

PRIORITY FOCUS



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LEAGUE ENCOURAGES CITIES TO OPPOSE SB 303

Measure Would Require Upfront Zoning for 10-Year Housing Supply

Spring is in the air in Sacramento, which means the next round of proposed changes to the Housing Element Law are getting their first look in the State Legislature. The bill that is attracting the most attention is SB 303 (Ducheny), a measure that would overhaul the process in which local agencies must plan for and accommodate their Regional Housing Needs Assessment (RHNA) number.

For more, see Page 4.

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CITIES URGED TO SUPPORT SB 934

Bill Would Improve Long-Term Infill Infrastructure Financing

Responding to California's growth challenges requires new thinking and new ideas. California continues to grow at a rate of over 500,000 new residents each year, adding further traffic congestion and a variety of environmental and infrastructure issues. That's why the League of California Cities is asking cities to support SB 934. **For more, see Page 3.**

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FEDERAL UPDATE: BOXER, DREIER AND LOFGREN HONORED BY THE LEAGUE OF CALIFORNIA CITIES

Sen. Barbara Boxer (D-Calif.) and California Congressional Delegation Co-Chairs Zoe Lofgren (D-San Jose) and David Dreier (R-Glendora) were each honored by the League of California Cities with special recognition awards this week, during the National League of Cities Congressional City Conference in Washington, D.C. **For more, see Page 6.**

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ON BILLS?**

Visit the League of
California Cities
website at
[www.cacities.org/
billsearch](http://www.cacities.org/billsearch).

PUBLIC EMPLOYEE POST-RETIREMENT BENEFITS COMMISSION MEETS AT STATE CAPITOL

The initial hearing of the Public Employee Post-Retirement Benefits Commission took place on Friday, March 9, in Sacramento at the State Capitol. Chairman Gerald Parsky provided an overview of the commission's goals and reminded the commission on the opportunity it has to recommend a significant policy fix to the pension and healthcare liabilities that face California.

During the meeting, Chairman Parsky pointed out that the commission was not there to make policy but to examine how the state arrived at its current liability problem and to come up with the most prudent and fiscally responsible solution. The commission also discussed separating pensions from healthcare to better evaluate remedies for both situations.

Public participation was stressed and encouraged throughout the meeting, with various representatives addressing the commission during the first public comment segment of the meeting. A brief round-up of those comments is summarized below:

- Consider changing new hires to a defined contribution (DC) plan and raising the retirement age to 62
- Not making changes for current retirees and employees, but increasing the retirement age to 65 for non-public safety employees and setting the retirement age for public safety personnel at 55, with a minimum service of 30 years to be eligible for full retirement
- Focusing on the facts and ignoring the rhetoric in this highly charged issue
- Not making employees the victims during this process and not basing findings on a narrow view of a few bad years of the economy/stock market

In addition, the Attorney General's office gave the commission an overview of the Bagley-Keene

Open Meeting Act that will apply to the commission's deliberations. The commission's executive director will be Anne Sheehan, chief deputy director of the State Department of Finance. Meetings will be conducted throughout the state, with a schedule to be released shortly.

Local government representatives on the commission are Anaheim Mayor Curt Pringle and Tulare County Supervisor Connie Conway. Further updates on this process will be reported in *Priority Focus* as events develop.



EARLY REGISTRATION OPEN FOR LEGISLATIVE ACTION DAYS

Early registration is now available for the League of California Cities' Legislative Action Days, which will be held on May 16-17 at the Sheraton Grand Hotel in Sacramento. This is a unique opportunity to meet one-on-one with legislators and join your fellow elected officials and leaders around the state for a briefing on key legislative issues.

Among the scheduled activities are two pre-session discussions hosted by the League's diversity caucuses – Civic Engagement by the Latino Caucus and the State of Black California by the African American Caucus. In addition, there will be general sessions covering infrastructure bond implementation, budget issues and pending legislation; and keynote speakers from the Schwarzenegger Administration and the Legislature.

Registration is free and available online at www.cacities.org/events, along with a tentative schedule of events and speakers. The registration deadline is May 10 and there will be no on-site registration. Please note, however, that the housing reservation deadline is April 23.

SB 934 from page 1

SB 934 is a bill that would create a voluntary pilot-project with a local-state partnership to provide high density housing through the creation of 100 housing/infill districts statewide.

Under the bill, housing projects must be consistent with regional planning objectives and allow construction of more than 500 units of housing with an average net density of 25-40 units per acre, with 20 percent of the housing affordable to low- and moderate-income families. A League-sponsored measure, SB 934 was authored by Sen. Alan Lowenthal, chair of the Senate Transportation and Housing Committee.

SB 934 is the type of fiscal mechanism that must be in place over the long term if larger portions of our population growth are to be accommodated within existing urban centers rather than the suburban fringe.

