure. Cal Cities is also working with our Coastal Cities Working Group on [SB 272 \(Laird\)](#).
 - [Nick Romo](#), *Legislative Affairs, Lobbyist*
- **Governance, Transparency, and Labor Relations:** Cal Cities is sponsoring two measures that aim to modernize the Brown Act: [AB 817 \(Pacheco\)](#) and [AB 557 \(Hart\)](#); and a measure that would reform council member pay: [SB 329 \(Dodd\)](#). Cal Cities is also opposing [SB 251 \(Newman\)](#), which would limit an elected officer from employment with another elected officer with the same constituencies.
 - [Johnnie Pina](#), *Legislative Affairs, Lobbyist*
- **Housing, Community, and Economic Development:** Cal Cities continues to focus on our advocacy priority to increase the supply of and affordability of housing, while also maintaining local decision-making. Cal Cities opposes [SB 423 \(Wiener\)](#), which would expand SB 35 (Chapter 366, Statutes of 2017) provisions and eliminate the January 1, 2026 sunset date.
 - [Jason Rhine](#), *Assistant Director, Legislative Affairs*
- **Public Safety:** As concerns about repeated retail theft continue to grow, Cal cities is sponsoring [AB 1708 \(Murtsuchi\)](#), which would increase accountability or repeat offenders and offer pathways for pre-plea diversion programming. During the February Board meeting, the Cal Cities Board of Directors approved a resolution to address the fentanyl overdose crisis in California. Cal Cities will support bills [AB 367 \(Mainschein\)](#) and [SB 44 \(Umberg\)](#), which would have great impacts on cities' ability to mitigate the fentanyl crisis.
 - [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 sponsoring [AB 972 \(Maienschein\)](#), which would streamline the state grant application process for local governments so every community has the same opportunity to compete for funding. Cal Cities continues to strongly oppose 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.

- [Ben Triffo](#), *Legislative Affairs, Lobbyist*

- **Transportation, Communications, and Public Works:** Cal Cities is working with the Office of Broadband and digital Literacy within the California Department of Technology, to provide input towards the development of the State Digital Equity Plan to promote the Digital Equity Ecosystem Mapping tool for organizations throughout the state. Cal Cities is co-sponsoring [AB 400 \(Rubio\)](#) and [SB 706 \(Caballero\)](#). These measures are both related to the expanded use of design build and progressive design build delivery methods for public works projects.

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

IV. **Surplus Lands Act -Economic Development Opportunities**

Larry Kosmont of the Kosmont Company attended the committee meeting and gave a presentation on recent changes to the Surplus Lands Act and the opportunities they provide for economic development. Mr. Kosmont stressed that while the Surplus Lands Act does provide affordable housing developers priority access to surplus parcels, there are still many other allowable uses.

V. **Legislative Agenda**

The legislative agenda consisted of one action item, [SB 4 \(Wiener\)](#), a measure that would require that a housing development project be a use by right on any land owned by an independent institution of higher education or religious institution if the development satisfies specified criteria.

The HCED policy committee discussed SB 4 in great detail. After a lengthy debate and five unsuccessful motions, the committee unanimously agreed to make no recommendation to the Board of Directors.

VI. **2023 Housing Bond Discussion**

The committee discussed two pending housing bonds: [AB 1657 \(Wicks\)](#) The Affordable Housing Bond Act of 2024; and [SB 834 \(Portantino\)](#) The California Family Home Construction and Homeownership Bond Act of 2023. AB 1657 would ask voters to approve a \$10 billion bond, while SB 834 would ask voters to approve a \$25 billion bond. Both bonds would largely fund traditional housing programs, including multifamily housing projects, first-time homebuyer assistance, and farm worker housing.

VII. **California's Housing Future 2040: The Next Regional Housing Needs**

AB 101 (Statutes of 2019) directed the California Department of Housing and Community Development (HCD) to engage stakeholders and collaborate with the Office of Planning and Research (OPR) to develop recommendations related to the Regional Housing Needs Allocation (RHNA) process and methodology. Upon completion of this stakeholder engagement process, HCD will compile its findings

and recommendations, and will submit a report to the Legislature by December 31, 2023.

HCD is convening a Sounding Board of approximately 30 stakeholders, including Cal Cities staff, as part of this stakeholder engagement initiative. This Sounding Board is focused on a series of specific, technical questions where HCD is looking for targeted ideas or feedback to consider when drafting this report; the Sounding Board is not a decision-making body. The Sounding Board is one mechanism for providing feedback on California's Housing Future 2040: The Next RHNA, and stakeholders will have other opportunities outside the Sounding Board to provide feedback outside of these specific, technical questions.

The Sounding Board will meet four times via Zoom between May and early June 2023, and each meeting will last approximately two hours. The four meetings will focus on questions HCD has prepared regarding the Regional Housing Needs Determination, the RHNA methodology, and process improvements.

VIII. Legislative and Budget Update

Cal Cities staff had limited time to provide an update. The follow bills were mentioned:

- **SB 423 (Wiener)** – This measure would modify and expand SB 35 provisions that allow certain multifamily housing developments to take advantage of a streamlined, ministerial approval process. Specifically, this measure would: 1) remove the 2026 sunset and makes the statutes permanent; 2) apply SB 35 provisions to the Coastal Zone; 3) allow the State to approve housing developments on property they own or lease; and 4) prohibit a city from enforcing its inclusionary housing ordinance if the income limits are higher than those in SB 35.
Cal Cities Position: Oppose
- **AB 1532 (Haney)** - This measure would make an office conversion project a use by right in all areas of a city regardless of zoning. This measure would exempt these projects from impact fees, that are not directly related to the conversion of an office building into residential dwelling units. Additionally, a city would be required to allow the developer to pay applicable impact fees over a 10-year period.
Cal Cities Position: Oppose
- **AB 519 (Schiavo)** - This measure would require the Department of Housing and Community Development, by July 1, 2024, to establish a workgroup to develop a consolidated application for the purposes of obtaining grants, loans, tax credits, credit enhancement, and other types of financing for building affordable housing, and developing a coordinated review process for the application.
Cal Cities Position: Support

IX. Adjourn

Next Meeting: Thursday, June 22, 10:00 a.m. – 2:00 p.m., Pomona (in-person)