

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.



Public Safety

2024 Cal Cities Advocacy Priority

Improve public safety in California communities.

A spike in retail theft, violent smash-and-grab robberies, fentanyl deaths, and strained social services are creating significant challenges beyond the capacity of local governments in California. Cities need state assistance to advance solutions that help reduce crime, increase emergency service capacity, and provide more support to those struggling with substance use.

Priority public safety bills

AB 1779 (Irwin) Theft. SUPPORT

This measure would allow prosecutors to file charges related to retail theft across jurisdictions.

AB 1990 (Carrillo, Wendy) Criminal procedure: arrests: shoplifting. SUPPORT

This measure would authorize a peace officer to make a warrantless arrest for a misdemeanor shoplifting offense not committed in the officer's presence if the officer has probable cause to believe that person has committed shoplifting.

AB 1960 (Soria) Sentencing enhancements. SUPPORT

This measure would create a new sentencing enhancement for property loss or damage that occurs during the commission of a felony.

SB 923 (Archuleta) Theft. SUPPORT

This measure would revise Proposition 47 to require a person convicted of petty theft or shoplifting to be punished by one year in county jail if the person has two or more prior convictions for theft-related offenses.

Why these bills matter to cities

- Reducing retail theft, shoplifting, and organized retail theft is a top priority for city
 officials and their communities. These criminal activities are adversely impacting small
 businesses, residents, and local economies.
- Rising theft is impacting many communities in California, and city officials need additional tools to help reduce crime and improve the safety of their neighborhoods.
- Commercial burglary is at the highest rate since 2008. According to the Public Policy Institute of California, commercial burglary increased statewide since 2020, including in 14 of the 15 largest counties.
- City officials are calling on the Legislature to take swift action and pass comprehensive reform to reduce the alarming rise in retail theft, without returning to the days of mass incarceration.



Housing and Homelessness

2024 Cal Cities Advocacy Priority

Expand investments to prevent and reduce homelessness and increase the supply of affordable housing.

California cities are maximizing efforts to get residents into safe, stable, and affordable housing. Cities are connecting unhoused individuals with wraparound services, delivering permanent supportive housing, and jumpstarting affordable housing construction. However, the homelessness crisis continues unabated — fueled in part by a lack of affordable housing and ongoing funding. Solving this dual crisis will require a strong partnership between all levels of government.

Priority bills and budget ask

\$3 billion annually to help cities increase housing supply and prevent homelessness. SUPPORT

The state must bolster local government efforts to support our most vulnerable residents through ongoing, permanent funding in the state budget to prevent and reduce homelessness and boost the supply of affordable housing.

AB 1886 (Alvarez) Housing element: substantial compliance. OPPOSE

This measure would eliminate the ability of cities to self-certify their housing element and encourage developers to pursue "builder's remedy" projects, thus avoiding local housing plans and zoning requirements.

SB 1037 (Wiener) Planning and zoning: housing element: enforcement. OPPOSE

This measure would allow the Attorney General to take legal action against a city and seek fines up to \$50,000 a month for either failure to adopt a compliant housing element or if the city disregards state laws that require ministerial approval of certain housing projects.

Why these priorities matter to cities

- A major obstacle for cities to effectively plan, zone, and approve housing is the state's desire to continuously change the law, especially when many recent laws disregard local decision-making and community involvement. New, unproven, and overreaching policies are not what is needed.
- Instead of pursuing new laws that punish cities even those acting in good faith —
 lawmakers should direct the Department of Housing and Community Development to
 better assist cities with housing element compliance.
- Lawmakers should partner with local officials to invest in cities and address our housing and homelessness crisis. Targeted, ongoing funding of \$3 billion would support community-based solutions that connect our residents to the services they need and provide roofs over their heads.
- Cities support continued funding for the Homeless Housing, Assistance, and Prevention Grant (HHAP) program, but this funding source is not the silver bullet that solves the crisis. New Cal Cities data show 60% of cities have been unsuccessful in accessing this critical funding. Cities with populations under 150,000 need access to state programs to support their ongoing efforts to address the homelessness crisis.



Responding to Homelessness

Real progress requires ongoing resources

California cities are working hard to connect residents to the services they need and into safe, stable, and affordable housing. They are doing their part, but the demand for housing and services is outpacing their efforts, straining capacity, and draining resources.

