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CALIFORNIA CONTRACT CITIES ASSOCIATION

17315 Studebaker Rd., Suite 210, Cerritos, CA 90703

Phone: (562) 622-5533 · Fax: (562) 222-8135

www.contractcities.org

LEGISLATIVE COMMITTEE MEETING RECAP

Wednesday, June 27, 2018, 12:30 PM

**Members Present: Bea Dieringer, Sandra Armenta, Judy Nelson,
Sam Pedroza**

Staff Present: Michael Vuong, Marcel Rodarte

I. Approval of April 2018 Minutes

Motion to approve by Sandra Armenta, second by Bea Dieringer. Motion passes.

II. Discussion Items

1. Los Angeles County's Safe Clean Water Program [Draft]

Recommendation: Discuss Item

Background

On June 14, CCCA submitted a joint comment letter with the League of CA Cities to the Los Angeles County Board of Supervisors (attached) in response to the May 25 draft revise of the Safe Clean Water Program (SCWP).

SCWP is a stormwater parcel tax measure proposed by the County for the November 2018 ballot. The program would apply an annual 2.5 cent per square foot tax, which aims to raise \$300 million annually to support the County and cities' 2012 municipal separate storm sewer permits (MS4) requirements for stormwater capture and treatment, which is estimated to cost \$20 billion over the next two decades.

SCWP will fund the following:

1. **District Program (10%)** – Allocated to the Flood Control District for the administration of projects, including capital projects, community investment benefit, and/or water supply benefits.
2. **Municipal Program (40%)** – Allocated for their cities' stormwater capital projects
3. **Regional Program (50%)** – Allocated for watershed-based projects, including operation and maintenance, to the designated regional plans and watershed areas
 - a. 85% - Infrastructure programs (e.g. design, permits, CEQA)
 - b. 10% - Technical resource programs (e.g. feasibility studies)
 - c. 5% - Scientific studies

Several concerns raised by the joint letter include:

- Allowing cities to use their own procurement, contracting, and reporting procedures
- Increasing municipal representation in the Watershed Area Steering Committee
- Expand and clarify credit program

Several other concerns were raised by other stakeholders, including the Los Angeles Business Federation, including the credit program for businesses and a list/cost of regional projects. A final draft of the SCWP will be made available between June 26 – July 3. The Board of Supervisors will likely take action on the proposal at the July 10 meeting.

Motion to receive and file by Sandra Armenta, second by Bea Dieringer. Motion passes.

2. SB 946 (Lara) Street Vendors

Recommendation: Oppose legislation

Background

SB 946 would establish state guidelines for street vending and restrict local control, including general law and charter cities, from regulating sidewalk vending, except under provisions relating to health, safety, and welfare. The bill also prohibits specific limitations to the operation and location of street vending in the public right-of-way and limit violation penalties to administrative fines.

Street vendors will be required to comply with established guidelines in SB 946, including obtaining specified business licenses/seller's permits, maintaining sanitary conditions, and complying with existing disability standards, including the American Disabilities Act of 1990. Additionally, SB 946 limits penalties for violating local ordinances, from \$100 for the first offense to revoking licensure for vending. SB 946 also prohibits criminal prosecution

Analysis

SB 946 intrudes on local control, superseding established local ordinances over street vending in public right-of-way, including sidewalks and parks. If enacted, a city with an existing ordinance for street vending must align its ordinance with SB 946 to comply. SB 946 also intrudes the local planning of a city, where cities have designated in the community designated for medical facilities, office buildings, restaurants, and bars. Additionally, street vendors will be held to a different set of standards/rules compared to existing brick and mortar businesses who are required to maintain their business, such as costs (liabilities), expenses, and regulations.

Motion to oppose by Bea Dieringer, second by Judy Nelson. Sandra Armenta raised concerns that the committee was taking a position on a bill without a sizable quorum present for discussion, however, because the measure impacts local control, a vote is necessary. Michael Vuong shared that the committee does have existing policies or procedures related to quorum and voting members. The motion passes.

3. Costa Hawkins (Rent Control) Repeal Initiative

Recommendation: Discuss Item

A repeal of the Costa Hawkins Rental Housing Act has qualified for the November 2018 ballot. Costa Hawkins passed in 1995 to limit rent control on housing properties built after February 1995. Before Costa Hawkins' passage, several cities impose vacancy controls on properties over concerns for

excessive rental rates on tenants. Cities were afforded latitude with its police powers, however, many property owners felt that local rent control unfairly impeded the fair value return in the free market demand of rental rates. Costa Hawkins passed after several attempts in the State Legislature.

However, due to today's housing crisis, there have been calls to reform and/or repeal Costa Hawkins, including [AB 1506 \(Bloom D-Santa Monica\)](#). The bill died on January 2018 in Assembly Committee on Housing and Community Development. Today, the California Department of Housing and Community Development projects that the state will need an estimated 2.5 million new housing units to meet current demand by 2025.

As Costa Hawkins stands today, property owners can re-list rent-controlled apartments at market rate when a tenant moves out of a property. However, current law limits yearly rent hikes to 3 percent and provide eviction protections to tenants. Additionally, Costa Hawkins does not prohibit a city from imposing rent control but constrains its ability.

Arguments in Opposition

A 2016 report by the Legislative Analyst's Office found that expanding rent control would likely discourage new construction of housing by limiting the profits gain from rentals. Developers would have fewer incentives to develop in cities where rent control is imposed, potentially exacerbating the current housing shortages. Other opponents argue that repeal could adversely affect a city's property tax revenue by hampering the value of properties with rent-control.

Arguments in Support

Repealing Costa Hawkins would bring back local control to cities. Proponents of the initiative include the cities of West Hollywood and Santa Monica. Proponents also note that the reduction in rental costs would result savings and more disposable income for renters to use, resulting in an increase in sales tax revenue.

Analysis

While repeal efforts would return rent control to cities, cost savings for tenants would not be foreseen in the short-term, nor would be realized in cities that do not have rent control ordinances. In the event Costa Hawkins repeal passes, it is expected several cities would be pressed to pass rent control ordinances, such as the cities of Long Beach, Inglewood, and Pasadena. Moreover, current public perception fault cities for the housing shortages, including in a report released by the CA Dept. of Housing and Community Development showing 97 percent of cities as not meeting their Regional Housing Needs Assessment.

Discussion ensued between the committee members. Judy Nelson shared that a fellow colleague on the Glendora City Council opposed the measure because the measure would impact a city's ability to attract new development of residential properties. Sandra Armenta reiterated that the committee's present members should not take a position because of the lack of a sizable quorum. The committee members decided to take a no/watch position.

III. Other Items for Discussion

IV. Adjourn

Next Meeting Wednesday, July 25, 2018