



**MCCMC LEGISLATIVE COMMITTEE MEETING  
FRIDAY, SEPTEMBER 6, 2019, 11:00 AM  
SAN RAFAEL CITY HALL – 3RD FLOOR CONFERENCE ROOM  
1400 FIFTH AVENUE, SAN RAFAEL, CA 94901**

**AGENDA**

**A. WELCOME/INTRODUCTIONS**

**B. REPORTS**

David Jones/Kyra Ross – Emanuels Jones, Sacramento

Melissa Apuya, District Representative – report from Assembly member Marc Levine

Nancy Hall Bennett - League of California Cities

**C. UPDATES**

- Update on the Status of Committee Action Bills with Recent Amendments
- Status of Housing Bills for the Next Legislative Session
- Significant Bills Carried Over to January, 2020

**D. COMMITTEE BUSINESS**

**1. Action Items**

- a. AB 1487 (Chiu) San Francisco Bay area: housing development: financing. (*Watch*)<sup>1</sup>.
- b. Emergency Actions in Response to Last Minute Bill Amendments

**2. Watch Items**

- a. AB 11 (Chiu) Community Redevelopment Law of 2019 (*Watch*).

**E. CHAIRS REPORT**

- General Committee Update: Chair

**F. CALENDAR**

Upcoming General MCCMC Meetings:

- Wednesday, September 25, 2019 – City of Mill Valley
- Wednesday, October 23, 2019 – City of Novato
- Wednesday, November 20, 2019 – Town of Ross

Upcoming MCCMC Legislative Committee Meetings:

- Monday, October 28, 2019
- Monday, November 25, 2019
- December, 2019 Meeting – Cancelled

**G. ADJOURN**

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<sup>1</sup> Notes in parenthesis and italics denote League of California Cities position at date of Agenda publication.

## ACTION ITEMS

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### [AB 1487, as amended, Chiu. San Francisco Bay area: housing development: financing.](#)

Existing law provides for the establishment of various special districts that may support and finance housing development, including affordable housing special beneficiary districts that are authorized to promote affordable housing development with certain property tax revenues that a city or county would otherwise be entitled to receive.

This bill, the San Francisco Bay Area Regional Housing Finance Act, would establish the Bay Area Housing Finance Authority (hereafter the authority) and would state that the authority's purpose is to raise, administer, and allocate funding for affordable housing in the San Francisco Bay area, as defined, and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production. The bill would provide that the governing board of the Metropolitan Transportation Commission serve as the governing board of the authority. The bill would require the authority board to provide for regular audits of the authority, including an independent financial and performance audit for bonds secured by ad valorem property taxes, and financial reports, as provided. The bill would include findings that the changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities within the San Francisco Bay area, including charter cities.

The bill would authorize the authority to, among other things, raise and allocate new revenue, incur and issue bonds and other indebtedness, and allocate funds to the various cities, counties, and other public agencies and affordable housing projects within its jurisdiction to finance affordable housing development projects, preserve and enhance existing affordable housing, and fund tenant protection programs, as specified, in accordance with applicable constitutional requirements. In this regard, the bill would authorize the entity to impose various special taxes, including a parcel tax, and certain business taxes, within its jurisdiction and to issue general obligation bonds secured by the levy of ad valorem property taxes, in accordance with applicable constitutional requirements, and revenue bonds payable from the revenues of the authority, other than revenues generated from ad valorem property taxes. The bill would also authorize the executive board of the Association of Bay Area Governments to impose a commercial linkage fee, as defined, in an amount not to exceed the equivalent of \$10, and require a city or county in the San Francisco Bay area that has jurisdiction over the approval of a commercial development project, as defined, to collect that fee as a condition of that approval and remit the amount of fee to the authority, as provided. The bill would require the authority to ratify the commercial linkage fee adopted by the executive board of the Association of Bay Area Governments. The bill would require that revenue generated by the authority pursuant to these provisions be used for specified housing purposes and require the authority to distribute those funds in accordance with specified requirements, including the adoption of a regional expenditure plan.

This bill would make legislative findings and declarations as to the necessity of a special statute for the San Francisco Bay area.

By adding to the duties of local officials with respect to (1) providing staff for the authority and (2) elections procedures for revenue measures on behalf of the authority, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

- **League Position:** Watch

## WATCH ITEMS

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### [AB 11 \(Chiu\) Community Redevelopment Law of 2019. \(Amended: 4/11/2019\)](#)

(1) The California Constitution, with respect to any taxes levied on taxable property in a redevelopment project established under the Community Redevelopment Law, as it then read or may be amended, authorizes the Legislature to provide for the division of those taxes under a redevelopment plan between the taxing agencies and the redevelopment agency, as provided.