In fact, in the upcoming fiscal year, **one in three** cities anticipate financial difficulties, which could significantly impact homelessness response and services. As the state faces a budget deficit and homelessness rates rise, local resources will continue to be strained. Now more than ever, cities need ongoing, permanent funding to support community-based solutions that get our most vulnerable residents and keep them in their homes.

Cities agree lack of ongoing funding is the top barrier to preventing and reducing homelessness.



Has your city implemented programs to address homelessness?



Does your city have concerns about providing existing homelessness services long term?



Does the number of individuals entering homelessness exceed your city's ability to reach a net reduction in homelessness?



81% say inconsistent state funding impacts the ability to address homelessness.

Cal Cities urges the state to invest \$3 billion in ongoing, permanent funding to prevent and reduce homelessness and bolster local government efforts to support vulnerable members of our community.

Cities would increase capacity, resources, and services with ongoing funding to reduce homelessness, such as:

- Additional supportive services
- Affordable housing options
- ► Increased shelter space
- Rent subsidy programs
- Homeless outreach teams
- Behavioral health programs

*Data and assumptions — The League of California Cities conducted a statewide survey in March 2024 to better understand how cities are responding to the homelessness crisis. In total, 205 cities responded to the survey and represent a diverse group of cities by geography, population, and setting. Collectively, these 205 cities represent 42% of all cities in California. For more information email bmontiel@calcities.org.



Responding to Homelessness

How California cities are making real progress

Local leaders are forming public-private partnerships, collaborating with community groups, and cobbling together funding to deliver emergency shelters, permanent supportive housing, and wraparound services. Yet even with new investments and accelerated efforts, homelessness continues to rise. New data from Cal Cities shows that in nearly 70% of cities, people are falling into homelessness faster than cities can house them. Over 90% of cities worry about their ability to provide homelessness services long-term.

Even with a lack of ongoing funding from the state, cities are committed to serving their unhoused residents. Below is a small sample of those efforts, which could be much more impactful when supplemented by permanent state funding.

Bakersfield

<u>Bakersfield</u> has invested millions of city, county, and state dollars to support people experiencing homelessness, provide housing, increase staffing, and expand wraparound services. This influx of funding seeded 500 new shelter beds since 2018 and helped the city permanently house more than 330 residents since 2020. The city is also part of a larger, regional response to prevent and reduce homelessness in the community.

Long Beach

Homelessness is a housing crisis. In Long Beach, city officials permitted so many new homes that the supply boost contributed to a 5% drop in average rent in the city. It also ramped up its homelessness services, investing millions of dollars in outreach, encampment resolution, permanent housing, shelter space, and supportive services. Despite these efforts, homelessness still increased in 2022. Even for a city as large as Long Beach, grant funding is still both limited and competitive.

San Luis Obispo

Last year, San Luis Obispo adopted its first homelessness strategic plan and hired its first homelessness response manager. It worked closely with the county to provide resources to unhoused people living in high-risk flood and fire zones. It also earmarked encampment resolution funding for temporary washrooms and storage areas, as well as outreach and services coordination, to direct unsheltered people to supportive housing.

Corona

In 2020, <u>Corona</u> formed a public-private partnership with county agencies, businesses, nonprofits, and faith-based organizations to deliver a comprehensive set of services for unhoused residents. A statewide nonprofit provides outreach and support services, case management, and a path to permanent housing. Unsheltered homelessness in Corona has <u>decreased by 60%</u> since then. This led to a joint program with the city of Norco, funded by state, federal, and local city dollars.

Eureka

<u>Eureka</u> significantly reduced the number of unhoused residents through Uplift Eureka. The cross-sectional partnership streamlined existing services and focuses on four areas: housing assistance, resume and interview skill development, job training, and outreach. Since 2019, the program raised more than \$3 million in grants — including a \$1 million federal Emergency Solutions Grant — and reduced the number of people experiencing homelessness by roughly 25%.

Hayward

The number of homeless people in <u>Hayward</u> fell by 22% from 2019 to 2022, due to its first Housing Navigation Center and a motel conversion project. The center provides outreach services, short-term housing, case management, and housing placement services for unhoused residents. The center is funded through state dollars, the American Rescue Plan Act, and city dollars.

Modesto

A strong public-private partnership is giving Modesto's most vulnerable youth the tools and services they need to avoid chronic homelessness. Nearly a third of clients at a young navigation center have entered transitional housing, permanent housing, work programs, or rehabilitation facilities. Forty-three percent have accessed an on-site clinician and or participated in clinical groups, further reducing unsheltered homelessness and the strain on police, hospitals, and shelters.

