



OCTOBER 2014 LAC & BOARD OF DIRECTORS MEETING SUMMARY

Legislative Action Committee (LAC) Meeting Summary

- **The Legislative Action Committee reviewed the November 2014 State Ballot Initiatives.**
- **The LAC unanimously recommended to support the following propositions:**
 - **Proposition 1: Water Quality, Supply, and Infrastructure Improvement Act of 2014** – If approved, Prop. 1 would provide a total of \$7.545 billion in bond funding for water related projects such as water conservation, groundwater recharge, storm water capture and reuse/Clean Water Act Compliance, watershed restoration, water storage and conveyance and water recycling and reuse. The \$7.545 billion in funding would come from the issuance of \$7.12 billion in new general obligation (GO) bonds and the reallocation of \$425 million in existing bond funds previously approved by voters.
 - **Proposition 2: State Budget Stabilization Act** - The measure, upon voter approval, would alter the state's existing requirements for the Budget Stabilization Account (BSA), as established by Proposition 58. The BSA is a rainy day fund. ACA 1 would also establish a Public School System Stabilization Account (PSSSA)
- **The LAC recommended to oppose the following propositions:**
 - **Proposition 46: Medical Malpractice Lawsuits Cap and Drug Testing of Doctors** - If approved by voters, the initiative will:
 - Increase the state's cap on non-economic damages that can be assessed in medical negligence lawsuits to over \$1 million from the current cap of \$250,000.
 - Require drug and alcohol testing of doctors and reporting of positive tests to the California Medical Board.
 - Require the California Medical Board to suspend doctors pending investigation of positive tests and take disciplinary action if the doctor was found impaired while on duty.
 - Require health care practitioners to report any doctor suspected of drug or alcohol impairment or medical negligence.
 - Require health care practitioners to consult the state prescription drug history database before prescribing certain controlled substances.

- Members expressed concern for the proposed increase of the lawsuit cap and the overall increase on healthcare costs if this proposition is passed; members unanimously voted to oppose proposition 46.
- **Proposition 47: Reduced Penalties for some Crimes Initiative** - The initiative, if approved by the state's voters, would reduce the classification of most "nonserious" and nonviolent property and drug crimes" from a felony to a misdemeanor.
- Though members support rehabilitation over incarceration for those who commit nonviolent crimes, members expressed concern for the proposed changes to criminal justice policies; members voted to oppose proposition 47.
- **The LAC unanimously recommend to take no position on the following propositions:**
 - **Proposition 45: Public Notice Required for Insurance Rate Changes Initiative**
 - **Proposition 48: Referendum to Overturn Indian Gaming Compacts**

Board of Directors Meeting Summary

- **Judges Walsh and Pichon and CEO David Yamasaki of the Santa Clara County Superior Courts presented on the FY 14-15 state budget and its impact on trial courts in Santa Clara County.**
 - Due to the \$156 million of reduced funds available to trial courts throughout California in FY 14-15, Santa Clara County will have a budget deficit of \$8.5 million. This will force the closure of courtrooms throughout the region, which will create longer lines and delays in obtaining important court orders.
 - State Legislators have been supportive of the courts requests for more funding; however, the Governor decided to reduce their funding to motivate efficiencies.
 - Some of the closures include the small claim traffic court in Palo Alto, misdemeanor courtroom in Morgan Hill, and the combination of small claims courts in Santa Clara and Sunnyvale.
 - In addition to the \$8.5 million deficit, reductions of \$30 million has developed over the past 5 years; the organization began preparing for budget cuts by not filling in job requisitions upon vacancies.
 - Santa Clara County lost more money than other counties because of the belief that Santa Clara County is "better off."
 - Currently, court filings have decreased, largely due to the economic downturn.
 - Since the closures began, misdemeanor filings have decreased and misdemeanor crimes will likely go straight to court without investigations; there is a concern of the affect on public safety and an increase in recidivism in our communities.
 - Currently, courts are working with the Justice Departments on renegotiating contracts and consolidations. Judges note that efficiency and justice don't always lead to productive solutions, e.g. sometimes cases need attention and investigation for adequate resolutions.

