



GOVERNANCE, TRANSPARENCY, AND LABOR RELATIONS (GTLR) POLICY COMMITTEE

Friday, June 23, 2023

10:00 a.m.- 2:00 p.m.

Sheraton Fairplex Hotel and Conference Center
601 West McKinley Avenue, Pomona

General Briefing and Special Listening Session on Affordable Housing Production for All Policy Committee Members

10:00 a.m.

Upon adjournment, individual policy committee meetings will begin

AGENDA

I. Joint Presentation to GTLR Policy Committee and Revenue and Taxation Policy Committee:

What has CalPERS Queued Up Next?

Informational

Getting Ahead of the Retirement Cost Curve

Speaker: Doug Pryor, Senior Consulting Actuary, Foster & Foster Actuaries and Consultants

II. Welcome and Introductions

III. Public Comment

IV. Legal Update: *Pico v. City of Santa Monica*

Informational

Speaker: Derek Cole, Firmwide Managing Partner, Roseville Cole Huber LLP

V. Legislative Agenda (Attachment A)

Action

[AB 270 \(Lee\)](#) and [SB 24 \(Umberg\)](#) Political Reform Act of 1974: Public Campaign Financing.

VI. Legislative Update

Informational

VII. Adjourn

Next Virtual Meeting: Staff will notify committee members by August 4 if the policy committee will meet in September. If you have any questions, please contact Meg Desmond, Cal Cities Associate Manager, Legislative Administration.

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.

Special Listening Session on Affordable Housing Production

As part of Cal Cities on-going efforts to showcase the work cities are doing on housing and to further our efforts to proactively drive a housing agenda that responds to the statewide crisis and respects local decision-making, we want to hear from you.

For too long the focus on finding solutions to the housing crisis has been driven in Sacramento by the Legislature. It's time to take the conversation out of the Capitol and that's why Cal Cities is hosting a series of listening sessions with cities statewide, and stakeholder meetings — both regionally and at the state level — on broad solutions that protect local control and boost affordable housing production.

As part of this effort, Cal Cities is hosting its first listening session at the June policy committee meetings in Pomona, CA, to hear directly from city officials regarding what they need to help spur much needed affordable housing construction in their communities.

Below are several discussion questions for you to consider in preparation for the listening session:

- What are the barriers you have identified that are hampering affordable housing construction in your community?
- Does your city have the needed tools and resources to help spur housing construction? If not, what is lacking? If so, what are they?
- What kind of assistance is the California Department of Housing and Community Development providing to your city (technical assistance, grant programs, implementation regulations, guidelines, etc.)?
- Please provide specific examples of actions your city has taken to help spur housing construction and identify recently approved housing projects. You may also email examples to jrhine@calcities.org



**GOVERNANCE, TRANSPARENCY AND LABOR RELATIONS POLICY COMMITTEE
Legislative Agenda
June 2023**

Staff: Johnnie Pina, Legislative Affairs, Lobbyist (916) 658-8214

1. [AB 270 \(Lee\)](#) and [SB 24 \(Umberg\)](#) Political Reform Act of 1974: public campaign financing.

Overview:

Two identical bills, SB 24 and AB 270, have been introduced by Senator Tom Umberg (D-Santa Ana) and Assemblymember Alex Lee (D-San Jose). These measures would provide voters the opportunity to decide on a measure during the November 2024 ballot to remove the current prohibition on public financing of campaigns in California. Once the prohibition is removed, this will restore control to local governments and the State by giving general law cities, counties, districts, and the State the option to enact public financing of campaigns.

Bill Description:

This measure would provide voters the opportunity to fully repeal the ban on publicly financing campaigns. Specifically, this measure would:

- Allow a public officer or candidate to expend or accept public money for use in seeking elective office if the state or a local government entity establishes, by statute, ordinance, resolution, or charter, a dedicated fund for this purpose.
- Prohibit funds for public campaign financing programs from being taken from public moneys that are earmarked for education, transportation, or public safety. Provides that this restriction does not apply to charter cities.

In 2016, bipartisan supermajorities of the Legislature passed, and Governor Jerry Brown signed, SB 1107 (Allen) that would have removed the ban on public financing of campaigns, but the courts ruled that the question must be put before the voters. This measure would put the question before the voters on the November 5, 2024, statewide general election.