Existing law dissolved redevelopment agencies as of February 1, 2012, and designates successor agencies to act as successor entities to the dissolved redevelopment agencies.

This bill, the Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined. The bill would require the city or county to submit that resolution to each affected taxing entity and would authorize an entity that receives that resolution to elect to not receive a passthrough payment, as provided. The bill would require the city or county that adopted that resolution to hold a public hearing on the proposal to consider all written and oral objections to the formation, as well as any recommendations of the affected taxing entities, and would authorize that city or county to adopt a resolution of formation at the conclusion of that hearing. The bill would then require that city or county to submit the resolution of intention to the Strategic Growth Council for a determination as to whether the agency would promote statewide greenhouse gas reduction goals. The bill would require the council to approve formation of the agency if it determines that formation of the agency both (1) would not result in a state fiscal impact, determined as specified by the Controller, that exceeds a specified amount and (2) would promote statewide greenhouse gas reduction goals. The bill would deem an agency to be in existence as of the date of the council's approval. The bill would require the council to establish a program to provide technical assistance to a city or county desiring to form an agency pursuant to these provisions.

The bill would provide for a governing board of the agency consisting of one member appointed by the legislative body or the legislative bodies, as applicable, that adopted the resolution of intention, one member appointed by each affected taxing entity, and 2 public members. The bill would authorize an agency formed pursuant to these provisions to finance specified infrastructure and housing projects, and to carry out related powers, such as the power to purchase and lease property within the redevelopment project area, that are similar to the powers previously granted to redevelopment agencies. The bill would require an agency to adopt an annual budget and to maintain detailed records of every action taken by that agency for a specified period of time, and would provide that any person who violates this requirement be subject to a fine of \$10,000 per violation.

The bill would require the agency to submit an annual report containing specified information, and a final report of any audit undertaken by any other local, state, or federal government entity, to its governing body within specified time periods. The bill would also require the agency to submit a copy of the annual report with the Controller and a copy of any audit report with the Department of Housing and Community Development. The bill would establish procedures under which the Controller would identify major audit violations and the Attorney General would bring an action to compel compliance.

The bill would require the governing board of an agency to designate an appropriate official to prepare a proposed redevelopment project plan, in accordance with specified procedures. The bill would require the agency to hold a public hearing on the proposed redevelopment project plan, and would authorize the governing board to either adopt the redevelopment project plan or abandon proceedings, in which case the agency would cease to exist. The bill would authorize the redevelopment project plan to provide for the division of taxes levied upon taxable property, if any, between an affected taxing entity and the agency, as provided. The bill would declare that this authorization fulfills the intent of constitutional redevelopment provisions. The bill would also require that not less than 30% of all taxes allocated to the agency from an affected taxing entity be deposited into a separate fund, established by the agency, and used for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at an affordable housing cost, as provided.

The bill would authorize the agency to issue bonds to finance redevelopment housing or infrastructure projects, in accordance with specified requirements and procedures, including that the resolution proposing the bonds include a description of the facilities or developments to be financed and the estimated cost of those facilities or developments, and that the resolution adopting the bonds provide for specified matters such as the principal amount of bonds. The bill would also authorize a city, county, or special district that contains territory within the boundaries of an agency to loan moneys to the agency to fund activities described in the redevelopment project plan. The bill would require the agency to contract for an independent financial and performance audit every 2 years after the issuance of debt.

(2) Section 8 of Article XVI of the California Constitution sets forth a formula for computing the minimum amount of revenues that the state is required to appropriate for the support of school districts and community college districts for each fiscal year.

This bill would require the Director of Finance to adjust the percentage of General Fund revenues appropriated for school districts and community college districts for these purposes in a manner that ensures that the division of taxes authorized by the Community Redevelopment Law of 2019 have no net fiscal impact upon the total amount of the General Fund revenue and local property tax revenue allocated to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution, as specified.

(3) By imposing additional duties on the county auditor with respect to the allocation of tax increment revenues, and the review of information submitted to the county auditor by an agency pursuant to these provisions, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

- **League Position:** Watch

#### **LEGISLATIVE CALENDAR**

- September 3-13, 2019 - Floor session only. No committee may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(a)(13)).
- September 6, 2019 - Last day to amend on floor (J.R. 61(a)(14)).
- September 13, 2019 - Last day for any bill to be passed (J.R. 61(a)(15)). Interim Recess begins upon adjournment (J.R. 51(a)(4)).
- October 13, 2019 - Last day for Governor to sign or veto bills passed by the Legislature on or before Sept. 13 and in the Governor's possession after Sept. 13 (Art. IV, Sec. 10(b)(1)).

#### **LEAGUE OF CALIFORNIA CITIES CALENDAR**

- October 16 - October 18, 2019 – 2019 Annual Conference and Expo