



HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT POLICY COMMITTEE HIGHLIGHTS

Thursday, January 23, 2025

ATTENDANCE

Members: Wes Speake (Chair); Leslie Castellano (Vice Chair); Rob Baquera; Scott Behrendt; Art Bishop; Evan Branning; Omar Dadabhoy; Alexxis Diaz; Tanya Doby; Marilyn Ezzy Ashcraft; Waymond Fermon; Jon Fugitt; Tori Hannah; Alma Hernandez; Cecilia Hupp; Andrew Jared; Lisa Kaplan; Tamala Kelly; Mark Lazzareto; Kari Leon; Julie Lucido; Meredith Matthews; Patricia Matthews; Stacey Mattina; Thaddeus McCormack; Albert Mendez; Jovita Mendoza; John Miki; Alice Patino; Ray Pearl; Scott Sawin; Cindy Silva; Lisa Soghor; Toni Taber; Greg Terry; Maureen Toms; Helen Tran; Mark Waronek

Cal Cities Partners: Clayton Miller;

Staff: Brady Guertin, Legislative Affairs Lobbyist
Waleed Hojeij, Legislative Affairs and Policy Analyst

I. Welcome and Introductions

Chair Wes Speake and Vice Chair Leslie Castellano welcomed committee members and introduced themselves.

Chair Speake introduced Cal Cities Executive Director Carolyn Coleman and President Lynne Kennedy, Mayor Pro Tem of Rancho Cucamonga. President Kennedy emphasized the importance of communicating community priorities to legislators and thanked committee members for their efforts.

Ms. Coleman began her remarks by expressing sympathy for the cities in Southern California affected by the LA fires. She recognized long-standing committee member Thaddeus McCormack, who has been instrumental in organizing a mutual aid network for city managers.

She highlighted President Kennedy's commitment to meeting members statewide and discussed the numerous meetings held with legislators and their excitement to hear from cities despite budget challenges and federal administration uncertainties.

II. General Briefing

Following the customary practice of convening all policy committee members for a general briefing before 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.

III. Public Comment

Chair Speake asked if there was any public comment. None were provided.

IV. Ice Breakers

Members of the committee were given an opportunity to go around the room and introduce themselves. Participants shared their names, the city they represent, and what their favorite thing about their city is. As the first meeting of the year, this was a chance for people to get to know each other as they will collaborate on issues throughout the year.

V. Summary of Existing Policies and Guiding Principles

Brady Guertin gave a brief overview of our [Existing Policy and Guiding Principles](#). It was described as a foundational, living document revised biennially by every Policy Committee and the Cal Cities Board of Directors. It is available on the Cal Cities website and serves as a comprehensive guide for committee actions and positions on proposed legislation.

VI. Housing and Economic Development Budget Review

Rowan Isaaks and Paul Steenhausen from the Legislative Analyst's Office (LAO) reviewed the Governor's budget. Their initial assessment highlighted a roughly balanced budget but raised concerns about long-term deficits. Housing proposals included \$100 million allocated to Encampment Resolution Fund grants and creating a Housing and Homelessness Agency, emphasizing lowering housing construction costs and stronger accountability measures. Economic development proposals included \$60 million for California Competes Grants, \$25 million for the National Semiconductor Technology Center, and an expansion of the Film and TV Tax Credit program. Questions focused on addressing funding delays in pre-development and incentivizing local hiring.

Participants raised concerns about delays in pre-development funding, which hinders progress and the ability to attract additional investments. Suggestions included simplifying the process for accessing funds. Questions were also posed about how the state could incentivize businesses to hire locally, especially in communities facing high housing costs and long commutes.

The LAO acknowledged these issues and noted that better data collection and collaboration across agencies are essential to addressing these challenges. The LAO also discussed its ongoing efforts to streamline incentive programs and reduce bureaucratic hurdles.

VII. Economic Development for Cities

Derek Kirk, Senior Economic Advisor at the Governor's Office of Business and Economic Development (Go-Biz)), discussed the upcoming statewide economic development blueprint. The framework focuses on sustainable and equitable growth across regions, workforce investments aligned with future sectors, partnerships with businesses to create jobs, and strengthening California's innovation economy. This presentation led to a very robust conversation about local economic development.

Members highlighted the lack of coordination between these critical areas and urged for strategies to incentivize job creation where housing development occurs. They also mentioned that many state incentive programs are overly complicated, discouraging businesses from utilizing them. Suggestions included simplifying application processes and ensuring better communication with local governments.

VIII. 2025 Housing Priorities

As the Chair of the Senate Housing Committee, Senator Wahab was invited to speak to our members about her 2025 housing priorities. However, due to a scheduling conflict, she was unable to attend.

IX. Adoption of 2025 Work Program

Waleed Hojeij presented the results of the workplan survey. Cal Cities staff surveyed policy committee members to better prioritize focus areas for 2025. The top three issues based on the survey responses are:

- Affordable Housing and Homelessness: This includes funding for affordable housing, addressing homelessness, increasing housing supply, and balancing state housing needs with flexibility in local decision-making. Respondents emphasized the need for tailored solutions to address the housing crisis without imposing state mandates that disregard local circumstances.
- Local Control and Land Use: There was a strong emphasis on ensuring cities have the flexibility and decision-making authority over zoning, land use, and housing policies. This includes opposition to state-imposed one-size-fits-all mandates and a preference for policies that respect local governance and community-specific solutions.
- Economic Development and Sustainability: Topics under this theme include supporting small businesses, balancing economic growth with housing development, creating new tools for local governments to promote economic development, and planning for sustainable recovery after disasters.

Members expressed a strong desire to see workforce housing included as part of affordable housing priorities. Additionally, they stressed the importance of removing barriers to housing development, rewarding cities acting in good faith to promote and plan for residential development, and adopting proactive strategies for housing and wildfire resilience.

The 2025 Work Plan was adopted unanimously via a voice vote following discussion.

X. Legislative Update

Brady Guertin provided a legislative update covering key bills and advocacy efforts. Brady highlighted new laws enacted this year that cities must be aware of throughout the year. The laws will impact local governments on various issues, including punishments for non-compliant housing elements such as the builder's

remedy and fines, extensions of prior streamlining laws in the development review process, and issues regarding the collection of permit fees at the local level.

Members expressed concerns about the new measures, such as fines for non-compliance with housing elements, which could divert funds from housing projects. They suggested exploring alternative measures to encourage compliance. Mr. Guertin discussed the proactive sponsored bill ideas Cal Cities is actively working on in Sacramento this year with the committee. He also highlighted what to expect for the upcoming legislative session.

Participants highlighted the need for better communication between Cal Cities and local governments regarding advocacy efforts and legislative updates. Suggestions included sending regular updates on key bills and encouraging grassroots advocacy.

Cal Cities staff emphasized the importance of grassroots efforts, noting that letters and calls from cities significantly impact legislative outcomes. Cal Cities staff committed to improving communication and providing more actionable updates to the HCED committee this year.

XI. Closing Remarks and Adjourn

Chair Speake and Vice Chair Castellano thanked the committee members for their engagement and committed to address the outlined priorities.

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

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