Norco

For small cities like Norco, a key barrier to reducing homelessness is learning how to deliver services over a larger area with much less money. It joined forces with its larger neighbor, Corona. The cities share the same strategies, supportive services provider, and a staff position that manages both programs. When Cal Cities spotlighted this partnership in 2022, most unhoused Norco residents were sheltered and 26% of program participants had moved into permanent housing.

Paramount

For cities with few resources, connecting people with existing systems of care is key to reducing homelessness. <u>Paramount</u> focuses on coordinating services with other agencies and community nonprofits. The city also passed several affordable housing incentives. These efforts have been remarkably successful; the number of unhoused residents declined by 20% from 2022 to 2023.

Redlands

In 2022, <u>Redlands</u> received \$30 million in Homekey funding to convert a former motel into housing for chronically homeless people. The Governor and federal homelessness experts lauded the 100-unit project for its unprecedented speed of construction, which Redlands credits to strong public-private partnerships. The city worked closely with a company to remodel the motel and manage the property, and a local nonprofit provides supportive services.

San Diego

<u>San Diego</u> used a variety of funding sources to prevent and reduce homelessness. In the last two years, the city received millions in HHAP and Homekey funding. San Diego County also gave \$5 million to three cities, including San Diego, to create more shelters and connect people to services. The results were striking. In six months, San Diego increased its shelter bed capacity and street outreach by 28%. In 2022, it connected over 1,470 people experiencing homelessness to permanent or longer-term housing.

Victorville

Victorville recently opened the first facility of its kind to operate in the High Desert Region — a low-barrier shelter with medical care, interim housing, and other supportive services. Like many other cities, Victorville saw a sharp increase in homelessness after the pandemic, jumping 33% in just one year. The center is an example of what is possible when cities have access to funding.



Boosting Affordable Housing

How California cities are making real progress

Cities are working hard to spur housing production so that all Californians have a place to call home. They're taking on these difficult and complex tasks while navigating the state's annual barrage of housing bills that, at times, serve as barriers to increasing the state's affordable housing supply. Below are just a few examples of cities leveraging partnerships, community input, and multiple funding sources to boost affordable housing.

Alameda

Alameda, a city historically resistant to new development, became the first Bay Area city in 2022 to adopt an ambitious, state-certified housing plan. The plan, created with substantial input from residents, businesses, and other stakeholders, calls for the development of 5,300 new homes and apartments. The state commended Alameda for its action to close the housing availability gap.

Baldwin Park

<u>Baldwin Park</u> is leveraging local, regional, state, and federal funding to create supportive housing and boost affordable housing. The city has launched two tiny home villages since 2021, including one for individuals and one for families. It used ARPA funding and partnered with Habitat for Humanity to buy homes, repair them, and sell them at below-market value. The city is also partnering with the county and local nonprofits on a 107-unit Homeykey project for unhoused residents.

Cathedral City

Cathedral City issued a record 2,495 building permits in 2022 alone. The city also partnered with nonprofits and government agencies to create housing options for vulnerable residents: Veterans Village offers 60 units for homeless or at-risk veterans, and Cathedral Palms offers 224 affordable apartment units for seniors with 68 set aside for formerly unhoused residents.

El Cerrito

El Cerrito is a rare example of a small city with many transportation options. The city is working with Bay Area Rapid Transit to develop two mixed-use developments. The El Cerrito BART station will feature 769 housing units, with nearly half slated as below market income. In 2022, developers finished phase one of a multi-use project — 156 market-rate units — at the Del Norte BART station and will break ground on 69 affordable units in 2024. The projects are part of a site-specific plan which calls for 2,500 residential units.

Fillmore

Affordable housing is often mired in social stigma. But an award-winning affordable housing project in Fillmore broke the mold in 2022. The 77-unit community provides affordable homes for more than 150 individuals, families, seniors, and formerly unhoused individuals. Developers also recently completed a subdivision of 110 condominiums (7 deed-restricted). An additional 200+ units are in the development pipeline, 50 of which are for low-income residents.

Huron

Small, rural cities like Huron struggle with high construction costs, few amenities, onerous grant requirements, and a lack of infrastructure. Huron's economy depends on agriculture, meaning its population can rise significantly during harvest: One bad season can put severe downward

economic pressure on the city. Yet federal grants, a "nothing is off the table" philosophy, and cross-sectional partnerships show progress is possible when cities receive consistent funding.