Background:

In June 1974, California voters passed Proposition 9 creating the Fair Political Practices Commission (FPPC) and codified significant restrictions and prohibitions on candidates, officeholders, and lobbyists. That initiative is commonly known as the Political Reform Act (PRA). In 1988, voters approved Proposition 73, which amended the PRA to prohibit public campaign financing programs, among other provisions. Since then, the California Supreme Court has ruled that the public financing ban does not apply to charter cities. (*Johnson v. Bradley* (1992) 4 Cal. 4th 389).

SB 1107 (Allen), Chapter 837, Statutes of 2016, sought to authorize the creation of public campaign financing programs by state or local governmental entities through separate

actions by those entities. Following the enactment of SB 1107, it was challenged in court, alleging that the changes did not further the purposes of the PRA, and therefore could not be enacted without being approved by voters. In *Howard Jarvis Taxpayers Assn. v. Newsom* (2019) 39 Cal.App.5th 158, the Third District Court of Appeal agreed, finding that SB 1107 "directly conflicts with a primary purpose and mandate of the [PRA], as amended by subsequent voter initiatives, to prohibit public funding of political campaigns." In its decision, the court affirmed a judgment by the Sacramento County Superior Court that enjoined the FPPC from enforcing the public financing related provisions of SB 1107. While those SB 1107 remains in statute, the PRA as enforced by the FPPC continues to prohibit public officers from expending, and candidates from accepting, public moneys for the purpose of seeking elective office.

According to Assembly Member Lee "Public financing of campaigns is the best way to empower voters, increase diversity of candidates running for office, and give voters confidence that Big Money can't just buy their elections."

Senator Umberg says he's not particularly sold on public financing but wants to allow local entities to experiment with it if they choose. "I've been trying to figure out a way to reduce the influence of money in politics," he says, "and I haven't figured it out. I'd be interested in seeing what local communities would do. "States are called laboratories of democracy. Cities and counties could be laboratories of addressing the influence of money in politics."

Sen. Ben Allen (D-Santa Monica), who authored the 2016 bill, says: "This is a 'let 1000 flowers bloom' issue." "The cost of campaigns is increasingly out of control. It puts so much power in the hands of the wealthy and special interests. I don't see [public financing] as a magic bullet. But it can make our campaigns cleaner."

Arguments in Support:

In a joint letter of support submitted by the California Clean Money Campaign and joined by many other organizations in support of this bill, the organizations write, "Voters are increasingly concerned about the problem of money in politics. A recent Gallup poll found that only 20% said they were satisfied with the nation's campaign finance laws. In a poll conducted by the California Clean Money Campaign, 79% of likely California voters said Big Money campaign contributors have too much influence over elected officials in California, and 68% said that ordinary voters have too little influence. Public financing of campaigns addresses these concerns by increasing the power of small donors and ordinary voters to participate in campaigns and have their voices heard."

Arguments in Opposition:

In opposition to this bill, the California Taxpayers Association writes, "This measure raises several First Amendment issues by creating a scenario in which taxpayers would be forced to support political speech that they do not wish to support. AB 270 sets vague parameters for the authority that local governments would have to determine which candidates qualify for public financing...At a time when the state is facing a \$22.5 billion deficit – and many municipalities are experiencing significant budget pressure due to inflation – the government should prioritize prudent fiscal policies to make the most of the revenue received from taxpayers. For these reasons, the voters have repeatedly rejected public

financing of elections (most recently with Proposition 89 of 2006 and Proposition 15 of 2010)."