While both state and local governments welcome the historic investment in infrastructure contained in Propositions 1B through 1E and 84, it is clear that many of these funds will be consumed addressing existing infrastructure deficits.

SB 934 is designed to complement the state's investment in transit and other infrastructure approved by the voters (such as Prop. 1B and 1C) with an additional longer-term financing mechanism (that can be funded initially in 2011). The measure would promote the development of higher density development patterns and preserve important open space and farmland resources.

SB 934 would also allow the state to pace the roll-out of this program in a manner that matches state budget priorities and revenue availability over the years. Specifically, Section 64115(e) authorizes the State Infrastructure Bank to "approve one or more applications for housing and infrastructure zones." This non-mandatory language is intended to provide the state program and budget flexibility.

Cities are encouraged to send letters supporting this legislation, and to thank Sen. Lowenthal for trying to offer "carrots" instead of "sticks" to assist local governments develop infill housing.

Sample letters and more information on the measure are available by looking up SB 934 at www.cacities.org/billsearch.

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REMINDER: CALIFORNIA SUMMIT FOR SAFE COMMUNITIES TO BE HELD NEXT WEEK!

The California Summit for Safe Communities will take place next week, on March 19 at the Radisson Hotel in Sacramento. Registration and further information is available online at www.cce.csus.edu/summit.

The summit is the result of a recommendation from the Governor's High Risk Sex Offender and Sexually Violent Predator (HRSO/SVP) Task Force. On December 1, 2006, the task force recommended that the Governor, League of California Cities, and the California State Association of Counties (CSAC) should sponsor a statewide summit to specifically address the placement and housing of sex offenders.

The League encourages mayors, council members, city managers, city attorneys, and city planners to attend this event. (Police chiefs will also attend the summit, with the California Police Chiefs Association designating who will represent their organization.)

There is limited seating for the summit, so please make sure to register as soon as possible. The registration cost for the summit is \$75, which includes an informational binder, breakfast, and lunch.

If you have any questions regarding the California Summit for Safe Communities, please contact League Legislative Analyst Leticia Farris at lfarris@cacities.org.

This Building Industry Association (BIA)-sponsored bill is an attempt to create more certainty in the entitlement process for developers, which in itself may be a worthy policy goal. The bill's approach is flawed, however, because like so many state mandates, SB 303 creates a narrow "one-size-fits-all" solution that will be difficult to unworkable in many cities and counties because it takes the seriously broken existing RHNA process and simply makes its much, much worse.

SB 303 would double the planning period (from five to 10 years) for the RHNA. At the same time, the bill would require local agencies to pre-zone their housing need for the entire 10-year period. In addition, SB 303 would require that every single site be analyzed to ensure that the size, configuration, use, physical and environmental characteristics, adjacent uses, market demand, and infrastructure will "realistically accommodate" the planned density of the parcel.

As a result, each site will have to be visited and surveyed for all of these characteristics. It will be a massive and costly mandate that will make infill housing less feasible in the future because of the higher infrastructure and other public and private costs associated with them. The effect of this bill will be to undercut popular local and regional efforts in recent years to steer housing development to infill areas.

League Position

The League opposes SB 303 because it is an expensive mandate that will discourage infill development, encourage sprawl, and penalize all cities—urban, suburban and rural—and dramatically undercut local control of residential development in the future.

Further, the measure fails to balance this emphasis on housing with other important state and local planning priorities, such as protecting open space and farmland, improving air quality, promoting infill-centered development, manufacturing and high-tech job development and maximizing the investment in existing infrastructure.

Potential Impact of SB 303

Below is a technical summary of SB 303's impact on local governments if passed:

- **Analyze and Pre-Zone 10-Year Supply of Land For Residential Development.** Requires every single site identified for a 10-year supply of land for housing to be analyzed by the local government to ensure that the size, configuration, current use, physical and environmental constraints, access, location, adjacent use...planned availability of infrastructure and services will "realistically accommodate" the density zoned for the parcel.

This will be a massive and costly undertaking. Each site in a community would have to be visited and surveyed for all of the above listed issues. Once analyzed, the 10-year supply will have to be zoned properly for that type of housing development.

- **Encourages Sprawl and Discourages Infill and Transit-Oriented Development (TOD).** Requires the local government to attest that for each site there exists "market demand for the density and type of housing." This will not only be costly, it will also create a lowest-common-denominator focus on housing. Private developers often maintain that infill development "does not pencil out" while traditional subdivisions on the edge of cities do.

This will undercut local and regional efforts to steer housing development to infill areas, promote transit oriented development, and develop and incentivize regional blueprints for guiding growth.

- **Discourages Public Involvement.** Removes opportunities for public comment and review by locking in planning and zoning on each site for 10 years, and allowing only changes consented to by the developer, or through a narrow health or safety finding which may only be adopted by a four-fifths vote. This places significant barriers to community participation in the planning process.