- Board Members requested specific metrics on the affected service levels so that the Cities Association can submit a letter to the Governor in support of the courts.
- Superior Courts recently hosted a Legislative Day for local elected officials to build awareness of the courts' proceedings and role in the community. The next one will be hosted in March 2015.
- **Affordable Housing Subcommittee Members (Burton Craig, Jarrett Fishpaw, Joe Pirzynski, and Steve Tate) presented recommendations.**
 - The subcommittee met three times during 2014 thus far and included city housing staff from the participating cities, subcommittee members, and Kevin Zwick of the Housing Trust and Shiloh Ballard of SVLG.
 - Funding the development of housing is key for our region; the subcommittee submitted a packet of information on potential funding strategies.
 - Based on the white paper co-authored by the Cities Association and the Housing Trust there are a number of strategies that can be pursued regionally. The first suggested was the RDA Boomerang Fund policies; those were proposed to eligible cities in early 2014. Four of the five cities passed RDA One-time Boomerang Fund Policies by the June 17th deadline.
 - Some of the other strategies/potential fund sources include considering housing impact fees, use of cap-and-trade funds, RDA 2.0 legislation (SB 628 Beall), and establishment of a RHNA sub-region.
 - City of Mountain View has adopted a housing impact fee and the cities of San Jose and Sunnyvale are considering housing impact fees. A nexus study is needed in order to document the linkage between development and an increased need for affordable housing. Information about nexus studies is included in the packet.
 - Steve Tate met with SCC BOS Cindy Chavez to discuss the county's interest and role in considering a RHNA sub-region for the next cycle. It was agreed upon that the Cities Association and the county should collaborate on the consideration of the sub-region and to further explore San Mateo County's experience with its sub-region.
 - The subcommittee recommends continuing focus efforts on affordable housing for next year.
- **Legislative Roundtable with Senator Jerry Hill and Assembly Member Rich Gordon: roundtable session included legislative updates from both Members, and questions from Board Members on issues of interest and upcoming items they should be aware of in the next legislative session.**
 - This year we are in better fiscal shape than previous years; state revenue has increased; fiscal prudence was key this year; reinvestment in higher education is being considered.
 - Some highlights of the legislative session include: 1) the proposed state water bond; it is a major accomplishment that signifies

collaboration as an effort to address the current drought; 2) California is the first to ban plastic bags statewide; 3) continuation of Community Choice Aggregation; 4) previously cut services are being refunded; 4) Mental Health and its affect on the criminal justice system and education.

- Redistricting and new term limits are changing the make-up of the state legislature; it's now more business friendly, more collaborative, more focused, more thoughtful, and more open-minded due to the open primary.
- Bay Area does not receive as much as it contributes due to the perception that it is "wealthy."
- Rich Gordon chaired the Select Committee on Sea Level Rise, passed two pieces of legislation in relation to the issue and created \$2.5 million budget line item for sea level resiliency.
- Expected Assembly changes include a number of new committee chairs, e.g. Budget, Education, Local Government; 1/3 of the Assembly will include new Members.
- Senator Hill devoted efforts to reforming the Public Utilities Commission and bringing PG&E to justice for the San Bruno pipeline explosion; six bills were passed this year as an effort to change the regulatory environment.
- Questions from Board Members addressed Community Choice Aggregation, government workers' ability to strike (this affects community and public safety), transportation and use of cap-and-trade funds, housing and new tools for economic development to be proposed by Assembly Member Speaker Atkins, potential CEQA reform (opposition may be too strong).

Executive Board 2015 Nominating Committee Report: 2nd Vice President Jim Griffith presented the following report to the Board.

President:	Council Member Jason Baker, Campbell
First Vice President:	Mayor Jim Griffith, Sunnyvale
Second Vice President:	Council Member Greg Scharff, Palo Alto
Secretary/Treasurer	Council Member Peter Leroe-Muñoz, Gilroy
LAC Chair	Vice Mayor Rod Sinks, Cupertino
Immediate Past President	Mayor Steve Tate, Morgan Hill
City Managers' Association Liaison	Mark Linder, Campbell

Approval of the recommendation is scheduled for the November Board Meeting, at which nominations from the floor are accepted.

Legislation Report:

Legislative Update - Betsy Shotwell of San Jose provided an overview of the legislative session. AB 2126 (Brown Act: Mediation), which was opposed by the Cities Association, was vetoed. AB 2280 (Community Revitalization and Investment Authority), which was supported by the Cities Association, was vetoed but the Governor; however, he indicated a willingness to work with the author on similar legislation not dependent on tax increments and former redevelopment law. In summary, over 1,000 bills were sent to the Governor; over 900 were signed into law, and over 100 were vetoed.

LAC Report – Jim Griffith presented LAC’s recommendations per their review of the November 2014 State Ballot Initiatives (as summarized in LAC Meeting Summary). The Board unanimously supported all recommendations.

Joys and Challenges:

- Rod Sinks of Cupertino shared the city’s ranking of #6 in education.
- Burton Craig of Monte Sereno noted the town recently passed a draft of its housing element.
- Jim Griffith of Sunnyvale shared that the city will be reviewing a proposed increase to the minimum wage.