Examples:

Below is a list of the different campaign public financing systems in CA:

- Los Angeles (2011): 75% of voters approved Measure H, which lifted the maximum balance in the City's public campaign trust fund and prohibited campaign contributions to candidates running for city offices from individuals who have bid or bidding for city contracts.
 - 6 to 1 matching funds on donations up to \$114 for City Council
 - 6 to 1 matching funds on donations up to \$214 for Citywide candidates
- Berkeley (2016): 65% supported Measure X1, which allocated \$500,000 each year to fund a public campaign funding program for city candidates
 - 6 to 1 matching fund on donations up to \$60
- Oakland (2022): 74% voted in favor of Measure W, which established a public financing program called Democracy Dollars, in which eligible residents receive four \$25 vouchers from the city to donate to participating candidates.
- San Francisco established a partial public financing system for candidates for Mayor and the Board of Supervisors to receive up to \$1.2M (Mayor) or \$255,000 (Supervisor).
 - 6 to 1 matching funds on donations up to \$150
- Long Beach established a matching public financing system under the City's Campaign Reform Act. To be eligible, candidates must not spend over a certain amount during the campaign to be eligible. Limitations are as follows: City council (\$40,000), City Attorney (\$100,000), and Mayor (\$200,000).

Fiscal Impact:

According to the Assembly Appropriations Committee:

- One-time costs in the hundreds of thousands of dollars to the Secretary of State (SOS) for printing and mailing expenses associated with placing the measure on the ballot at the next statewide election (General Fund (GF)). The SOS estimated such costs to be approximately \$91,000 per page in 2021, and the magnitude of costs for this bill depends on the length of the title and summary, analysis by the Legislative Analyst's Office, proponent and opponent arguments, and text of the proposal for publication in the Voter Information Guide.
- This bill requires the redirection of public funds, except those earmarked for education, transportation, or public safety, for public campaign financing, which is, in itself, a significant fiscal effect resulting in GF cost pressures. However, any administrative costs to the FPPC, such as costs to provide advice or modify regulations, should be absorbable. Additionally, since local entities can decide whether to adopt a public campaign financing program, this bill would not constitute a state reimbursable mandate.

Existing Cal Cities Policy:

Transparency

Public trust and confidence in government is essential to the vitality of a democratic system and is the reason ethics laws hold public officials to high standards.

Laws alone cannot foresee or prevent all actions that might diminish the public's trust in governmental institutions. Transparency laws impose the minimum standards of conduct; to preserve public trust, public officials should aspire to conduct that exceeds minimum standards.

State revisions to laws governing local agency transparency and ethics should address material and documented inadequacies in those laws and have a reasonable relationship to resolving those problems.

In order to encourage and facilitate compliance with new transparency and ethics requirements, State laws should be internally consistent, avoid redundancy and be mindful of the practical challenges associated with implementation.

State officials and agencies should aspire to conform to the same level of transparency and ethical behavior as is imposed on local officials and agencies.

Political Reform Act of 1974 (PRA)

Cal Cities supports legislation and regulations that establish sound practices and principles related to political campaigns. Regulations and legislation that restrict or preempt local authority will be opposed.

Cal Cities should continue to explore opportunities to improve and streamline the Political Reform Act and its implementation through regulations.

Cal Cities opposes legislation that would prohibit the use of public resources to commence an action to enjoin the operation of any law or constitutional amendment that was proposed by initiative petition and approved by the voters.

Cal Cities supports legislation providing the FPPC with the authority to issue opinions to guide local officials in understanding conflict of interest laws, including Government Code Section 1090.

Elected Officials

Candidates running for elected office with young children often face the practical reality of paying for increased childcare to campaign and network when running for office. Cal Cities supports increasing diversity of elected officials at all levels and supports the use of campaign funds to pay for childcare expenses resulting from a candidate or officeholder engaging in campaign activities or performing official duties.

California Voting Rights Act (CVRA)

Cal Cities supports a process that would allow a city presented with an allegation of a violation of the California Voter Rights Act (CVRA) to address the allegation before any person may file a lawsuit related to the alleged violation.

Cal Cities supports authorizing cities to convert from an at-large to a by-district election system using an ordinance process, thus avoiding possible California Voting Rights (CVRA) lawsuits and costs associated with gaining voter approval at the ballot.

Cal Cities supports modifying the California Voting Rights Act (CVRA) to provide cities more flexibility to remedy a potential CVRA lawsuit by converting to a rank-choice voting (RCV) method.

Staff Comments:

Currently, charter cities in California can enact public campaign financing programs, and at least six (Los Angeles, Long Beach, Oakland, Richmond, Sacramento, and San Francisco) have enacted such programs, general law cities, all counties, all districts, and the state government are covered by the current public campaign financing ban.