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For example, a resident would have needed to be present at a hearing on the adoption of a housing element for the entire city to have any voice about a development in their neighborhood. A building could be built in 2018, based upon a public discussion that occurred in 2008.

- **Trial Lawyers Win While Taxpayers Lose.**

Establishes the ability of all developers to collect attorney's fees against local agencies when they prevail in litigation on these matters, but provides nothing to the local tax payers when the public agency prevails.

This is a bad precedent that provides significant leverage to private interests over the interests of a community and the taxpayers. SB 303 provides incentives to litigate and can have an intimidating effect especially over small communities which may lack the resources to defend themselves.

- **Forces Increases in Local Development Fees For Planning.** Requires all general plans to be updated every 10 years, but provides no funding to pay for it. A comprehensive update of a local general plan for a small community costs approximately \$500,000, and for larger cities and counties the costs can soar to \$5 million.

That figure does not include the costs of the site-by-site analysis and other requirements of this bill. With 478 cities and 58 counties, the costs imposed by this measure will likely exceed \$500 million.

This legislation states that these costs can be recovered by local governments through fees. While greenfield developers may be able to offset these costs, local governments in urban and infill areas will likely face significant cost burdens on their general funds because of a lack of developer interest in building in their communities due to deteriorated infrastructure, concerns about crime and school quality, and other issues.

- **Prevents Safeguards Against Future Sprawl.** Clarifies that even if all the above sites (10 years worth of sites) are identified and verified and supported by market surveys, and local govern-

ments have incurred all the costs to make them available, that nothing in the legislation shall be interpreted to affect existing laws with respect to housing development outside of these areas. This is surely sprawl and growth without limits—which many people believe will contribute to further global warming.

Finally, it should also be noted that housing starts have declined in the last year due to market forces, and home builders are not starting new home construction even when they have all local approvals and permits. Would they do any differently with double the land supply available?

The League remains committed to working with the author and sponsor on incentive-based legislation that will increase certainty for home builders while also increasing the supply of affordable housing. That offer is still on the table, and we hope to have the opportunity to work on housing amendments that will work for home builders, cities and our residents.

For more information and a sample opposition letter on SB 303, [visit www.cacities.org/billsearch](http://www.cacities.org/billsearch) and look up the measure. Further updates on this legislation will appear in future editions of *Priority Focus*. Questions should be directed to League Legislative Representative Bill Higgins at bhiggins@cacities.org or Legislative Director Dan Carrigg at dcarrigg@cacities.org.

**FIND A BILL, LEGISLATORS,
LEG COMMITTEE – OR ASK
LEAGUE LEG STAFF**

Visit (and bookmark!) the League's [Legislative Resources](http://www.cacities.org/legresources) page (www.cacities.org/legresources). You'll find a roster and contact information for the League's legislative staff; the online Bill Search program, background materials on lobbying your legislators, and more.

FEDERAL UPDATE from page 1

Sen. Boxer was honored by the League on Tuesday, March 13, inside the chamber of the Senate's Environment and Public Works Committee, where she received an award from the League for being the first woman to chair the committee. In receiving the award, the senator pledged to work with cities to increase energy efficiency and reduce greenhouse gases.

Representatives Lofgren and Dreier were recognized for their continued dedication to the federal priorities of California cities on Wednesday, March 14, at the League's annual California Delegation Roundtable event.



League President Maria Alegria presents Congressman Dreier with his award.

"Sen. Boxer, Representatives Dreier and Lofgren have served California with integrity and conviction," said League Executive Director Chris McKenzie. "We're proud to honor them for their continuing work and achievements."

The California Congressional Delegation hosted the roundtable event, which was focused on one of the League's major policy priorities, Homeland Security and Emergency Preparedness.

Representatives Loretta Sanchez (D-Garden Grove), George Radanovich (R-Fresno), Darrell Issa (R-Vista), and Brian Bilbray (R-San Diego) also



From left to right: San Diego Council Member Scott Peters, Congressman Xavier Becerra, League President Maria Alegria, League First Vice President Jim Madaffer, League Second Vice President Ron Loveridge, and League Executive Director Chris McKenzie.

addressed the League on the importance of risk-based funding for homeland security grants, moving forward on the challenge of interoperable communications between various jurisdictions during emergencies, and local control and involvement in creating effective policies for responding to disasters.

In addition, the League heard from an expert panel on the subjects of homeland security and disaster preparedness, including speakers from the Department of Homeland Security's Office of Grants and Training, and the House Committees on Homeland Security, and Transportation and Infrastructure.

While in Washington, D.C., the League's executive officers had the opportunity to meet with key legislators to discuss the League's Federal priorities including - affordable housing, transit-oriented development, the Internet-tax moratorium, public safety and disaster preparedness. The meetings were very successful and the officers look forward to continuing to work with members of Congress to advance these priorities as the first session of the 110th Congress continues.

For the federal priority issue papers used during the meetings, visit www.cacities.org/federalresources.