Gateway cities

Funding affordable housing is particularly challenging for smaller cities that lack the resources and capacity to identify funding opportunities and work with developers. To work around this, many cities have formed housing trusts to secure funding they might not be eligible for or have the resources to pursue. Last year, the Gateway Cities Council of Government formed an affordable housing trust with 17 cities, speeding up their ability to address the region's acute shortage of affordable housing.

Nevada City

Rural communities must contend with extra challenges when developing housing, including less funding, workforce shortages — and in the case of Nevada City — wildfire risks, higher insurance costs, and a lack of buildable terrain. Until the opening of Cashin's Field — 51 units for extremely-low, very-low, and low-income families — the last large multifamily housing built in the city was in 2001. The city financed the project by cobbling together public and private funds. With this project, Nevada City exceeded its state-mandated low-income housing requirement.

Santa Ana

<u>Santa Ana</u> took an equity-centered approach when it transformed one of its oldest strip malls into an affordable housing community for families earning between 30 and 60% of the area's median income. The city focused on the needs and history of the neighborhood, ensuring that neither businesses nor residents were displaced. The community features an outdoor open space and a revitalized commercial center. The city helped fund the project with \$6 million of its own resources.

Santa Monica

In 2022, <u>Santa Monica</u> launched a pilot program prioritizing affordable housing for families displaced by urban renewal policies of the 1950s and '60s. The city-funded program, initially open to 100 displaced, low-income families or their descendants, gives priority access to below-market rent apartments. The city is one of a few nationwide attempting to compensate the more than a million people impacted by racist urban renewal policies. The city is also funding several affordable housing projects.

Roseville

In the late 1980s, Roseville began expediting the approval process for housing and commercial projects. It grew from 25,000 residents in 1980 to an astounding 155,000 today, in part because of the city's pool of market-rate and affordable housing. Developers have completed 3,958 new affordable rental units, including 1,000 for people with extremely- or very-low incomes. Another 2,400 units are underway, with 50% set aside for people in extremely- and very low-income brackets.

<u>Ukiah</u>

Ukiah received the state's "prohousing" designation in 2023. It is a remarkable accomplishment for a city once perceived as resistant to development. In 2017, officials created Ukiah's first housing strategy, division, and trust fund. The city also proactively reached out to developers who could build affordable housing and missing middle housing. Ukiah has already completed approximately 70-80% of its housing element programs. In the last housing cycle, it produced triple the number of required units, and its housing trust fund was recognized as a Best Practice Community by the HCD in 2018.



Recovery Housing

Cal Cities is leading the charge on three bills that would ensure drug and alcohol recovery facilities follow state regulations and provide high-quality treatment. The measures would address longstanding challenges facing many cities by creating more oversight and transparency to protect residents and hold bad actors accountable.

Priority bills

AB 2081 (Davies) Substance abuse: recovery and treatment programs. CO-SPONSOR/SUPPORT

This measure would require licensed recovery home operators to tell people seeking care that they can check the Department of Health Care Services' website to confirm a facility's compliance with state licensing laws.

AB 2574 (Valencia) Alcoholism or drug abuse recovery or treatment facilities. SPONSOR/SUPPORT

This measure would expand reporting requirements for licensed recovery home operators to enhance the Department of Health Care Services' oversight of sober living homes that are operating as an integral part of a licensed drug treatment facility located elsewhere.

SB 913 (Umberg) Substance use disorder treatment: facilities. SPONSOR/SUPPORT

This measure would augment state licensing efforts by requiring the Department of Health Care Services to adopt a process that allows cities to request approval to conduct site visits and enforce compliance with existing state licensing laws.

Why these bills matter to cities

- Recovery housing can play a key role in supporting vulnerable residents and creating safer communities. However, the state must also address the need for more oversight, accountability, and transparency.
- Drug and alcohol recovery facilities are loosely regulated in California. Cities and lawmakers have voiced concerns about the overconcentration of recovery homes in certain areas of the state, as well as the misuse of residential homes by profit-driven treatment centers. Compliance with state licensing laws is essential to safeguarding every person's well-being and care, both inside and outside recovery homes.
- For too long, the Legislature and the Governor have failed to pass meaningful recovery housing legislation. Cal Cities has a long history of advocating for legislation that creates comprehensive reform. Yet we continue to see little to no action by lawmakers to move legislation that protects residents and holds bad actors accountable.
- Cal Cities' sponsored measures would address recovery housing concerns while
 upholding the purpose and integrity of neighborhood care programs. These measures
 help ensure treatment facilities meet standards for patient care, which is central to
 effective treatment outcomes and community well-being.



Climate Change Resiliency and Disaster Preparedness

2024 Cal Cities Advocacy Priority

Strengthen climate change resiliency and disaster preparedness.

The impacts of climate change on our state are undeniable. California communities are experiencing a pendulum of climate extremes — from megadroughts to torrential flooding to extreme heat and catastrophic wildfires. City leaders are simultaneously preparing their communities for the long-term effects of climate change and rapidly responding when disaster strikes. The Legislature must accelerate efforts with cities to prepare, reduce, and adapt to the ever-changing climate risks — especially in vulnerable and under-resourced communities.

Legislative priorities for cities

AB 2330 (Holden) Endangered species: wildfire preparedness activities SPONSOR/SUPPORT

This measure would develop a voluntary, streamlined process for local agencies to submit wildfire preparedness programs to the California Department of Fish and Wildlife (CDFW) and seek approval to avoid, minimize, and mitigate the take of an endangered, threatened, or candidate species, incidental to conducting vegetative management activities in fire hazard severity zones located near urban areas across the state.

SB 1461 (Allen) State of emergency and local emergency: landslide SUPPORT

This measure would include landslides in state law for conditions that consistute a state of emerngcy by the state or local governments.

SB 972 (Min) Methane emissions: organic waste: landfills SPONSOR/SUPPORT

This bill would require CalRecycle to build upon local technical assistance efforts to support local governments in removing organic waste from landfills. The measure would require CalRecycle to issue two reports to the Legislature in 2028 and 2031 on the progress of organic waste diversion and methane emission reduction and improve alignment with the state's other climate goals.

AB 1567 (Garcia) and SB 867 (Allen) Climate Bonds SUPPORT IF AMENDED

This measure would enact a comprehensive climate bond, which, if approved by the voters in November 2024, would authorize a \$15.995 billion (Garcia) or \$15.5 billion (Allen) bond to finance capital infrastructure projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and clean energy programs. Cal Cities would like to see additional funding for organic waste diversion, water conservation, and public fleets for cities.

Why these priorities matter to cities

- Cities are proactively responding to the climate crisis, including planning and preparing for
 the shift in our climate and proactively addressing impacts when disaster strikes. Aligning
 climate programs and providing more tools and pathways to prepare for and address our
 changing climate and disasters will support cities in climate resiliency efforts.
- In the face of a looming economic recession, now is not the time to cut back or delay much-needed long-term climate resiliency funding. The state must take action on a climate bond this year to enourage long-term climate investments for the future.



Local Revenues

2024 Cal Cities Advocacy Priority

Safeguard local revenues and bolster local economic development.

California cities provide essential services residents depend upon every day, but cities can only maintain the delivery of these services if they have the fiscal resources to do so. New Cal Cities data reports that one in three cities anticipate having a local budget deficit in the upcoming year. Local governments and state lawmakers must work together to protect the economic tools cities need to remain fiscally sustainable and able to deliver vital local services.

Legislative priorities for cities

SB 1164 (Newman) Property taxation: new construction exclusion: dwelling units. OPPOSE
This measure would negatively impact local government property tax revenue by exempting newly constructed accessory dwelling units (ADU) from property tax assessment for 15 years if certain conditions are met.

SB 1494 (Glazer) Local agencies: sales and use tax: retailers. OPPOSE

This measure would, as of January 1, 2024, prohibit a city from entering a sales tax rebate agreement with a retailer. The measure would also make all existing agreements void and unenforceable, as of January 1, 2030.

The so called "Taxpayer Protection and Government Accountability Act." OPPOSE
This far-reaching measure puts at risk billions of dollars currently dedicated to critical state and local services.

Why these priorities matter to cities

- Legislation that deprives local governments of essential revenues, such as property tax, harms our communities. California cities and lawmakers should work together to strengthen local revenue streams, not diminish them.
- Cities are responsible for providing critical services to their communities.
 Lawmakers must partner with local governments to ensure cities can access a suite of economic tools that strengthen fiscal sustainability and protect local budgets.
- The so-called "Taxpayer Protection and Governmental Accountability Act would undermine voter rights, transparency, and accountability. The measure attempts to retroactively cancel revenue measures already approved by voters, potentially resulting in cuts to fire and emergency response, law enforcement, parks, libraries, affordable housing, and services to support homeless residents.