This bill does not require a city to create a public finance program. It simply allows them to if they should choose to do so. The bill also does not spell out the specifics of what the program would look like, giving cities broad discretion to decide for themselves what would best fit their community should they decide to create a public finance program.

Cal Cities has opposed legislation in the past that would take away the ability for cities to use ranked choice voting. While Cal Cities does not have a position on the merits of ranked choice voting, we opposed the bill because we believe cities should have the ability to use that system should they deem it appropriate for their cities. This bill would go the other direction and expand what cities can do. Since our existing policy is silent on the specifics on this bill, taking this measure through the policy committee process and having the Board of Directors weigh in would also allow us to update our [Existing Policy and Guiding Principles Document](#) to include our position reflective of the position taken on this bill.

The Committee should consider that a support recommendation of this bill means that they support the voters making having the opportunity to consider the merits of the bill. Should this pass and go to the November ballot the Cal Cities Board of Directors would need to again consider taking a position on the ballot measure. The Cal Cities bylaws require that in order to take a position on a ballot measure the Board of Directors must approve the motion by a 2/3rds vote.

Question for Consideration:

- Should general law cities have the same ability as charter cities to enact local public campaign financing policies?

Support (As of April 19, 2023)

California Clean Money Campaign (Sponsor)	Consumer Watchdog	Womens)
All Rise Alameda	Contra Costa Moveon	Hillcrest Indivisible
Building the Base Face to Face	Courage California	Indi Squared
California Church Impact	Defending Our Future: Indivisible in CA	Indivisible 30/Keep Sherman Accountable
CalPIRG, California Public Interest Research Group	East Valley Indivisibles	Indivisible 36
Change Begins With Me (INDIVISIBLE)	El Cerrito Progressives	Indivisible 41
Cloverdale Indivisible	Endangered Habitats League	Indivisible Auburn CA
	Feminists in Action	Indivisible Beach Cities
	(formerly Indivisible CA 34	Indivisible CA-25 Simi Valley Porter Ranch

Indivisible CA-29
Indivisible CA-3
Indivisible CA-33
Indivisible CA-37
Indivisible CA-39
Indivisible CA-43
Indivisible CA-7
Indivisible CA:
Statestrong
Indivisible
Claremont/Inland Valley
Indivisible Colusa County
Indivisible East Bay
Indivisible El Dorado Hills
Indivisible Elmwood
Indivisible Euclid
Indivisible Lorin
Indivisible Los Angeles
Indivisible Manteca
Indivisible Marin
Indivisible Media City
Burbank
Indivisible Mendocino
Indivisible Normal Heights
Indivisible North Oakland
Resistance
Indivisible North San
Diego County
Indivisible OC 46

Indivisible OC 48
Indivisible Petaluma
Indivisible Sacramento
Indivisible San Bernardino
Indivisible San Jose
Indivisible San Pedro
Indivisible Santa Barbara
Indivisible Santa Cruz
County
Indivisible Sausalito
Indivisible Sebastopol
Indivisible SF
Indivisible SF Peninsula
and CA-14
Indivisible Sonoma
County
Indivisible South Bay LA
Indivisible Stanislaus
Indivisible Suffragists
Indivisible Ventura
Indivisible Windsor
Indivisible Yolo
Indivisible: San Diego
Central
Indivisibles of Sherman
Oaks
Livermore Indivisible
Maplight
Mill Valley Community

Action Network
Money Out Voters in
Mountain Progressives
Nothing Rhymes With
Orange
Orchard City Indivisible
Orinda Progressive
Action Alliance
Our Revolution Long
Beach
Public Citizen, Inc
Riseup
Rooted in Resistance
San Diego Indivisible
Downtown
SFV Indivisible
Tehama Indivisible
The Resistance
Northridge-Indivisible
Together We Will Contra
Costa
Together We
Will/Indivisible - Los Gatos
Vallejo-Benicia Indivisible
Venice Resistance
Voices for Progress
Women's Alliance Los
Angeles
Yalla Indivisible

Opposition (As of April 19, 2023)

California Taxpayers Association
Howard Jarvis Taxpayers Association

Staff Recommendation

Cal Cities staff recommends the committee discuss and make a recommendation to the Board of Directors.

Committee Recommendation:

Board Action: